IHCL

SUBSIDIARIES ACCOUNTS
2018-19

A FULL SUITE OF HOSPITALITY OFFERINGS

THE INDIAN HOTELS COMPANY LIMITED
A TATA Enterprise

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of **Benares Hotels Limited**
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Benares Hotels Limited** ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31 March 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expansion and renovation of one of the hotel properties of the Company

During the year company completed expansion and renovation which comprised a significant portion of additions to the Property, Plant and Equipment of the year. The process of additions involves completion of all the related construction contracts, job works and other related civil, electrical, landscaping and interior works, final determination of the cost including allocation of indirect costs and ready to use dates. This involves reconciliation of related vendor accounts and obtaining technical confirmations. Any incorrect determination of costs due to error or management bias in allocation of indirect costs could lead to material misstatements. Refer Property, Plant and Equipment at Note 4 to Financial Statements for the additions made during the year.

How we addressed it in our audit

After obtaining a thorough understanding of the project break down structure, relevant group policies and accounting policies adopted, our tests included:

- Test of controls related to system of authorization of capital procurements, accounting and classification of related vendor bills, reconciliations of vendor accounts and approval for journal & payment entries.
- Verification of final determination of quantities, contract dues and vendor account reconciliations
- Validating the assumptions used in the allocation of indirect costs
- Comparison of the costs with the budgets and enquiring in to the reasons for variations and ensuring infructuous costs, if any, do not getting added
- Verifying the classification of additions into various asset classes and the useful life used for purpose of depreciation calculations

Our tests did not reveal any material exceptions.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 Management and Those Charged with Governance for 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 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, 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 financial statements comply with the Indian 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 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2019.

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

(h) As required by Section 197(16) of the Act, we report that the remuneration paid by the company to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

R. Suriyanarayanan
Partner
Membership No: 201402

Place: Mumbai
Date: 24th April 2019

Annexure - A to the Independent Auditor's Report

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Benares Hotels Limited ("the Company") on the financial statements as of and for the year ended 31 March 2019.

(i) In respect of the Company's fixed assets:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

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

(ii) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees or security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore clause 3(iv) of the Order is not applicable to the Company.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, *except for few delays*, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities**.**

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax(GST), Duty of customs, Excise duty and Value added tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Annexure - A to the Independent Auditor's Report (Contd.)

Nature of statute	Nature of dues	Amount (₹ in Lakhs)	Period to which amounts relates	Forum where dispute is pending
Income Tax Act 1961	Demand	0.98*	FY 2012-13	CIT – Appeals (Varanasi)
U.P. Trade Tax Act	Demand	26.27*	FY 2006-07 & FY 2007-08	1st Appellate Authority, UP VAT

* net of amounts paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from the government, financial institution, bank or debenture holders during the year.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

R. Suriyanarayanan
Partner
Membership No: 201402

Place: Mumbai
Date: 24th April 2019

Annexure - B to the Independent Auditor's Report

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

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 **Benares Hotels Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure - B to the Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

R. Suriyanarayanan
Partner
Membership No: 201402

Place: Mumbai
Date: 24th April 2019

Balance Sheet as at March 31, 2019

	Note	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Assets			
Non-current assets			
Property, plant and equipment	4	**8,070.72**	5,303.68
Capital work-in-progress		**132.19**	1,463.98
Other Intangible assets	5	**73.94**	94.94
		8,276.85	6,862.60
Financial assets			
Investments		**-**	-
Other financial assets	6	**26.22**	18.95
Advance income tax (net)		**201.61**	206.14
Other non-current assets	7	**120.84**	396.76
		8,625.52	7,484.45
Current assets			
Inventories	8	**128.23**	124.77
Financial assets			
Trade receivables	9	**434.91**	407.99
Cash and cash equivalents	10	**112.02**	481.51
Bank balances other than cash and cash equivalents	11	**178.22**	158.25
Other financial assets	6	**128.48**	115.76
Other current assets	7	**52.44**	122.18
		1,034.30	1,410.46
Total		**9,659.82**	8,894.91
Equity and liabilities			
Equity			
Equity share capital	12	**130.00**	130.00
Other equity	13	**7,040.24**	6,400.92
Total equity		**7,170.24**	6,530.92
Non-current liabilities			
Provisions	14	**35.94**	32.16
Deferred tax liabilities (net)	15	**648.52**	573.80
		684.46	605.96
Current Liabilities			
Financial liabilities			
Borrowings	16	**500.00**	500.00
Trade payables	17		
- Due to Micro and Small Enterprises		**1.93**	5.11
- Due to Others		**689.30**	602.35
Other financial liabilities	18	**485.95**	469.09
Other current liabilities	19	**107.43**	162.25
Provisions	14	**20.51**	19.23
		1,805.12	1,758.03
Total		**9,659.82**	8,894.91
Summary of significant accounting policies	3		

The accompanying notes form an integral part of the financial statements

As per our Report of even date attached	**For and on behalf of the Board**	
For PKF Sridhar & Santhanam LLP	**Dr. Anant Narain Singh**	**Rohit Khosla**
Chartered Accountants	Chairman	Director
Firm Registration No. 003990S/S200018	DIN: 00114728	DIN: 07163135
R. Suriyanarayanan	**Vijay Pratap Shrikent**	**Sopan Kedia**
Partner	Chief Executive Officer	Chief Financial Officer
Membership No. 201402		
Date : April 24, 2019	**Vanika Mahajan**	
Place : Mumbai	Company Secretary	

Statement of Profit and Loss for the year ended March 31, 2019

	Note	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Income			
Revenue from operations	20	**5,967.65**	4,742.65
Other income	21	**71.15**	84.87
Total Income		**6,038.80**	4,827.52
Expenses			
Food and beverages consumed	22	**588.47**	496.58
Employee benefit expense and payment to contractors	23	**1,059.78**	952.68
Finance costs -(Interest on ICD)		**75.80**	12.32
Depreciation and amortisation expense		**522.88**	417.31
Other operating and general expenses	24	**2,574.15**	2,163.78
Total Expenses		**4,821.08**	4,042.67
Profit/ (Loss) before exceptional items and tax		**1,217.72**	784.85
Exceptional items		**-**	-
Profit/ (Loss) before tax		**1,217.72**	784.85
Tax expenses			
Current tax	25	**271.54**	301.30
Deferred tax	25	**73.89**	(157.00)
Short provision of tax of earlier years (Net)		**-**	(7.74)
Total		**345.43**	136.56
Profit/ (Loss) after tax		**872.29**	648.29
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**2.95**	1.48
Less :-income tax expense	25	**0.82**	0.41
Other comprehensive income for the year, net of tax		**2.13**	1.07
Total comprehensive Income for the year		**874.42**	649.36
Earnings per share:	33		
Basic - (₹)		**67.10**	49.87
Diluted - (₹)		**67.10**	49.87
Face value per ordinary share - (₹)		**10.00**	10.00
Summary of Significant Accounting Policies	3		
The accompanying notes form an integral part of the Financial Statements			

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402

Date : April 24, 2019
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vijay Pratap Shrikent
Chief Executive Officer

Sopan Kedia
Chief Financial Officer

Vanika Mahajan
Company Secretary

Cash Flow Statement for the year ended March 31, 2019

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Cash Flow From Operating Activities		
Net Profit Before Tax	**1,217.72**	784.85
Adjustments For :		
Depreciation and Amortisation	**522.88**	417.31
Finance Cost	**75.80**	12.32
Provision for Doubtful Debts	**4.31**	8.89
(Gain)/ Loss on sale of assets	**(29.16)**	(8.60)
Interest (Net)	**(25.17)**	(63.75)
Provision for Employee Benefits	**2.95**	1.48
	551.61	367.66
Cash Operating Profit before working capital changes	**1,769.33**	1,152.50
Adjustments For :		
Trade Receivables	**(31.22)**	4.17
Inventories	**(3.46)**	(9.77)
Non Current- Other Financial Asset	**(7.27)**	0.40
Other non-current assets	**(15.98)**	(2.18)
Current-Other Financial Assets	**(12.34)**	(43.96)
Other current assets	**69.74**	(2.38)
Trade Payables	**83.77**	111.67
Current liabilities- Other Financial Liabilities	**(17.28)**	(45.42)
Other Liabilities & Provisions	**5.06**	(23.78)
	71.02	(11.25)
Cash Generated from Operating Activities	**1,840.35**	1,141.25
Direct Taxes Paid	**(267.01)**	(270.73)
Net Cash From Operating Activities (A)	**1,573.34**	870.52
Cash Flow From Investing Activities		
Purchase of Fixed Assets	**(1,675.56)**	(2,834.38)
Sale of Fixed Assets	**36.37**	36.30
Short Term Inter Corporate Deposits encashed/ (placed)	**-**	1,000.00
Interest Received	**24.79**	80.57
Bank Balances not considered as Cash and Cash Equivalents	**(19.97)**	898.39
Net Cash Used In Investing Activities (B)	**(1,634.37)**	(819.12)

Cash Flow Statement for the year ended March 31, 2019 (Contd.)

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Cash Flow From Financing Activities *		
Interest Paid	**(73.36)**	(11.10)
Short-term Loans raised / (repaid) (net)	**-**	500.00
Dividend Paid (Including tax on dividend)	**(235.10)**	(234.70)
Net Cash Used In Financing Activities (C)	**(308.46)**	254.20
Net Increase/ (Decrease) in Cash and cash equivalents (A + B + C)	**(369.49)**	305.60
Cash and cash equivalents - Opening (Refer Note 10)	**481.51**	175.91
Cash and cash equivalents - Closing (Refer Note 10)	**112.02**	481.51

* Refer Footnote under Borrowings (Note 16) for Net Debt Reconciliation.

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402

Date : April 24, 2019
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vijay Pratap Shrikent
Chief Executive Officer

Sopan Kedia
Chief Financial Officer

Vanika Mahajan
Company Secretary

Statement of Changes in Equity as at March 31, 2019

₹ in lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus			Grand Total
		Capital Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2017	130.00	0.86	2,167.22	3,818.18	6,116.26
Profit for the year ended March 31, 2018	-	-	-	648.29	648.29
Remeasurements of post employment benefit obligation, net of tax of ₹ 0.41 lakhs (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L)				1.07	1.07
Total Comprehensive Income for the year ended March 31, 2018	**-**	**-**	**-**	**649.36**	**649.36**
Dividends				(195.00)	(195.00)
Tax on Dividend				(39.70)	(39.70)
Balance as at March 31, 2018	**130.00**	**0.86**	**2,167.22**	**4,232.84**	**6,530.92**
Profit for the year ended March 31, 2019	-	-	-	872.29	872.29
Remeasurements of post employment benefit obligation, net of tax of ₹ 0.82 lakhs (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L)				2.13	2.13
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**-**	**874.42**	**874.42**
Dividends			-	(195.00)	(195.00)
Tax on Dividend			-	(40.10)	(40.10)
Balance as at March 31, 2019	**130.00**	**0.86**	**2,167.22**	**4,872.16**	**7,170.24**

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402

Date : April 24, 2019
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vijay Pratap Shrikent
Chief Executive Officer

Sopan Kedia
Chief Financial Officer

Vanika Mahajan
Company Secretary

Notes to the Financial Statements for the year ended March 31, 2019

Note 1. Corporate Information

Benares Hotels Limited ("BHL" or the "Company"), is a listed public limited company incorporated in 1971. The Company operates its hotels, viz. Taj Ganges and Taj Nadesar Palace in Varanasi and The Gateway Hotel Balaghat Road, Gondia in Maharashtra. In May, 2011, the Company became a subsidiary of The Indian Hotels Company Limited, a company promoted by Tata Sons Private Limited.

The financial statements were approved by the Board of Directors and authorised for issue on 24th April'2019.

Note 2. Application of new Indian Accounting Standards

All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparation of these Financial Statements.

Note 3. Significant Accounting Policies

(a) Statement of compliance:

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") issued under section 133 of the Companies Act, 2013 and notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

Recent Accounting Pronouncements:

New standards notified and adopted by the Company

With effect from 1st April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended 31st March 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1st April 2018 ('transition date') in equity and the impact on such transition date is not material. Prior to adoption of Ind AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations. The recognition of these revenue streams is largely unchanged by Ind AS 115.

(b) Standards issued but not yet effective:

On 30th March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1st April 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The Company's operating leases mainly relate to real estate assets such as Land, Land & Building and fully fitted hotel properties which are on long term lease ranging from 30 to 60 years.

The Company has completed its preliminary evaluation of the possible impact of Ind AS 116 and will adopt the standard using the 'Modified Retrospective Method' based on the principles in Ind AS 116. Accordingly, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings i.e. 1st April 2019, consequently, comparatives for the year ended 31st March 2018 will not be retrospectively adjusted.

The Company is currently evaluating the impact this standard will have on the financial statement. The Company expects that this adoption will result in a material increase in the assets and liabilities and is likely to have a significant impact on the financial statements.

Other Amendments of the existing standards but not effective:

i) Ministry of Corporate Affairs has issued additional guidance on Ind AS 12 – Income Taxes pertaining to "accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities". The Company is in the process of assessing the impact on its financial statements from adopting this notification and plans to adopt the standard as at 1st April 2019.

ii) Other than (a) above, there are certain other modifications notified in the existing accounting standards on miscellaneous issues which are applicable with effect from 01st April 2019. None of these standards are applicable to the Company.

(c) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value i.e. Defined Benefit Plans at the end of each reporting period, as explained in the accounting policies below.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

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 under current market conditions

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(d) Critical accounting estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 and intangible assets:** The Company has with the help of group technical assessment estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **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 the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgments 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.

- **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 judgment is made when evaluating, among other factors, the probability of unfavorable 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.

- **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.

(e) Revenue recognition:

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Revenue from operations

Rooms, Food and Beverage & Banquets:

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals:

Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other Allied services:

In relation to the, laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognised when the Company's right to receive the amount is established. Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations.

(f) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up by the respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

ii. Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

iv. Short Term Obligations

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.

(g) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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 taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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 assets' 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 profit or loss so as to write off 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 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation made at the group level, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Assets under finance leases are depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Improvement to the buildings	15 years
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Assets costing less than ₹ 5000	4 years

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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

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

(h) Intangible Assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

i) the technical feasibility and Company's intention and ability of completing the project;

ii) the probability that the project will generate future economic benefits;

iii) the availability of adequate technical, financial and other resources to complete the project; and

iv) the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets is as under:

Class of Assets	Estimated Useful Life
Website Development Cost	5 years
Software and Licences	6 years
Service and Operating Rights	10 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

(i) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

(j) Foreign Currency Translation:

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 or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(k) Non-current assets held for sale:

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(l) Assets taken on lease:

The Company applies Appendix C of Ind AS 17 ‘Leases’ for determining whether an arrangement contains a Lease. Further, leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2015, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(m) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Inventory cost includes the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(n) Government Grants:

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(o) 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 profit or 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, 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 arising between the tax base of assets and liabilities and their carrying amount in financial statements.

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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Minimum Alternative Tax ("MAT") credit 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 in which such credit can be set off under the income tax law. 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.

(p) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the non – current provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

(q) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(r) Cash and Cash Equivalents (for the purpose of cash flow statements):

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.

(s) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

(t) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(u) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Since the Company's business consists of its hotel operations only, no separate information for segment-wise disclosures is given.

(v) Financial Instruments:

Financial Assets:

<u>Classification</u>

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

<u>Initial Recognition and measurement:</u>

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

<u>Debt instruments at amortised cost</u>

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.

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 and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) 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.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, 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 the Statement of Profit and Loss. 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 and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

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

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

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Offsetting of financial instruments

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

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 4 : Property, Plant and Equipment (Owned, unless otherwise stated) ₹ lakhs

	Freehold Land	Buildings Refer Footnote (i)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost							
At April 1, 2017	13.05	2,577.59	1,691.49	336.12	64.29	0.12	4,682.66
Additions	-	641.11	637.09	446.15	12.13	-	1,736.47
Less: Disposals		142.87	75.79	32.19	0.82	-	251.67
At March 31, 2018	**13.05**	**3,075.83**	**2,252.79**	**750.08**	**75.59**	**0.12**	**6,167.46**
Additions	-	1,476.72	1,211.64	569.86	17.38	-	3,275.60
Less: Disposals		91.50	40.29	22.23	-	-	154.02
At March 31, 2019	**13.05**	**4,461.05**	**3,424.14**	**1,297.71**	**92.97**	**0.12**	**9,289.04**
Depreciation							
At April 1, 2017	-	239.68	323.78	101.62	29.11	-	694.20
Charge for the year (Refer Footnote (i))		157.17	164.11	57.58	14.70	-	393.55
Less: Disposals		137.65	59.19	26.43	0.70	-	223.97
At March 31, 2018	**-**	**259.20**	**428.70**	**132.78**	**43.11**	**-**	**863.78**
Charge for the year (Refer Footnote (i))	-	125.93	262.57	96.32	16.53	-	501.35
Adjustments	-	-	-	-	-	-	-
Less: Disposals		91.77	35.21	19.83	-	-	146.81
At March 31, 2019	**-**	**293.36**	**656.06**	**209.26**	**59.64**	**-**	**1,218.32**
Net Block							
At March 31, 2018	**13.05**	**2,816.63**	**1,824.09**	**617.30**	**32.48**	**0.12**	**5,303.68**
At March 31, 2019	**13.05**	**4,167.69**	**2,768.08**	**1,088.45**	**33.33**	**0.12**	**8,070.72**

Footnotes :

(i) Gross block includes:
Buildings constructed on leasehold land - ₹ 993.79 lakhs (previous year - ₹ 993.79 lakhs)

(ii) During the year, the company has charged accelerated depreciation amounting to ₹ Nil Lakhs (PY ₹ 118.90 lakhs) in accordance with provisions of schedule II of the Companies Act, 2013, in respect of assets which have been identified to have a shorter useful life, considering factors such as renovation commenced before approval of Financial Statements or other factors.

Note 5 : Intangible Assets (Acquired) - Softwares & Rights

	₹ lakhs
Cost	
At April 1, 2017	152.45
Additions	2.22
Less: Disposals	-
At March 31, 2018	**154.67**
Additions	0.54
Adjustments	
Less: Disposals	-
At March 31, 2019	**155.21**
Amortisation	
At April 1, 2017	35.97
Charge for the year	23.76
Disposals	-
At March 31, 2018	**59.73**
Charge for the year	21.53
Disposals	-
At March 31, 2019	**81.26**
Net Block	
At March 31, 2018	**94.94**
At March 31, 2019	**73.94**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 6 : Other Financial Assets		
(Unsecured, considered good unless stated otherwise)		
A) Non Current		
Deposits with Public Bodies and Others at amortised costs		
Public Bodies and Others	**23.96**	18.95
Deposits with Banks	**2.26**	-
	26.22	18.95
B) Current		
Deposit with public bodies and others		
Others	**2.34**	2.63
	2.34	2.63
Other advances		
Considered good	**24.77**	30.22
Interest receivable		
Bank Deposits	**2.69**	2.31
	2.69	2.31
On Current Account dues :		
Related Parties (Refer Note 30)	**69.73**	64.73
Others	**28.96**	15.87
	98.69	80.60
	128.48	115.76

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 7 : Other Assets		
(Unsecured, considered good unless stated otherwise)		
A) Non Current		
Capital Advances	**26.55**	318.45
Prepaid Expenses	**4.30**	-
Export incentive receivable (Refer Footnote below)	**79.99**	67.34
Deposits with Government Authorities	**10.00**	10.97
Total	**120.84**	396.76
Footnote: Export incentive receivable		
Opening balance	**67.34**	50.16
SEIS accrued during the year	**34.22**	17.18
Less: Sale proceeds/ used during the year	**21.57**	-
Closing balance	**79.99**	67.34
B) Current		
Prepaid Expenses	**40.48**	41.44
Indirect tax recoverable	**-**	68.92
Advance to Suppliers*	**11.96**	11.82
Total	**52.44**	122.18

*For related party balances Refer Note 30.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 8 : Inventories (At lower of cost and net realisable value)		
Food and Beverages	**61.79**	49.94
Stores and Operating Supplies	**66.44**	74.83
	128.23	124.77

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 9 : Trade and other receivables		
(Unsecured)		
Considered good*	**434.91**	407.99
Credit impaired	**27.63**	23.32
	462.54	431.31
Less : Provision for impairment (Refer Footnote)	**27.63**	23.32
	434.91	407.99

*For related party balances Refer Note 30.

Footnote:

i) **Provision for Impairment**

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Opening Balance	**23.32**	14.43
Add: Provision during the year	**10.24**	12.09
	33.56	26.52
Less: Credit impaired Debts written off against past provisions	**5.93**	-
Less: Reversal of provision no longer required	**-**	3.19
Closing Balance	**27.63**	23.32

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 10 : Cash and Cash Equivalents		
Cash on hand	**5.62**	5.83
Balances with bank in current account	**57.03**	174.17
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**49.37**	301.51
	112.02	481.51

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 11 : Bank Balances Other than Cash and Cash Equivalents		
Other Balances with banks		
Call and Short-term deposit accounts*	**126.84**	110.83
Earmarked balances	**51.38**	47.42
	178.22	158.25

*includes FDRs having maturity less than 12 months of ₹ 3.73 lakhs (PY - ₹ 31.46 lakhs) which are under lien for issuance of Bank Guarantees.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 12 : Share Capital		
Authorised Share Capital		
Ordinary Shares		
15,00,000 (Previous Year- 15,00,000) Ordinary Shares of ₹ 10/- each	**150.00**	150.00
	150.00	150.00
Issued Share Capital		
13,00,000 (Previous Year- 13,00,000) Ordinary Shares of ₹ 10/- each	**130.00**	130.00
	130.00	130.00
Subscribed and Paid Up		
13,00,000 (Previous Year- 13,00,000) Ordinary Shares of ₹ 10/- each	**130.00**	130.00
[Refer Footnote (4)]	**130.00**	130.00

Footnotes:

(1) The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of the liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the shareholding.

(2) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Ordinary shares			
Year ended 31-03-2019			
- Number of shares	13.00	-	13.00
- Amount (₹)	130.00	-	130.00
Year ended 31.03.2018			
- Number of shares	13.00	-	13.00
- Amount (₹)	130.00	-	130.00

(3) Details of shares held by each shareholder holding more than 5% shares:

Ordinary Shares with voting rights held by Holding Company along with its Subsidiaries & Associate Companies

Name of the Company	No. of Shares 31-Mar-19	No. of Shares 31-Mar-18
Holding Company		
The Indian Hotels Company Limited [Refer Footnote (5)]	**643,825**	293,000
Subsidiaries of Holding Company		
TIFCO Holdings Limited [Refer Footnote (5)]		350,825
Piem Hotels Limited	**54,063**	54,063
Northern India Hotels Limited	**150**	150
Associate of Holding Company		
Oriental Hotels Limited	**50**	50

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	No. of Shares 31-Mar-19	No. of Shares 31-Mar-18
(4) Shareholders holding more than 5% shares in the Company :		
The Indian Hotels Company Limited	**643,825**	293,000
% of Holding	**49.53%**	22.54%
TIFCO Holdings Limited	**-**	350,825
% of Holding	**0.00%**	26.99%

(5) Note on Amalgamation of TIFCO Holdings Limited with The Indian Hotels Company Limited

TIFCO Holdings Limited has been amalgamated with The Indian Hotels Company Limited vide NCLT Order dated 08th March 2018 with appointed date 1st April 2017 and the necessary effect to the same was made in the current year.

(6) Aggregate number and class of shares allotted as fully paid-up in previous year pursuant to contracts without payment being received in cash, bonus shares and shares bought back for a period of 5 years immediately preceding the balance sheet date NIL (previous year NIL).

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 13 : Other Equity		
Reserves & Surplus		
Capital Reserve	**0.86**	0.86
General Reserve		
Opening Balance	**2,167.22**	2,167.22
Less : Dividend/Tax on Dividend	**-**	-
Closing Balance	**2,167.22**	2,167.22
Retained Earnings		
Opening Balance	**4,232.84**	3,818.18
Add: Current year profits	**874.42**	649.36
Less : Final Dividend	**(195.00)**	(195.00)
Less : Tax on Dividend	**(40.10)**	(39.70)
Closing Retained Earnings	**4,872.16**	4,232.84
Total	**7,040.24**	6,400.92

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 14 : Provisions		
A) Long term provisions		
Employee Benefit Obligation (Non-current)		
Compensated absences	**35.94**	32.16
Gratuity	**-**	-
	35.94	32.16
B) Short term provisions		
Employee Benefit Obligation (Current)		
Compensated absences	**8.63**	5.93
Gratuity	**11.88**	13.30
	20.51	19.23

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 15 : Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	**697.74**	648.53
Total (A)	**697.74**	648.53
Deferred Tax Assets:		
Provision for Employee Benefits	**12.40**	10.60
OCI- Defined Benefit Obligations	**(0.82)**	(0.41)
Provision for doubtful debts	**7.69**	6.49
Others	**29.95**	58.05
Total (B)	**49.22**	74.73
Net Deferred Tax Liabilities (A-B)	**648.52**	573.80

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 16 : Borrowings		
Short term borrowings		
Short Term Borrowings from Related Parties		
Secured	**-**	-
Unsecured @ 9%	**503.66**	501.22
Total Short term borrowings	**503.66**	501.22
Less: Interest accrued (included in Note 18)	**3.66**	1.22
Total Borrowings	**500.00**	500.00
(Refer Footnote below)		

Footnote:

Financial liabilities

Net debt reconciliation

Particulars	31-Mar-19	31-Mar-18
a) Net debt	₹ lakhs	₹ lakhs
Cash and cash equivalents	**112.02**	481.51
Current Investment	**-**	-
Short Term Borrowings	**(500.00)**	(500.00)
Long term Borrowings (Including Current portion)	**-**	-
Net (debt)/ Cash & Cash Equivalents	**(387.98)**	(18.49)
b) Other financial Liability		
Unclaimed Deposits/Interest	**-**	-
Derivative	**-**	-
Interest Accrued	**(3.66)**	(1.22)
Total Other financial Liability	**(3.66)**	(1.22)
Grand Total	**(391.64)**	(19.71)

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 16 : Borrowings (Contd.)

Interest expenses	Accrued during the Year		Paid during the Year	
	31-Mar-19	31-Mar-18	**31-Mar-19**	31-Mar-18
	₹ lakhs	₹ lakhs	**₹ lakhs**	₹ lakhs
On Long term borrowings	**-**	-	**-**	-
On Short term borrowings	**75.80**	12.32	**73.36**	11.10
FV Changes for Derivatives (i.e. IRS)	**-**	-	**-**	-
Other Interest costs	**-**	-	**-**	-
Total	**75.80**	12.32	**73.36**	11.10

₹ lakhs

	Other Assets		Borrowings	Total Net borrowings	Other financial Liability	Grand Total
	Cash and cash equivalents	Current Investment	Short Term Borrowings		Interest Accrued	
Net (debt)/ Cash & Cash Equivalents as at 1 April 2017	175.91	-	-	175.91	-	175.91
Cash Flows				-	-	-
Increase/(Decrease) in cash and cash equivalents	305.60	-	(500.00)	(194.40)	-	(194.40)
Borrowings	-	-	-	-	-	-
Repayment	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	-	-	-	(12.32)	(12.32)
Interest paid	-	-	-	-	11.10	11.10
(Net debt)/ Cash & Cash Equivalents as at 31 March 2018	**481.51**	**-**	**(500.00)**	**(18.49)**	**(1.22)**	**(19.71)**
Cash Flows						
Increase/(Decrease) in cash and cash equivalents	(369.49)	-	-	(369.49)	-	(369.49)
Borrowings	-	-	-	-	-	-
Repayment	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	-	-	-	(75.80)	(75.80)
Interest paid	-	-	-	-	73.36	73.36
(Net debt)/ Cash & Cash Equivalents as at 31 March 2019	**112.02**	**-**	**(500.00)**	**(387.98)**	**(3.66)**	**(391.64)**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 17: Trade Payables		
Micro and Small Enterprises (Refer Footnote - 1)	**1.93**	5.11
Vendor Payables	**511.74**	360.62
Accrued expenses and others	**177.56**	241.73
	691.23	607.46

Footnotes:

1) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Refer Note 32 for disclosures relating to Micro and Small Enterprises.
2) For Related Party balances Refer Note 30.

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 18: Other financial liabilities		
Current financial liabilities		
Payables on Current Account dues :		
Related Parties*	**4.38**	-
Others	**9.28**	2.85
Total	**13.66**	2.85
*For related party balances Refer Note 30.		
Deposits from others		
Unsecured	**36.06**	33.79
Total	**36.06**	33.79
Interest accrued but not due on borrowings	**3.66**	1.22
Creditors for capital expenditure (Refer Footnote -1)	**279.22**	302.33
Unclaimed dividend (Refer Footnote -2)	**51.38**	47.42
Employee related liabilities	**81.95**	72.33
Others	**20.02**	9.15
Grand Total	**485.95**	469.09

Footnotes:

1) Includes payable to MSMED Vendors of ₹ Nil Lakhs (PY ₹ 4.98 lakhs)
2) A sum of ₹ 4.36 lakhs (PY ₹ 3.65 lakhs) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 19 : Other current Liabilities		
Current		
Advances collected from customers*	**85.85**	114.49
Statutory dues	**21.58**	47.76
	107.43	162.25

*For Related Party balances Refer Note 30.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 20: Revenue from Operations		
Room Income, Food, Restaurants and Banquet Income	**5,687.82**	4,497.82
Shop rentals	**48.25**	58.50
Membership fees	**0.25**	-
Others	**231.33**	186.33
Total	**5,967.65**	4,742.65

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 21 : Other Income		
Interest Income from financial assets at amortised cost		
Inter-corporate deposits		
Deposits with banks	**22.18**	33.17
Deposits with Related Parties	**-**	28.90
Interest on Income Tax Refunds	**2.99**	1.68
Total	**25.17**	63.75
Profit on sale of assets (Net)	**29.16**	8.60
Others	**16.82**	12.52
Grand Total	**71.15**	84.87

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 22 : Food and Beverages Consumed		
Opening Stock	**49.94**	45.65
Add : Purchases	**600.32**	500.87
	650.26	546.52
Less : Closing Stock	**61.79**	49.94
Food and Beverages Consumed	**588.47**	496.58

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 23 : Employee Benefit Expense and Payment to Contractors		
Salaries, Wages, Bonus etc.	**594.80**	542.88
Company's Contribution to Provident and Other Funds	**44.63**	43.19
Reimbursement of Expenses on Personnel Deputed to the Company	**189.50**	171.30
Payment to Contractors	**95.12**	56.09
Staff Welfare Expenses	**135.73**	139.22
Total	**1,059.78**	952.68

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

		31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Note 24 : Other operating and general expenses			
(i)	**Operating expenses consist of the following :**		
	Linen and Room Supplies	**112.37**	81.89
	Catering Supplies	**64.74**	36.71
	Other Supplies	**15.04**	5.53
	Fuel, Power and Light (Refer footnote (i))	**519.25**	417.47
	Repairs to Buildings	**64.94**	51.68
	Repairs to Machinery	**111.65**	87.07
	Repairs to Others	**11.83**	9.82
	Garden Expenses	**57.66**	57.06
	Linen and Uniform Washing and Laundry Expenses	**69.41**	61.91
	Payment to Orchestra Artistes and Security Charges	**44.53**	45.96
	Guest Transportation	**52.30**	42.38
	Travel Agents' Commission	**62.35**	37.13
	Discount to Collecting Agents	**34.95**	32.37
	Other Operating Expenses	**140.99**	100.59
	Total	**1,362.01**	1,067.55
(ii)	**General expenses consist of the following :**		
	Rent	**16.40**	19.08
	Licence Fees	**41.35**	36.68
	Rates and Taxes	**44.91**	122.79
	Insurance	**10.91**	12.67
	Advertising and Publicity	**232.36**	183.42
	Management Fee Expenses	**413.99**	305.64
	Reimbursable Fees Expenses- Corporate Services and CRS/ CIS	**117.89**	95.06
	Printing and Stationery	**22.91**	19.51
	Passage and Travelling	**25.15**	20.33
	Provision for Doubtful Debts/ Bad debts written off (Refer Note 9)	**10.24**	8.89
	Expenditure on Corporate Social Responsibility (Refer Footnote (iii))	**21.28**	28.78
	Professional Fees	**32.21**	47.34
	Outsourced Support Services	**30.41**	23.71
	Exchange Loss (Net)	**0.09**	0.11
	Payment made to Statutory Auditors (Refer Footnote (iv))	**9.48**	6.02
	Directors' Fees and Commission	**48.99**	36.19
	Other Expenses	**133.57**	130.03
	Total	**1,212.14**	**1,096.23**
	Grand Total	**2,574.15**	**2,163.78**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 24 : Other operating and general expenses (Contd.)

Footnotes:

(i) Expenditure recovered from other parties :

	31-Mar-19	31-Mar-18
	₹ lakhs	₹ lakhs
Fuel, Power and Light	**21.19**	14.65
Total	**21.19**	14.65

(ii) The following direct expenses incurred during the year and to the extent attributable to construction or renovation of hotel buildings have been capitalised:

	31-Mar-19	31-Mar-18
	₹ lakhs	₹ lakhs
Employee benefits expense	**99.45**	107.04
Fuel, power and light	**18.05**	9.57
Other expenses (Net)	**13.98**	8.48
Total	**131.48**	125.09

(iii) Corporate Social Responsibility Expenditure	31-Mar-19	31-Mar-18
	₹ lakhs	₹ lakhs
Amount required to be spent as per Section 135 of the Act	**21.17**	25.44
Amount spent during the year on:		
(i) Construction/acquisition of an asset	**-**	-
(ii) On purposes other than (i) above	**21.28**	28.78

(iv) Payment made to Statutory Auditors:

	31-Mar-19	31-Mar-18
	₹ lakhs	₹ lakhs
As auditors*	**5.00**	3.70
As tax auditors	**1.50**	1.30
For other services	**2.20**	0.80
For Reimbursement of Expenses	**0.78**	0.22
	9.48	6.02

*In previous year the payment to the auditor includes amount paid to the previous auditor of ₹ 1.42 lakhs.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 25: Tax Disclosures

i) Income Tax recognised in Profit or loss:

Particulars	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Current Tax		
In respect of the current year	**271.54**	301.30
In respect of earlier years		
Resulting from reversal of provision for tax for earlier years	**-**	(7.74)
Other demands and tax paid for earlier years	**-**	-
	271.54	293.56
Deferred Tax		
In respect of the current year		
Set off of carried forward losses (unabsorbed deduction u/s 35AD)	**-**	-
Other items includes the impact on account of change in tax rates	**73.89**	(157.00)
Total tax expense recognised in the current year relating to continuing operations	**345.43**	136.56

ii) Reconciliation of tax expense with the effective tax:

Particulars	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Profit before tax from continuing operations (a)	**1217.72**	784.85
Income tax rate as applicable (b)	**27.82%**	33.06%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**338.77**	259.50
Permanent tax differences due to:		
Effect of expenses that are not deductible in determining taxable profit	**4.96**	17.84
Others	**-**	(3.26)
Deferred Tax reversal		
Net Impact of the change in the tax rates*	**-**	(129.77)
Adjustment to Opening Deferred Tax	**1.70**	-
Prior year taxes		
Income tax expense recognised in profit or loss (relating to continuing operations)	**-**	(7.74)
Total tax expense recognised in the current year	**345.43**	136.56

Footnote:

* The change of tax rate from 30% to 25% was enacted on 29th March'18 and will be effective from 1st April'18. As a result, the relevant deferred tax balances have been remeasured. Deferred tax expected to be reversed in the year ended 31st March'19 and later, has been measured using the effective rate which is 27.82%.

Further changes in tax rates are expected in future years but these changes will be enacted separately in respective years and hence are not recognised in the financial statements.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

iii) Income tax recognised in other comprehensive income:

Particulars	**31-Mar-19** **₹ lakhs**	31-Mar-18 ₹ lakhs
Deferred tax		
(a) Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	**0.82**	0.41
	0.82	0.41

iv) Reconciliation of Deferred Tax Asset and Deferred Tax Liability:

₹ lakhs

March 31, 2019	**Opening Balance**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance**
Deferred tax liabilities/ assets in relation to:				
Property, Plant and equipment & Intangible Assets	648.53	49.21	-	697.74
Provision for Employee Benefits	(10.60)	(1.80)	-	(12.40)
Provisions for Defined benefit obligations	0.41	(0.41)	0.82	0.82
Provision for doubtful debts	(6.49)	(1.20)	-	(7.69)
Others (Expenses disallowed to be allowed in future)	(58.05)	28.10	-	(29.95)
Total Deferred Tax Liability	**573.80**	**73.90**	**0.82**	**648.52**

₹ lakhs

March 31, 2018	**Opening Balance**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance**
Deferred tax liabilities/ assets in relation to:				
Property, Plant and equipment & Intangible Assets	842.41	(193.88)	-	648.53
Provision for Employee Benefits	(13.20)	2.60	-	(10.60)
Provisions for Defined benefit obligations	(11.08)	11.08	0.41	0.41
Provision for doubtful debts	(4.99)	(1.50)	-	(6.49)
Others (Expenses disallowed to be allowed in future)	(82.75)	24.70	-	(58.05)
Total Deferred Tax Liability	**730.39**	**(157.00)**	**0.41**	**573.80**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 26: Operating Lease

The Company has taken certain vehicle, land and immovable properties on operating lease. These leases have varying terms, escalation clauses and renewal rights. The total lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses (Refer note no 24(ii)). The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

Particulars	**31-Mar-19** ₹ **lakhs**	31-Mar-18 ₹ lakhs
Not later than one year	**27.20**	27.05
Later than one year but not later than five years	**117.30**	135.32
Later than five years	**275.40**	292.97
	419.90	455.34

Note 27: Contingent Liabilities (to the extent not provided for)

a) On account of Income Tax matters in dispute:

i. In respect of other matters for which Company's appeals are pending with appellate authorities against the order of the assessing officer – ₹ 156.97 Lakhs (previous year – ₹ 241.78 Lakhs)

b) On account of other disputes in respect of:

i. Service Tax – ₹ Nil Lakhs (previous year – ₹ 9.70 Lakhs)

ii. Sales tax – ₹ 36.27 Lakhs (previous year – ₹ 36.27 Lakhs)

iii. Others – ₹ 1.21 Lakhs (previous year – ₹ 1.21 Lakhs)

c) Others

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

(iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented.

The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial statements, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

Note 28: Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 254.03 Lakhs (Previous year – ₹ 64.82 Lakhs).

Note 29: Segment Reporting

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS 108 - 'Operating Segments' (Ind AS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 30 : (a) Related party transactions

Details of related parties:

(i) Holding Company

(a) The Indian Hotels Company Limited (IHCL)

(Tata Sons Private Limited has substantial interest in The Indian Hotels Company Limited)

(ii) Fellow subsidiaries

KTC Hotels Limited

United Hotels Limited

Roots Corporation Limited

Piem Hotels Limited

Taj Trade and Transport Company Limited

Inditravel Limited

Northern India Hotels Limited

Taj Enterprises Limited

Luthria & Lalchandani Hotel & Properties Private Limited

Skydeck Properties and Developers Private Limited

Sheena Investments Private Limited

ELEL Hotels & Investments Limited

Taj International Hotels (H.K) Limited

IHOCO BV

St. James Court Hotels Limited

Taj International Hotels Limited

IHMS LLC - San Francisco

IHMS LLC - USA

PIEM International Hotels (H.K) Limited

BAHC 5

United Overseas Holdings Inc.

(iii) Directors who held the office during the year and previous year:

Dr. Anant Narain Singh, Chairman

Mr. Rohit Khosla, Non Executive Director

Mr. Moiz Miyajiwala, Non Executive Director & Independent Director#

Mrs. Rukmani Devi, Non Executive & Independent Director#

Mr. Puneet Chhatwal, Non Executive Director (appointed w.e.f. 10th May 2018)

Mr. Puneet Raman, Additional Director & Independent Director# (appointed w.e.f. 12th Sep 2018)

Mr. Shriraman, Non Executive Director & Independent Director# (resigned w.e.f. 19th Jun 2018)

Mr. Giridhar Sanjeevi, Additional Director (resigned w.e.f. 16th May 2018)

Mr. Rakesh Sarna, Director (resigned w.e.f. 30th Sep 2017)

Mr. B.L. Passi Non Executive Director & Independent Director# (resigned w.e.f. 21st Jul 2017)

Independent directors are included as related parties for the purpose of Indian Accounting Standards (Ind AS 24-Related Party Transactions) only. They are not related under the Companies Act , 2013.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 30 : (a) Related party transactions (Contd.)

(iv) Key Management Personnel (KMP) for Current and Previous year:

Mr. Ashwani Anand (Chief Executive Officer)#
Mr. Vijay Partap Shrikent (Chief Executive Officer)*
Mr. Sopan Kedia (Chief Financial Officer)
Mr. Ravi Sharma (Chief Financial Officer)#
Ms. Vanika Mahajan (Company Secretary)
* For part of the current year
# For part of the previous year

(v) Firms/ Corporation in which Directors are interested

Maharaja Prabhu Narain Physical Cultural Trust
Aditya Dairies Private Limited
Anant Electric Lamp Works Private Limited
Imlak Varanasi Developments Private Limited

(vi) Relatives of the Directors

Anamika Kumwar
MK Krishna Priya
MK Vishnupriya
MK Hari Priya
Raghubir Singh Gohil
Rama Raman
Puneet Raman
Shanti Raman
Renu Raman
Mukta Raman
Shrileka

(vii) Subsidiary, JV & Associates of the Entities having Significant influence with whom transactions were carried out during the current and previous year:

Taj Air Limited
Tata Consultancy Services Limited
Tata Communications Limited
Taj GVK Hotels and Resorts Limited
Taj Kerala Hotels and Resorts Limited
Oriental Hotels Limited
Tata Teleservices Limited
Tata SIA Airlines Limited
TC Travel and Services Limited (part of the previous year)
Tata Capital Limited
Tata International Limited
Taj Sats Air Catering Limited
Tata Elxsi Limited
Godrej & Boyce Mfg Co Ltd

(viii) Others

Hotel Taj Ganges Employee Gratuity Trust

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

30 (b) Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:

₹ lakhs

Sr. No.	Particulars	Holding Company		Fellow subsidiaries, JV, Associates of the Holding company & Entity with significant influence or their subsidiaries/JV		Key Management Personnel (KMP)		Entities in which Directors are interested/ Relatives of Directors		Directors		Others	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Transactions during the year:												
1	ICD received during the year	-	-	700.00	500.00	-	-	-	-	-	-	-	-
2	Repayment of ICD received during the year	-	-	700.00	1,000.00	-	-	-	-	-	-	-	-
3	Interest income on ICD	-	-	-	28.90	-	-	-	-	-	-	-	-
4	Interest expense on ICD	-	-	75.80	12.32	-	-	-	-	-	-	-	-
5	KMP remuneration (Footnote -1)	-	-	-	-	77.07	62.24	-	-	-	-	-	-
6	Other Reimbursement to KMPs	-	-	-	-	1.36	0.70	-	-	-	-	-	-
7	Director Sitting Fees	-	-	-	-	-	-	-	-	13.20	12.30	-	-
8	Director Commission on cash basis	-	-	-	-	-	-	-	-	23.81	32.19	-	-
9	License Fees expenses paid/accrued	-	-	-	-	-	-	14.67	14.74	14.67	14.74	-	-
10	Management fees expenses paid/accrued	413.99	305.64	-	-	-	-	-	-	-	-	-	-
11	Fees paid for other services/accrued	265.25	209.37	40.57	26.80	-	-	-	-	-	-	-	-
12	Deputed Staff Expense at cost	164.77	137.52	62.48	40.32	-	-	-	-	-	-	-	-
13	Deputed Staff Expense Recovered	99.32	-	68.08	20.44	-	-	-	-	-	-	-	-
14	Purchase of Capital Assets	-	5.28	-	-	-	-	-	-	-	-	-	-
15	Purchase of Goods	-	-	2.15	-	-	-	-	-	-	-	-	-
16	Other Reimbursable Expense at cost	149.00	93.78	7.59	8.85	-	-	-	-	0.54	0.94	-	-
17	Other Operating Income- Rooms (including tax)	-	-	14.16	14.63	-	-	-	-	-	-	-	-
18	Other Income Earned/ Recoveries made	-	-	3.50	4.74	-	-	-	-	-	-	-	-
19	Dividend Paid (Footnote -2)	96.57	43.95	8.14	60.76	-	-	12.69	13.72	4.13	4.13	-	-
20	Contribution to Gratuity Trust on Cash Basis	-	-	-	-	-	-	-	-	-	-	13.30	37.03
	Balances outstanding at the end of the year:												
1	Borrowings	-	-	500.00	500.00	-	-	-	-	-	-	-	-
2	Current Account Receivable	67.91	53.72	1.82	11.01	-	-	-	-	-	-	-	-
3	Trade Payables	292.69	152.02	0.20	1.71	-	-	5.12	5.09	5.91	6.41	-	-
4	Trade Receivables	4.16	-	7.86	4.71	-	-	-	-	-	-	-	-
5	Advance from Customer	0.33	-	-	-	-	-	-	-	-	-	-	-
6	Advance to supplier	-	-	3.39	-	-	-	-	-	-	-	-	-
7	Current Account Payables	-	-	4.38	-	-	-	-	-	-	-	-	-
8	Interest Payable	-	-	3.66	1.22	-	-	-	-	-	-	-	-
	Footnote:												
1	KMP Remunerations paid as reimbursement to IHCL.												
2	TIFCO Holdings Limited has been amalgamated with The Indian Hotels Company Limited vide NCLT Order dated 08th March 2018 with appointed date 01st April 2017 and the necessary effect to the same was made in the current year.												

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

30 (c) Details of material transactions with related party during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:

S.No.	Entities		31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
	Material transactions during the year			
1	**The Indian Hotels Company Limited (IHCL)**			
	i	Management and operating Fees	413.99	305.64
	ii	Fee for other Services	265.25	209.37
	ii	Deputed staff Salaries/ Inner Circle Reimbursements	164.77	137.52
	iv	Purchase of Capital Asset- Baggage scanner	-	5.28
	v	Other Reimbursable Expense at cost	149.00	93.78
	vi	Dividend Paid	96.57	43.95
	Fellow Subsidiary company			
2	**Roots Corporation Limited**			
	i	ICD Repayment received	-	500.00
	ii	Interest Income Received	-	26.71
	iii	Paid for other services	0.04	0.05
3	**United Hotels Limited**			
	i	ICD Received	200.00	500.00
	ii	ICD Repayment made	200.00	-
	iii	Interest Expense	54.22	12.32
	iv	Deputed Staff Expense at cost	15.26	7.58
	v	Reimbursement of Expenses at cost	0.01	-
	vi	Reimbursement of Expenses recoverable	-	0.87
4	**Taj Sats Air Catering Limited**			
	i	ICD Received	500.00	-
	ii	ICD Repayment made	500.00	-
	iii	Interest Expense	21.58	-
	Subsidiary of Entity having significant influence (Tata Sons Limited)			
5	**Taj Air Limited**			
	i	Interest Income Received	-	2.19
	ii	ICD Repayment received	-	500.00
6	**KMP Remuneration - paid as reimbursement to IHCL**			
	i	Ashwani Anand	3.15	39.00
	ii	Vijay Shrikent	45.87	-
	iii	Sopan Kedia	17.74	11.13
	iv	Vanika Mahajan	10.31	8.62
	v	Ravi Sharma	-	3.49

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

30 (c) Details of material transactions with related party during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019 (Contd.)

S.No.	Entities		**31-Mar-19 ₹ lakhs**	31-Mar-18 ₹ lakhs
	Balances outstanding at the end of the year:			
1	**The Indian Hotels Company Limited (IHCL)**			
	i	Management and operating fees payable	292.69	152.02
	ii	Receivable on Current account dues	67.91	53.72
	iii	Trade Receivables	4.16	-
	iv	Advance from Customer	0.33	-
2	**United Hotels Limited**			
	i	Borrowings - Inter Corporate Deposit (ICD)	500.00	500.00
	ii	Interest Expense payable	3.66	1.22
	iii	Payable on Current account dues	0.47	0.60
3	**Payables to Directors & Entities in which Directors are related**			
	i	Dr. Anant Naraian Singh	5.86	6.27
	ii	Rukmani Devi Singh	0.05	0.14
	iii	Maharaja Prabhu Naraian Physical Cultural trust	1.22	1.16
	iv	Aditya Dairies Private Limited	2.44	2.62
	v	Ananta Electrical Lamp Works Limited	1.46	1.31

Note 31 : Employee Benefits

(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries) :

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Provident Fund	**35.29**	32.38

(b) The Company operates post retirement defined benefit plans as follows :-
Funded : Post Retirement Gratuity

(c) Defined Benefit Plans (Gratuity)– As per Actuarial Valuation on March 31, 2018:-

(i) Amount to be recognized in Balance Sheet and movement in net liability

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Present Value of Funded Obligations	**186.95**	180.72
Fair Value of Plan Assets	**175.07**	167.42
Net (asset) / Liability - Current	**11.88**	13.30

(ii) Expenses recognized in the Statement of Profit & Loss

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Current Service Cost	**14.58**	12.81
Interest on Net Defined Benefit Liability	**0.25**	1.97
Total	**14.83**	**14.78**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 31 : Employee Benefits (Contd.)

(iii) Amount recorded in Other Comprehensive Income

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Changes in financial assumptions	-	(4.21)
Changes in demographic assumptions	(0.08)	3.34
Experience Adjustments	(4.97)	7.75
Actual return on plan assets less interest on plan assets	2.10	(8.36)
Total	**(2.95)**	**(1.48)**

(iv) Reconciliation of Net Liability/ Asset

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Opening Net Benefit Liability	13.30	37.03
Expense charged to profit and loss	14.83	14.78
Amount recognized outside profit and loss	(2.95)	(1.48)
Employer Contribution	(13.30)	(37.03)
Closing Net Defined Benefit Liability/ (Asset) - Current	**11.88**	**13.31**

(v) Reconciliation of Defined Benefit Obligation

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Opening Defined Benefit Obligation	180.72	163.94
Current Service Cost	14.58	12.81
Past Service Cost	-	-
Interest on defined benefit obligation	12.54	11.20
Actuarial Losses / (Gain) arising from change in financial assumptions	-	(4.22)
Actuarial Losses / (Gain) arising from change in demographic assumptions	(0.08)	3.34
Actuarial Losses / (Gain) arising on account of experience adjustments	(4.97)	7.75
Benefits Paid	(19.81)	(23.97)
Liabilities assumed / (settled)*	3.97	9.87
Closing Defined Benefit Obligation	**186.95**	**180.72**

* on account of business combination or inter group transfer

(vi) Reconciliation of Fair Value of Plan Assets

	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Opening Fair Value of Plan Assets	167.42	126.91
Employer Contribution	13.30	37.03
Interest on plan assets	12.29	9.22
Re-measurements due to Actual return on plan assets less interest	(2.10)	8.36
Benefits Paid	(19.81)	(23.97)
Liabilities assumed / (settled)*	3.97	9.87
Closing Fair Value of Plan Assets	**175.07**	**167.42**

* on account of business combination or inter group transfer

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 31 : Employee Benefits (Contd.)

		31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
(vii)	**Description of Plan Assets**		
	Government of India Securities	0%	0%
	Corporate Bonds	0%	0%
	Special Deposit Scheme	5%	5%
	Equity	0%	0%
	Others - Bank FDR	95%	95%
	Grand Total	100%	100%

(viii) Actuarial Assumptions

	31-Mar-19	31-Mar-18
Discount rate (p.a.)	7.55%	7.55%
Salary Escalation Rate (p.a.)	Staff- 5.00% Executive-4.00%	Staff- 5.00% Executive-4.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations. Further, Mortality has been assumed as per the published notes under the Indian Assured Lives Mortality (2006-08) Ult table Change in Benefit Obligation.

(ix) Maturity Profile

Maturity Profile	₹ lakhs
Expected benefits for year 1	7.26
Expected benefits for year 2	18.17
Expected benefits for year 3	27.62
Expected benefits for year 4	7.18
Expected benefits for year 5	44.30
Expected benefits for year 6	21.33
Expected benefits for year 7	21.45
Expected benefits for year 8	13.24
Expected benefits for year 9	32.18
Expected benefits for year 10 & above	170.80

The weighted average duration to the payment of these cash flows is 7.31 years.

(x) Effect of Change in Key Assumptions

Year Ended 31st March 2018

Particulars	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	-3.55%	3.86%
Impact of decrease in 50 bps on DBO	3.76%	-3.67%

The expected contribution for the next year is ₹ 20 lakhs.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Information disclosed above is to the extent provided by actuary.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 31 : Employee Benefits (Contd.)

Exposure to Risks:

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance Sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has made investments in special deposit schemes of banks & FDRs. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate to invest funds in the bank FDRs.

Interest risk: A decrease in the Government Securities (G-Sec Bonds) interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Note 32: Other regulatory matters

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	Particulars	**31-Mar-19** **₹ lakhs**	31-Mar-18 ₹ lakhs
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	**1.93**	10.09
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv)	The amount of interest due & payable for the year	**-**	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 33: Earnings Per Share (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share' prescribed under Section 133 of the Companies Act, 2013.

Particulars	**31-Mar-19** **₹ lakhs**	31-Mar-18 ₹ lakhs
Profit/ (Loss) after tax –(₹)	**872.29**	648.29
Number of Ordinary (Equity) Shares in lakhs	**13.00**	13.00
Weighted Average Number of Ordinary (Equity) Shares in lakhs:		
Considered in calculation of Basic EPS	**13.00**	13.00
Considered in calculation of Diluted EPS	**13.00**	13.00
Face Value per Ordinary (Equity) Share (₹)	**10.00**	10.00
Earnings Per Share (₹):		
Basic	**67.10**	49.87
Diluted	**67.10**	49.87

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 34: Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed.

Financial assets and liabilities

The carrying value of financial instruments by categories under the most relevant method i.e. amortised cost is as follows:

Particulars	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
Financial assets:		
Cash and cash equivalents	**112.02**	481.51
Bank Balances other than Cash & Cash Equivalents	**178.22**	158.25
Trade Receivables	**434.91**	407.99
Loans & Advances	**-**	-
Other financial assets - Non Current*	**26.22**	18.95
Other financial assets - Current*	**128.48**	115.76
Total	**879.85**	**1,182.46**
Financial liabilities:		
Borrowings	**500.00**	500.00
Trade Payables	**691.23**	607.46
Other financial liabilities - Non Current*	**-**	-
Other financial liabilities - Current*	**485.95**	469.09
Total	**1,677.18**	**1,576.55**

Fair value of Financial Instruments measured at amortised cost :

The management considers that the carrying amount of assets and liabilities recognised at amortised cost in financial statements is approximate to their fair value.

Note 35: Financial Risk Management

(a) Financial risk management:

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. During the year, following provisions for doubtful debts has been made:

Particulars	**31-Mar-19** ₹ lakhs	31-Mar-18 ₹ lakhs
Opening provision for Impairment	**23.32**	14.43
Add- Provision made during the year	**10.24**	12.09
Less: Credit impaired Debts written off against past provisions	**5.93**	-
Less: Reversal of provision no longer required	**-**	3.19
Closing provision for doubtful debts	**27.63**	23.32

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Particulars	**31-Mar-19**	31-Mar-18
No of Customers who owed more than 10% of the Total receivables	**-**	-
Contribution of Customers in owing more than 10% of Total receivables	**-**	-

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not requires the company to track changes in credit risk, rather it recognises impairment loss allowance based on life time expected credit loss at each balance sheet date, since its initial recognition.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. Also, The company is having short term borrowings in form of inter corporate deposits renewing at a period of 90 days.

		₹ lakhs
Inter Corporate Deposits	**Interest rate %**	**Due in 1st year**
Year ended 31 March 2019		
United Hotels Limited	9%	500.00
Total		500.00
Year ended 31 March 2018		
United Hotels Limited	9%	500.00
Total		500.00

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ lakhs

Contractual Maturity of Financial Liabilities:	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total
Year ended 31 March 2019				
Borrowings (for renewal)	500.00	-	-	500.00
Trade and other payables	691.23	-	-	691.23
Other financial liabilities - Non Current	-	-	-	
Other financial liabilities - Current	485.95	-	-	485.95
Year ended 31 March 2018				
Borrowings (for renewal)	500.00	-	-	500.00
Trade and other payables	607.46	-	-	607.46
Other financial liabilities - Non Current	-	-	-	-
Other financial liabilities - Current	469.09	-	-	469.09

Note 36: Guarantees given

Bank Guarantees of ₹ 3.00 lakhs (PY - ₹ 29.22 lakhs) have been given by the company to various government authorities & other parties. These guarantees were issued against the Fixed Deposits of ₹ 3.73 lakhs made with the bank.

Note 37: Disclosure pursuant to Ind AS 115

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended 31st March 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1st April 2018 ('transition date') in equity and the impact on such transition date is not material.

Also the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months. (Also refer Credit Risk)

Prior to adoption of Ind AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations, shop rentals and membership fees income. The recognition of these revenue streams is largely unchanged by Ind AS 115.

	Particulars	31-Mar-19 ₹ lakhs	31-Mar-18 ₹ lakhs
	Contract With Customers		
1	Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Income from operations		
	a) Room Income, Food & Beverages and Banquets	5,687.82	4,497.82
	b) Shop Rentals	48.25	58.50
	c) Others	197.37	169.12
	Total Income from operations	**5,933.44**	**4,725.44**
	Other operating revenue		
	a) Export Incentive	34.21	17.18
	b) Other revenue	-	0.04
		34.21	17.21
	Total Revenue from operations	**5,967.65**	**4,742.65**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 37: Disclosure pursuant to Ind AS 115 (Contd.)

		31-Mar-19	31-Mar-18
		₹ lakhs	₹ lakhs
2	**Impairment losses** recognised on trade receivable during the year:	4.31	8.89

3 **Disaggregate Revenue**

The following table presents company revenue disaggregated by type of revenue stream and by reportable segment (Refer Note 29 for Segment Reporting):

	31-Mar-19	31-Mar-18
	₹ lakhs	₹ lakhs
Revenue based on geography		
India	5,967.65	4,742.65
Overseas	-	-
Revenue based on product and services		
a) Room Income	2,904.99	2,453.13
b) Food & Beverages and Banquets	2,782.83	2,044.69
c) Shop Rentals	48.25	58.50
d) Others revenue from contract with customers	197.37	169.12
Other operating revenue		
a) Export Incentive	34.21	17.18
b) Other revenue	-	0.04

4 The Company derives its revenue from the transfer of goods and services over time in its major service lines. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108. (Refer Note 29 for Segment Disclosure).

5 **Contract balances**

The following tables present information about trade receivables, contract assets, and deferred revenue:

	31-Mar-19	31-Mar-18
	₹ lakhs	₹ lakhs
Trade Receivables	434.91	407.99
Deferred Revenue	-	-
Advance Collections	85.85	114.49

Advance Collections, deposits from customer

Refer Note No. 3 on significant accounting policies for details of performance obligation and revenue recognition.

At April	114.49	129.84
At March	85.85	114.49
Analysed as:		
Current	85.85	114.49
Non-current	-	-

Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to ₹ 114.49 Lakhs (PY - ₹ 129.84 Lakhs)

Note 38: There are no financial liabilities and assets that are set off as at 31st March 2019 and 31st March 2018.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 39: Dividends

Dividends paid during fiscal 2019 represent an amount of ₹ 195 Lakhs @ ₹15/- per equity share towards dividend for fiscal 2018. Dividends paid during fiscal 2018 represent an amount of ₹ 195 Lakhs @ ₹15/- per equity share towards dividend for fiscal 2017.

The dividends declared by Benares Hotels Limited are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of Benares Hotels Limited. Subsequent to March 31, 2019, the Board of Directors of Benares Hotels Limited have proposed a dividend of ₹ 195 Lakhs (₹ 15 per share) in respect of fiscal 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 235.10 Lakhs, inclusive of corporate dividend tax of ₹ 40.10 Lakhs. Remittance of dividend within India is exempt from tax in the hands of shareholders.

Note 40: Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

The Company has borrowings of ₹ 500.00 lakhs (previous year: ₹ 500.00 lakhs) as at the end of the reporting period. Accordingly, the Company has 0.07 gearing ratio (Borrowings/ Total Equity) as at 31- Mar -2019 and 0.07 as at 31- Mar -2018.

Note 41: The disclosure required to be made in terms of Schedule V of SEBI (Listing Obligation And Disclosure Requirement) 2015 is not applicable to the company.

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
FRN : 003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402

Date : April 24, 2019
Place : Mumbai

For and on behalf of the Board of Directors

Dr. Anant Narain Singh
Chairman
DIN: 0014728

Rohit Khosla
Director
DIN: 07163135

Vijay Pratap Shrikent
Chief Executive Officer

Sopan Kedia
Chief Financial Officer

Vanika Mahajan
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of **INDITRAVEL LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Indi Travel Limited ('the Company'), which comprise the Balance sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement Of Changes In Equity and the Statement of Cash Flows and for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statement in accordance with the Standards of Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the Standalone Financial Statements section or our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 21 to the Standalone financial statements;

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

iii. there are no amounts that are 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 Chandrashekar Iyer & Co.
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Partner
Membership. No. 047723

Mumbai, April 15, 2019

Annexure 'A' To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements section of our report to the Members of Indi Travel Limited of even date)

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 Taj Trade And Transport Company Limited ("the Company") as of 31st March 2019 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 Board of Directors of the Company 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 of the Company.

Meaning of Internal Financial Controls over Financial Reporting

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

Annexure 'A' To The Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, 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 Chandrashekar Iyer & Co.
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Partner
Membership. No. 047723

Mumbai, April 15, 2019

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 Indi Travel Limited of even date)

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

b. During the year the Company had physically verified the assets once and the material discrepancies had been suitably dealt with in the accounts. In our opinion the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is a service company, primarily rendering travel related services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company..

iii. According to the information and explanations given to us, 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. Accordingly, sub-clauses (a), (b) and (c) of clause (iii) of paragraph 3 of the said order are not applicable.

iv. According to the information and explanations given to us, the company has neither made any loans and investments. Accordingly, clause (iv) of paragraph 3 of the said order are not applicable.

v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Act and the rules framed there under are applicable.

vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities of the Company.

Annexure – 'B' To The Independent Auditor's Report (Contd.)

vii. a. Undisputed statutory dues including provident fund, employees state insurance, income tax, sales – tax, service tax, duty of custom, duty of excise, value added tax, cess, goods and service tax have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of service tax, Goods and Service Tax (GST) customs duty, excise duty were outstanding, as at March 31, 2019 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us and the records of the company examined by us, there are no dues of sales tax, income tax, customs duty and excise duty which have not been paid deposited on account of any dispute except the following :

Name of the Statue	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	₹ 10,41,995/-	Assessment Year 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	₹ 27,55,410/-	Assessment Year 2011-12	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income Tax	₹ 8,06,180/-	Assessment Year 2012-13	Commissioner of Income Tax (Appeals), Mumbai

viii. According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders or Government and accordingly clause viii of paragraph 3 of the said order is not applicable.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Accordingly clause (xi) of paragraph 3 of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For Chandrashekar Iyer & Co.
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Partner
Membership. No. 047723

Mumbai, April 15, 2019

Balance Sheet as at March 31, 2019

CIN No. U74999MH1981PLC023924

	Note	March 31, 2019 ₹	March 31, 2018 ₹
Assets			
Non-current assets			
Property, plant and equipment	3	**1,14,68,247**	45,55,829
Investment Property		**25,24,149**	25,66,108
Intangible assets	4	**8,573**	10,079
		1,40,00,969	71,32,016
Financial assets			
Investments	5	**9,33,40,123**	6,27,12,233
Income Tax Assets		**4,12,06,857**	4,31,39,811
Deferred Tax Assets (Net)	7	**19,99,781**	13,08,494
Total non-current assets		**15,05,47,730**	11,42,92,554
Current assets			
Financial assets			
Investments	8	**-**	2,03,14,377
Trade receivables	9	**-**	-
Cash and cash equivalents	10	**1,08,296**	4,14,177
Bank balances other than cash and cash equivalents	11	**1,28,28,329**	21,06,000
Loans	6	**14,31,655**	4,32,67,221
Total current assets		**1,43,68,280**	6,61,01,775
Total		**16,49,16,009**	18,03,94,329
Equity and liabilities			
Equity			
Equity share capital	12	**72,00,120**	72,00,120
Other equity	13	**15,26,84,577**	16,21,03,792
Total equity		**15,98,84,697**	16,93,03,912
Non-current liabilities			
Financial liabilities			
Provisions	14	**29,61,817**	28,59,067
Total non-current liabilities		**29,61,817**	28,59,067
Current Liabilities			
Financial liabilities			
Trade payables	15	**17,78,315**	29,77,152
Other current liabilities	16	**53,425**	51,71,020
Provisions	14	**2,37,755**	83,178
Total current liabilities		**20,69,495**	82,31,350
Total		**16,49,16,009**	18,03,94,329
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the Financial Statements from 1 to 36

As per our report attached
For Chandrashekar Iyer & Co.
Chartered Accountants

For and on behalf of the Board

Chandrashekhar Iyer
Partner
Membership No. 047723
Firm Registration No. 114260W

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Himanshu Jain
Director
DIN : 06890639

Place : Mumbai
Dated : April 15, 2019

Statement of Profit and Loss for the year ended March 31, 2019
CIN No. U74999MH1981PLC023924

	Note	March 31, 2019 ₹	March 31, 2018 ₹
Income			
Revenue from operations		**-**	-
Other income	17	**44,11,030**	70,31,496
Total Income		**44,11,030**	70,31,496
Expenses			
Employee benefit expense	18	**34,09,194**	41,98,795
Depreciation and amortisation expense		**97,582**	2,65,382
Other operating and general expenses	19	**19,86,462**	91,61,069
Total Expenses		**54,93,238**	1,36,25,246
Profit/ (Loss) before exceptional items and tax		**(10,82,208)**	(65,93,750)
Exceptional items -Provision for diminution in value of investment		**(1,52,75,910)**	-
Profit/ (Loss) before tax		**(1,63,58,118)**	(65,93,750)
Tax expense			
Current tax		**7,00,000**	-
Deferred tax		**(6,91,287)**	(61,372)
Short / (Excess) provision for the earlier years		**26,25,000**	-
Total		**26,33,713**	(61,372)
Profit/ (Loss) after tax for the year from continuing operations		**(1,89,91,831)**	(65,32,378)
Profit/ (Loss) from discontinuing operations	20	**98,27,328**	(21,36,212)
Tax credit of discontinuing operations		**-**	-
Profit/ (Loss) including discontinuing operations (after tax)		**(91,64,503)**	(86,68,590)
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**(2,54,712)**	1,35,023
		(2,54,712)	1,35,023
Total comprehensive Income for the period		**(94,19,215)**	(85,33,567)
Profit/ (Loss) for the period attributable to:			
Owners of the Company		**(91,64,503)**	(86,68,590)
Total Comprehensive Income for the period attributable to			
Owners of the Company		**(94,19,215)**	(85,33,567)
Earnings per share:			
Basic - (₹)		**(12.73)**	(12.04)
Diluted - (₹)		**(12.73)**	(12.04)
Face value per ordinary share - (₹)		**10**	10
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements from 1 to 36

As per our report attached
For Chandrashekar Iyer & Co.
Chartered Accountants

For and on behalf of the Board

Chandrashekhar Iyer
Partner
Membership No. 047723
Firm Registration No. 114260W

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Himanshu Jain
Director
DIN : 06890639

Place : Mumbai
Dated : April 15, 2019

Cash Flow Statement for the year ended March 31, 2019
CIN No. U74999MH1981PLC023924

	March 31, 2019 ₹	March 31, 2018 ₹
Cash Flow From Operating Activities		
Profit Before Tax	**(65,30,789)**	(87,29,962)
Adjustments For :		
Depreciation and Amortisation	**4,13,403**	3,66,263
Profit on sale of assets	**(1,12,82,356)**	-
Dividend Income	**(4,78,549)**	(14,30,930)
Interest Income	**(36,71,780)**	(40,80,640)
Sundry Credit balance written back	**(2,60,701)**	(15,19,926)
Provision for doubtful advances	**(72,32,200)**	(72,32,200)
Provision for Employee Benefits	**(2,54,712)**	3,14,902
	(2,27,66,895)	(1,35,82,531)
Cash Operating Profit before working capital changes	**(2,92,97,684)**	(2,23,12,493)
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**-**	-
Trade Receivables	**-**	-
Short-term loans and advances	**4,91,27,449**	1,21,59,318
Other Current Assets	**-**	2,27,096
Other Non-Current Assets	**4,91,27,449**	1,23,86,413
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**(9,38,136)**	5,41,399
Short term provisions	**1,54,577**	2,818
Long term provisions	**1,02,750**	(1,88,978)
Other Current Liabilities	**(51,17,595)**	40,07,494
	(57,98,404)	43,62,733
Cash Generated from Operating Activities	**1,40,31,361**	(55,63,348)
Direct Taxes (Paid)/ Refunded	**(13,92,045)**	(27,20,658)
Net Cash Generated From Operating Activities (A)	**1,26,39,316**	(82,84,006)

Cash Flow Statement for the year ended March 31, 2019 (Contd.)

CIN No. U74999MH1981PLC023924

	March 31, 2019	March 31, 2018
	₹	₹
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	**(1,12,59,063)**	-
Sale of Property, Plant and Equipment	**1,52,59,063**	-
Purchase of current Investments	**-**	(8,80,164)
Sale of current Investments	**2,03,14,377**	-
Purchase of long-term investment	**(3,06,27,890)**	-
Interest Received	**36,12,096**	42,00,066
Dividend Received	**4,78,549**	14,30,930
Fixed deposits matured	**-**	26,30,584
Fixed Deposit places	**(1,07,22,329)**	
Net Cash Generated/(Used) In Investing Activities (B)	**(1,29,45,197)**	73,81,416
Cash Flow From Financing Activities		
Long/ Short Term Deposits Refunded by companies	**-**	-
Long/ Short Term Deposits placed with companies	**-**	-
Dividend paid	**-**	-
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(3,05,881)**	(9,02,590)
Cash and Cash Equivalents - Opening	**4,14,177**	13,16,767
Cash and Cash Equivalents - Closing	**1,08,296**	4,14,177

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements from 1 to 36

As per our report attached
For Chandrashekar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 047723
Firm Registration No. 114260W

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Himanshu Jain
Director
DIN : 06890639

Place : Mumbai
Dated : April 15, 2019

Notes to the Financial Statements for the year ended March 31, 2019

Note 1: Corporate Information

Inditravel Ltd is incorporated and domiciled in India and has its registered office at Mandlik House, Mandlik Road, Colaba, Mumbai 400 001. The Company is primarily engaged in the business of Travel related services.

Note 2: Statement of significant accounting policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

(b) Standards Issued but not yet effective

Ind AS 116 – Leases

Ind AS 116 – Leases – As per the announcement of The Ministry of Corporate Affairs ("MCA"), Ind AS 116 is likely to be effective for accounting periods beginning on or after 1st April 2019. The Company will adopt the standard on April 1, 2019 as and when the notification will be issued by MCA.

(c) Basis of preparation and presentation:

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

(d) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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 and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **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 there the tax charge in the statement of profit or loss.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- **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.
- **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.
- All assets and liabilities are classified into current and noncurrent generally on the criteria of realisation /settlement within twelve months period from the Balance sheet date.

d) Revenue recognition:

Revenue and cost is recognized and accounted on accrual basis. Sale of goods is net of sales tax, returns and trade discounts. Service Income is net of service tax and is recognized when earned in accordance with the terms of the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

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

(e) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes all expenditure incidental to acquisition and installation.

Subsequent expenditure relating to property, plant and equipment is capitalized 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 assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that it's estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful life
Buildings	60 years
Plant & Machinery / Office Equipment	15 years
Furniture & Fixtures	15 years
Electrical fittings	10 years
Computers	6 years

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

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

(f) Intangible Assets:

Intangible assets include cost of acquired software and Licenses. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. The estimated useful life used for amortizing intangible assets are as under:

Nature of Assets	Useful life adopted
Software and Licenses	6 years

(g) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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.

(h) Foreign Currency Translation :

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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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 or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognized in the Statement of Profit and Loss.

(i) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(j) 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 profit or 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 recognized 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 except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 utilized.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit 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.

(k) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognized as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(l) Employee Benefits

(i) Provident Fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognized as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognizes such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

(ii) Gratuity Fund

The Company follows Unfunded Gratuity scheme and carry a provision based on actuarial valuation in the books of accounts. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

(iii) Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

(iv) Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognized based on the entitlement thereof.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(m) Cash and Cash Equivalent (for the purpose of cash flow statements):

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.

(n) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no 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 / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(p) Financial Instruments:

Financial Assets:

<u>Classification</u>

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

<u>Initial Recognition and measurement:</u>

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

<u>Debt instruments at amortized cost</u>

A ‘debt instrument’ is measured at the amortized 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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Investment in equity – others is carried at lower of cost or fair value

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

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

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated 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 the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

De-recognition

A financial liability is derecognized 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹

	Improvements to leasehold buildings (Refer Note No.27)	Freehold Land	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost							
At April 1, 2017	41,91,193	-	13,98,295	59,244	5,917	-	56,54,649
Additions	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-
Disposals/ Transfer	-	-	-	-	-	-	-
At March 31, 2018	**41,91,193**	**-**	**13,98,295**	**59,244**	**5,917**	**-**	**56,54,649**
Additions	96,34,975	16,24,088	-	-	-	-	1,12,59,063
Adjustments	-	-	-	-	-	-	-
Disposals/ Transfer	41,91,193	-	-	-	-	-	41,91,193
At March 31, 2019	**96,34,975**	**16,24,088**	**13,98,295**	**59,244**	**5,917**	**-**	**1,27,22,519**
Depreciation							
At April 1, 2017	1,55,988	-	6,09,779	9,390	852	-	7,76,009
Charge for the year	58,498	-	2,59,193	4,694	426	-	3,22,811
Adjustments	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At March 31, 2018	**2,14,486**	**-**	**8,68,972**	**14,084**	**1,278**	**-**	**10,98,820**
Charge for the year	1,60,583		2,04,235	4,694	426		3,69,938
Adjustments	-	-	-	-	-	-	-
Disposals	2,14,486	-	-	-	-	-	2,14,486
At March 31, 2019	**1,60,583**	**-**	**10,73,207**	**18,778**	**1,704**	**-**	**12,54,272**
Net Block							
At March 31, 2018	39,76,707	-	5,29,323	45,160	4,639	-	45,55,829
At March 31, 2019	**94,74,392**	**16,24,088**	**3,25,088**	**40,466**	**4,213**	**-**	**1,14,68,247**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 4 : Intangible Assets (Acquired)

₹

	Software	Total
Cost		
At April 1, 2017	50,955	50,955
Additions	-	-
Adjustments	-	-
Disposals	-	-
At March 31, 2018	**50,955**	**50,955**
Additions	-	-
Adjustments	-	-
Disposals	-	-
At March 31, 2019	**50,955**	**50,955**
Amortisation		
At April 1, 2017	39,370	39,370
Charge for the year	1,506	1,506
Adjustments	-	-
Disposals	-	-
At March 31, 2018	**40,876**	**40,876**
Charge for the year	1,506	1,506
Adjustments	-	-
Disposals	-	-
At March 31, 2019	**42,382**	**42,382**
Net Block		
At March 31, 2018	**10,079**	**10,079**
At March 31, 2019	**8,573**	**8,573**

Note 5 : Investments

	March 31, 2019		March 31, 2018	
Non Current Investments	**Holdings As at**	₹	Holdings As at	₹
Fully Paid Unquoted Equity Instruments				
Investments in Other companies (At Cost)				
Taj Enterprises Ltd. Shares of ₹100/- each fully paid-up*	**12,450**	**2,12,40,860**	12,450	2,12,40,860
Taj Trade & Transport Compnay Ltd shares of ₹ 10/- each fully paid-up	**5,50,766**	**2,83,11,373**	5,50,766	2,83,11,373
Taj Safaris Ltd of ₹ 10/- each, fully paid-up **	**1,11,70,380**	**11,17,03,800**	65,80,000	6,58,00,000
	1,17,33,596	**16,12,56,033**	71,43,216	11,53,52,233
Total Non-current Investments - Gross		**16,12,56,033**		11,53,52,233
Less : Provision for Diminution in value of Investments **		**(6,79,15,910)**		(5,26,40,000)
Total Non-current Investments - Net		**9,33,40,123**		6,27,12,233

Footnotes :

1) Aggregate of Unquoted Investments - Gross	**16,12,56,033**	11,53,52,233
2) Aggregate amount of impairment in value of investments	**(6,79,15,910)**	(5,26,40,000)

3) * These companies are the fellow subsidiaries of Inditravel limited

4) ** Provision for diminution in value has been made on the basis of fair valuation of the shares of the company

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	March 31, 2019 ₹	March 31, 2018 ₹
Note 6 : Loans		
A) Current		
(Unsecured, considered good unless stated otherwise)		
Loans and Advances to Employees	**54,996**	-
Related Parties	**11,00,006**	4,30,50,252
Interest Receivable	**2,76,653**	2,16,969
Others:		
Considered Good	**-**	-
Considered Doubtful	**72,32,200**	72,32,200
	86,63,855	5,04,99,421
Less:		
Provision for Doubtful Advances	**(72,32,200)**	(72,32,200)
	14,31,655	4,32,67,221

	March 31, 2019 ₹	March 31, 2018 ₹
Note 7 : Deferred Tax Assets / (Liabilities) (Net)		
Deferred Tax Assets:		
Provision for Employee Benefits	**5,39,819**	5,56,789
Others	**16,26,881**	14,28,339
Total (B)	**21,66,700**	19,85,128
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	**1,66,919**	6,76,634
Total (A)	**1,66,919**	6,76,634
Net Deferred Tax Assets /(Liabilities) (A-B)	**19,99,781**	13,08,494

Note 8 : Investments

	March 31, 2019		March 31, 2018	
Current Investments	**Holdings As at**	**₹**	Holdings As at	₹
Investments in Mutual Fund Units (Unquoted)				
Birla Sun Life Cash Plus	-	-	2,02,593	2,03,14,377
TOTAL	-	-	2,02,593	2,03,14,377
1) Aggregate amount of cost of quoted Investments		-		2,03,14,377
2) Aggregate market value of quoted Investments		-		2,03,14,377

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	March 31, 2019 ₹	March 31, 2018 ₹
Note 9 : Trade receivables		
Considered Good		-
Considered doubtful	**78,07,181**	78,07,181
	78,07,181	78,07,181
Less : Provision for Debts doubtful of recovery	**(78,07,181)**	(78,07,181)
	-	-

	March 31, 2019 ₹	March 31, 2018 ₹
Note 10 : Cash and Cash Equivalents		
Balances with bank in current account	**1,08,296**	4,14,177
	1,08,296	4,14,177

	March 31, 2019 ₹	March 31, 2018 ₹
Note 11 : Bank Balances Other than Cash and Cash Equivalents		
Other Balances with banks		
Call and Short-term deposit accounts more than 3 months and less than 12 months	**1,28,28,329**	21,06,000
	1,28,28,329	21,06,000

Note 12 :

Share capital consist of the following	March 31, 2019 ₹	March 31, 2018 ₹
SHARE CAPITAL		
1 Authorised Share capital		
a) Equity Shares		
7,50,000 (Previous Year 7,50,000) Equity Shares of ₹ 10 each	**75,00,000**	75,00,000
b) Preference Shares		
1,20,00,000 (Previous Year 1,20,00,000) 6 % Cumulative Optionally Convertible Preference Shares of ₹ 10 each	**12,00,00,000**	12,00,00,000
c) Unclassified Shares		
17,25,00,00 (Previous Year 1,72,50,000) Unclassified Shares of ₹ 10 each	**17,25,00,000**	17,25,00,000
	30,00,00,000	30,00,00,000
2 Issued, Subscribed and Paid up		
a) Equity Shares		
7,20,012 (Previous Year 7,20,012) Equity Shares of ₹ 10 each fully paid	**72,00,120**	72,00,120
	72,00,120	72,00,120

a. Shareholders holding more than 5% shares in the Company

Name of the Company	**March 31, 2019**		March 31, 2018	
	No. of Shares	**% holding**	No. of Shares	% holding
Equity share of ₹ 10/-each fully paid				
The Indian Hotels Company Limited	**2,40,004**	**33.34%**	2,40,004	33.34%
TIFCO Holding Lmited	**99,005**	**13.75%**	99,005	13.75%
Taj Trade and Transport company Limited	**72,001**	**10.00%**	72,001	10.00%
Piem Hotels Limited	**1,89,002**	**26.25%**	1,89,002	26.25%
Taj Enterprises Limited	**72,000**	**10.00%**	72,000	10.00%

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

b. Reconcilation of the shares outstanding at the beginning and at the end of reporting period

	March 31, 2019		March 31, 2018	
	No. of Shares	**₹**	No. of Shares	₹
Opening Balance	**7,20,012**	**72,00,120**	7,20,012	72,00,120
Add : Issued during the year	**-**		-	
Less : Redeeemed / Bought Back	**-**		-	
Closing Balance	**7,20,012**	**72,00,120**	7,20,012	72,00,120

c. Shares in the Company held by its ultimate holding company including shares held by subsidiaries or associates of ultimate holding company

	March 31, 2019		March 31, 2018	
Name of the Company	**No. of Shares**	**holding**	No. of Shares	holding
Shares held by Ultimate Holding Company				
The Indian Hotels Company Limited	**2,40,004**	**33.34%**	2,40,004	33.34%
	2,40,004	**33.34%**	2,40,004	33.34%
Shares held by Subsidiary of Ultimate Holding Company				
Piem Hotels Limited	**1,89,002**	**26.25%**	1,89,002	26.25%
Taj Trade and Transport Company Limited	**72,001**	**10.00%**	72,001	10.00%
TIFCO Holding Lmited	**99,005**	**13.75%**	99,005	13.75%
Taj Enterprises Limited	**72,000**	**10.00%**	72,000	10.00%
Northen Indian Hotels Limited	**24,000**	**3.33%**	24,000	3.33%
	4,56,008	**63.33%**	4,56,008	63.33%

d. The Company has one class of equity shares having a par value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, exepct in case of interim dividend. In event of liquidation, the equity shareholders are eligible to receive the remianing assets of the Company after distribution of all perferential amounts, in proportion to their shareholding.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note: 13 Statement of Changes in Equity

In ₹

Particulars	Equity Share Capital Subscribed	Other Equity Reserves and Surplus				Total
		Capital Reserve	General Reserve	Other reserves	Retained Earnings	
Balance as at March 31, 2017	**72,00,120**	**15,50,000**	**5,19,18,242**	**12,00,00,000**	**(28,30,883)**	**17,78,37,479**
Profit for the year ended March 31, 2018					(86,68,590)	(86,68,590)
Other Comprehensive Income for the year ended March 31, 2018, net of taxes, (excluding actuarial gain/ losses, given below)						-
Remeasurements of post employment benefit obligation, net of tax					1,35,023	1,35,023
Total Comprehensive Income for the year ended March 31, 2018	-	-	-	-	(85,33,567)	(85,33,567)
Balance as at March 31, 2018	**72,00,120**	**15,50,000**	**5,19,18,242**	**12,00,00,000**	**(1,13,64,450)**	**16,93,03,912**
Profit for the year ended March 31, 2019					(91,64,503)	(91,64,503)
Other Comprehensive Income for the year ended March 31, 2019, net of taxes, (excluding actuarial gain/ losses, given below)						-
Remeasurements of post employment benefit obligation, net of tax					(2,54,712)	(2,54,712)
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**-**	**-**	**(94,19,215)**	**(94,19,215)**
Balance as at March 31, 2019	**72,00,120**	**15,50,000**	**5,19,18,242**	**12,00,00,000**	**(2,07,83,665)**	**15,98,84,697**

	March 31, 2019 ₹	March 31, 2018 ₹
Note 14: Provision		
A) Long term provisions		
Employee Benefit Obligation (Non-current)		
Leave Encashment	**5,71,295**	6,79,893
Gratuity	**23,90,522**	21,79,174
	29,61,817	28,59,067
B) Short term provisions		
Employee Benefit Obligation (Current)		
Leave Encashment	**99,975**	71,494
Gratuity	**1,37,780**	11,684
	2,37,755	83,178

	March 31, 2019 ₹	March 31, 2018 ₹
Note 15: Trade Payables		
Micro and Small Enterprises	**-**	-
Vendor Payables	**1,38,615**	2,65,277
Accrued expenses and others	**16,39,700**	27,11,875
	17,78,315	29,77,152

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	March 31, 2019 ₹	March 31, 2018 ₹
Note 16 : Other non financial Liabilities		
Current		
Statutory dues	**53,425**	7,75,006
Related Parties	**-**	21,014
Others	**-**	43,75,000
	53,425	51,71,020

	March 31, 2019 ₹	March 31, 2018 ₹
Note 17 : Other Income		
Interest Income from financial assets at amortised cost		
Interest Income on		
Deposits with banks (Tax deducted at source ₹ 38,690/- (Previous Year ₹ 33,788/-)	**4,95,975**	3,50,228
Deposits with Related Parties	**31,70,555**	37,30,412
Others	**5,250**	-
Total	**36,71,780**	40,80,640
Dividend received on Investment carried at cost		
Dividend Income - Non-Current (Non Trade)	**-**	5,50,766
Dividend Income - Current Investment	**4,78,549**	8,80,164
Miscellaneous Income	**2,60,701**	15,19,926
Total	**44,11,030**	70,31,496

	March 31, 2019 ₹	March 31, 2018 ₹
Note 18 : Employee Benefit Expense and Payment to Contractors		
Salaries, Wages, Bonus etc.	**28,85,797**	33,89,155
Company's Contribution to Provident and Other Funds	**4,30,088**	5,50,340
Staff Welfare Expenses	**93,309**	2,59,300
Total	**34,09,194**	41,98,795

	March 31, 2019 ₹	March 31, 2018 ₹
Note 19 : Other expenses		
Other expenses consist of the following :		
Rent Rates and Taxes	**2,86,006**	96,363
Repairs and Maintenance	**-**	-
Insurance	**1,82,890**	2,78,255
Legal and Professional Charges	**11,78,142**	7,88,176
Payment made to Statutory Auditors (Refer Footnote (i))	**1,18,000**	1,18,000
Provision for contingency expenses	**-**	5,12,890
Provision for Doubtful Advances	**-**	72,32,200
Miscellaneous Expenses	**2,21,424**	1,35,185
Total	**19,86,462**	91,61,069

Footnotes:

(i) Payment made to Statutory Auditors:		
As auditors	**1,18,000**	1,18,000
	1,18,000	1,18,000

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	March 31, 2019 ₹	March 31, 2018 ₹
Note 20 : Profit/ (Loss) on Discontinued Operations		
Income from discontinued operation		
Profit on Relinquishment of Land	**1,12,82,356**	-
Rental Income	**3,75,000**	3,65,000
Miscellaneous Income	**7,31,534**	2,82,016
	1,23,88,890	6,47,016
Expenses from discontinued operation		
Salaries, Wages, Bonus etc.	**20,19,837**	19,10,766
Rates and taxes	**25,190**	6,29,875
Legal & Professional Expenses	**1,02,000**	82,500
Electricity	**98,714**	59,206
Depreciation	**3,15,821**	1,00,881
	25,61,562	27,83,228
Total	**98,27,328**	(21,36,212)

Note 21 : Contingent Liabilities:

Contingent liabilities and commitments (to the extent not provided for)

Particular	March 31, 2019 ₹	March 31, 2018 ₹
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(i) Income tax demand under appeal	**46,03,585**	46,03,585
	46,03,585	46,03,585

Employee Related Matters

Some casual workers had claimed minimum wages/permanency in the company. The amount is unascertainable and the matter is pending in court.

The management believes that the outcome of the proceedings will not have an adverse effect on the company's financial position and results of the operation.

Note 22 : Ind AS 15 'Revenue from Contracts with Customers'

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognizing revenue from contracts with customers. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended 31st March 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1st April 2018 ('transition date') in equity and the impact on such transition date is not material.

Also the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months.

Prior to adoption of Ind AS 115, the Company's revenue was primarily comprised of Revenue from sale of goods and services. The recognition of these revenue streams is largely unchanged by Ind AS 115.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 23 : Deferred Tax:

Following are the major components of deferred tax (asset)/liability:

Particulars	March 31, 2019 ₹	March 31, 2018 ₹
Deferred tax Assets:		
Gratuity & Leave Encashment	**4,22,421**	4,39,391
Bonus	**1,17,398**	1,17,398
Unabsorbed Depreciation	**15,48,881**	13,50,339
Others	**78,000**	78,000
Total of Deferred tax assets (A)	**21,66,700**	19,85,128
Deferred tax liabilities:		
Depreciation on Fixed assets	**(1,66,919)**	(6,76,634)
Total of Deferred tax liabilities (B)	**(1,66,919)**	(6,76,634)
Deferred tax net - Assets / (Liabilities) - (A-B)	**19,99,781**	13,08,494

Note 24 : Particulars of earnings per share:

Particulars	March 31, 2019 ₹	March 31, 2018 ₹
Net profit /(loss) for the year as per the statement of profit and loss	**(91,64,503)**	(86,68,590)
Profit / (loss) to equity share holders	**(91,64,503)**	(86,68,590)
Weighted average number of equity shares	**7,20,012**	7,20,012
Nominal value per share	**10**	10
Earnings per share – Basic & Diluted	**(12.73)**	(12.04)

Note 25 : Closure of Units:

a) The Company discontinued its printing, electroplating and other operations and Car Hire division with effect from March 2001 and December 2014 respectively. As at March 31, 2019, the Company carried the following assets and liabilities of discontinued operations:

Particulars	March 31, 2019		March 31, 2018	
	Assets	**Liabilities**	Assets	Liabilities
Divisions				
Printing	-	-	-	58,669
others	**1,36,28,629**	-	65,48,815	43,75,000
Car Hire	**1,00,000**	-	1,00,000	-
Total	**1,37,28,629**	-	66,48,815	44,33,669

The Market values of these Assets are higher than the carrying value.

The Company has incurred Profit of ₹ 98,27,328/-(Previous Year Loss of ₹ 21,36,212/-) from discontinued business, which is included in the Profit and Loss Account, break-up of which is given as under:

	March 31, 2019			March 31, 2018		
Particulars	**Revenue**	**Expenses**	**Profit/(Loss)**	Revenue	Expenses	Profit/(Loss)
Divisions						
Printing	-	-	-	-	-	-
Others	**1,23,88,890**	**5,41,725**	**1,18,47,165**	6,47,016	8,72,462	(2,25,446)
Car Hire	-	**20,19,837**	**(20,19,837)**	-	19,10,766	(19,10,766)
Total	**1,23,88,890**	**25,61,562**	**98,27,328**	6,47,016	27,83,228	(21,36,212)

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 26 : In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of the Company's business.

Note 27 : Amounts due to Micro, Small and Medium Enterprises:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act,2006" has been determined to the extend such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

	March 31 2019 (₹)	March 31 2018 (₹)
(a) Principal amount due thereon remaining Unpaid to any supplier at end of each accounting year.	**-**	-
(b) Interest due there on remaining unpaid to supplier as at end of each accounting year.	**-**	-
(c) The amount of interest paid in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	**-**	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	**-**	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year.		
(f) The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure undersection 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**-**	-

Note 28 : Employee Benefits

Applicable Disclosures as per Ind AS19:

The Company has calculated the various benefits to employees as under:

(A) Defined contribution plans

The company has recognized the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and other funds(net of recoveries)

	March 31, 2019 (₹)	March 31, 2018 (₹)
Provident fund	**1,81,253**	2,14,240

(B) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Non Funded

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(C) Defined benefit plans(Gratuity) – as per actuarial valuation on March 31, 2019: -

Principal Actuarial Assumptions as at 31st March 2019.

		March 31, 2019 (₹)	March 31, 2018 (₹)
(i)	**Amount to be recognized in Balance Sheet and Movement in net Liability**		
	Present Value of unfunded defined benefit obligation	**25,28,302**	21,90,858
	Net (Assets)/ Liability	**25,28,302**	21,90,858
(ii)	**Expense recognized in Statement of Profit & Loss**		
	Current Service Cost	**1,14,698**	1,48,455
	Interest Cost	**1,64,969**	1,58,175
	Total	**2,79,667**	3,06,630
(iii)	**Expense recognized in Other Comprehensive Income**		
	Remeasurements Due to:		
	Changes in financial assumptions	**-**	(50,983)
	Experience adjustments	**2,54,947**	(84,040)
	Adjustment to recognize the effect of asset ceiling	**(235)**	-
	Total	**2,54,712**	(1,35,023)
(iv)	**Reconciliation of Defined Benefit Obligation:**		
	Opening Defined Benefit Obligation	**21,90,858**	21,71,612
	Current Service Cost	**1,14,698**	1,48,455
	Interest Cost	**1,64,969**	1,58,175
	Remeasurements due to actuarial loss/(gain) arising from		
	Changes in financial assumption	**-**	(50,983)
	Experience adjustments	**2,54,712**	(84,040)
	Benefits Paid	**(1,96,935)**	(1,52,361)
	Closing Defined Benefit Obligation	**25,28,302**	21,90,858
(v)	**Reconciliation of Fair Value of Plan Assets**		
	Contribution by Employer	**1,96,935**	1,52,361
	Benefit Paid	**(1,96,935)**	(1,52,361)
	Closing of Fair Value of Plan Assets	**-**	-

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	March 31, 2019	March 31, 2018
(vi) Actuarial Assumptions :		
Discount rate(p.a.) in %	**7.55%**	7.55%
Salary escalation rate (p.a.) in %	**7%**	7%
Pension Escalation Rate (p.a.) in %	**-**	-
Annual Increase in Healthcare cost (p.a.)	**-**	-
Mortality Table (LIC)	**-**	-

(vii) Sensitivity Analysis

	March 31, 2019	
	Discount Rate (%)	Salary Escalation Rate (%)
Impact of increase in 50 bps on DBO	-4.05%	4.37%
Impact of decrease in 50 bps on DBO	4.36%	-4.09%

(viii) Data Summary :		
No. of Employees	**10**	10
Total Salary	**1,25,453**	1,14,080
Total Past Service	**19.51**	19
Value of liability	**25,28,302**	21,90,858

(ix) Any other additional disclosure given in the report

Mortality Table * - Table 1

Mortality in Service - Table 1

Mortality in Retirement - NA

*Table 1- Indian Assured Lives Mortality (2006-08) Ult table.

Note 29 : Related Party Disclosure AS – 18, issued by the Institute of Chartered Accountants of India.

a) The names of the related parties are as under:

A. Holding Company	The Indian Hotels Company Limited
B. Subsidiaries of Holding Company	Taj SATS Air Catering Limited KTC Hotels Limited United Hotels Limited Roots Corporation Limited Piem Hotels Limited Taj Trade and Transport Company Limited Northern India Hotels Limited Taj Enterprises Limited Benares Hotels Limited Luthria & Lalchandani Hotel & Properties Pvt. Ltd.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	Skydeck Properties and Developers Private Limited
	Sheena Investments Private Limited
	ELEL Hotels & Investments Limited
	Taj International Hotels (H.K) Limited
	IHOCO BV
	St. James Court Hotels Limited
	Taj International Hotels Limited
	PIEM International Hotels (H.K) Limited
	BAHC 5 (Pte Ltd)
	United Overseas Holdings Inc.
C. Joint Ventures of Holding Company	Taj Kerala Hotels & Resorts Limited
	Taj Safaris Limited
	Kaveri Retreat & Resorts Limited
	Taj Madras Flight Kitchen Pvt Ltd
	Taj Karnataka Hotels & Resorts Ltd
	Taj GVK Hotels & Resorts Ltd
	TAL Hotels & Resorts Ltd
	IHMS Hotels (SA) (proprietary) Ltd

D. Details of Transactions with related parties are as follows:

Particulars	**Holding Company**		**Subsidiaries of Holding Company**	
	2018-19	2017-18	**2018-19**	2017-18
	₹	₹	₹	₹
Reimbursement of Deputed Staff	**-**	-	**-**	-
ICD received back		-	**-**	-
Dividend received	**-**	-	**-**	5,50,766
Dividend Paid	**-**	-	**-**	-
Rent Income	**-**	2,40,000	**-**	-
Sale or services rendered	**-**	-	**-**	-
Due from Current Account	**-**	(45,969)	**11,00,006**	(21,014)

Particulars	**Joint Ventures**	
	2018-19	2017-18
	₹	₹
Purchase of Shares under Rights issue	**4,59,03,800**	-
Interest Accrued	**-**	3,28,767
Interest Received on ICD	**31,70,555**	37,30,412
Inter Corporate Deposits	**-**	4,00,00,000

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

E. Statement of material transactions:

Company name	Joint Ventures	
	March 31 2019	March 31 2018
	₹	₹
Holding Company		
The Indian Hotels Company Limited		
Rental Income	-	2,40,000
Dividend paid	-	-
Reimbursement of Deputed Staff Salary	-	-
Sales or Services	-	-
Current Account dues	-	(45,969)
Subsidiaries of Holding Company		
Taj Trade & Transport Company Limited		
Dividend paid	-	-
Dividend Received	-	5,50,766
Current Account Dues	**11,00,006**	(21,014)
Joint Ventures		
Taj Safaris Limited		
Purchase of Shares under Rights issue	**4,59,03,800**	-
Interest Income on Inter Corporate Deposits	**31,70,555**	37,30,412
Interest Accured	-	3,28,767
Inter Corporate Deposits outstanding	-	4,00,00,000

Note 30 : The details of provisions as required by the provisions of Indian Accounting Standard 37 "Provisions, contingent Liabilities and Contingent Assets" are as under:

In ₹

Nature of Provision	**Leave Encashment & Gratuity**
Opening Balance	29,42,245
Additional provisioning	4,54,262
Amounts used during the year	1,96,935
Amounts reversed during the year	-
Closing Balance	**31,99,572**

Note 31 : The Company's only business being travel related services, disclosure of segment –wise information is not applicable under Indian Accounting Standard – Segmental Information (AS – 108 notified by the Company's (Accounting Standards) Rules, 2006. There is no geographical segment to be reported since all the operations are undertaken in India.

Note 32 : The Company was carrying an investment of 65,80,000 Shares of Taj Safari Limited Face value ₹ 10 each, at ₹ 1,31,60,000/-. During the year the company subscribed to right issue of 45,90,380 shares of Taj Safari Limited at ₹ 10 each. A provision for diminution in value of investments amounting to ₹ 1,52,75,910/- has been made based on fair valuation of the shares of the company and the same has been shown as an exceptional item in the Profit and Loss account.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 33 : The Company has investment in property amounting to ₹25,24,149/- (PY ₹25,66,108/-) where the right to title is executed through registered power of attorney.

Note 34 : Additional information:

Sr No.	Particulars	March 31, 2019 (₹)	March 31, 2018 (₹)
(i)	Value of imports on CIF basis	**Nil**	Nil
(ii)	Expenditure in Foreign Currency -		
	a. Passage and Travelling	**Nil**	Nil
	b. Professional Fees	**Nil**	Nil
(iii)	Earnings in foreign exchange		
	a. Export - F.O.B. value	**Nil**	Nil

Note 35 : Sale of Services:

	March 31, 2019 (₹)	March 31, 2018 (₹)
Car Hire and Other services	**NIL**	NIL

Note 36 : Previous year figures are regrouped and rearranged wherever necessary to match with current year's classification.

Signature to Notes Forming Part of Financial Statements 1 to 36.

For Chandrashekar Iyer & Co.
Chartered Accountants

For and behalf of the Board

Chandrashekhar Iyer Jain
Partner
Membership. No. 047723
Firm Registration No. 114260W

Faisal Momen
Director
DIN:00064878

Nabakumar Shome
Director
DIN:03605594

Himanshu
Director
DIN:06890639

Place: Mumbai
Date: April 15, 2019.

INDEPENDENT AUDITOR'S REPORT

To the Members of KTC Hotels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of KTC Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the IND AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Evaluation of uncertain tax positions

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.

Refer Notes 2.(i) and 19.1 to the Financial Statements

Auditor's Response

Principal Audit Procedures

Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties

INDEPENDENT AUDITOR'S REPORT (CONTD.)

2. Recoverability of Indirect tax receivables

As at March 31, 2019, non-current assets represents Others-Balance with Government Authorities includes service tax recoverable amounting to Rs.6,35,883 which are pending adjudication.

Refer Note 5 to the Financial Statements.

Auditor's Response

Principal Audit Procedures

We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

1. 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.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the year.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 19.1 to the Ind AS financial statements;

   ii. The Company did not have any long term contracts including derivative contracts for which they have 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.

For Varma and Varma
Chartered Accountants
FRNNo:004532S

S.Raghunandan
Partner
M No. 23592

Place : Kozhikode
Date: April 18, 2019

ANNEXURE 'A' 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 KTC Hotels Limited of even date)

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

(b) We are informed that major items of the fixed assets of the Company have been physically verified by the management during the year, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets and that no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a service company, primarily engaged in business of renting of immovable property. Accordingly, it does not hold any physical inventories .Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(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 made any investment or granted any loans or given any security or given any guarantee for which the provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable.

(v) The Company has not accepted any deposits from the public and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

(vii) As per the information and explanations furnished to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, and as per the records of the company examined by us, the following disputed amount of statutory dues have not been deposited with the relevant authorities as per details given below:

Nature of the Statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Income tax Act 1961	Income Tax	9,59,450/-	Assessment Year 2005 -06	CIT(Appeals), Kozhikode
Finance Act 1994	Service tax	22,47,062/-	Financial Year 2007 – 08 and 2008 –09	Office of the Commissioner of Central Excise, Customs and Service Tax(Appeals), Cochin

*Out of the above, an amount of Rs.5,24,190/- have been adjusted against the refund due for the Assessment Year 2009-10

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The company has not availed any term loans during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.

(xi) According to the information and explanations give to us,and the records of the Company examined by us, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the order is not applicable.

(xii) The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 wherever applicable and details have been disclosed in Note No. 19.4 to the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and records of the Company, examined by us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us and the records of the company examined by us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under Clause (xvi) of paragraph 3 of the Order is not applicable.

For Varma and Varma
Chartered Accountants
FRNNo:004532S

S.Raghunandan
Partner
M No. 23592

Place : Kozhikode
Date: April 18, 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of KTC HOTELS LIMITED 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 KTC HOTELS LIMITED (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

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.

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT (Contd.)

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the 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 Varma and Varma
Chartered Accountants
FRNNo:004532S

S.Raghunandan
Partner
M No. 23592

Place : Kozhikode
Date: April 18, 2019

Balance Sheet as at March 31, 2019

Particulars	Note	March 31, 2019 in Rupees	March 31, 2018 in Rupees
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	**2,99,71,887**	3,06,07,068
		2,99,71,887	3,06,07,068
Financial Assets			
i) Other financial assets	4	**16,913**	16,913
Other non-current assets	5	**6,35,883**	6,35,883
Income tax assets (Net)		**99,091**	14,46,992
Total non-current assets		**3,07,23,774**	3,27,06,856
Current assets			
Financial Assets			
i) Trade receivables	6	**13,24,306**	30,12,359
ii) Cash and cash equivalents	7(a)	**11,197**	2,365
iii) Bank Balances other than Cash and Cash Equivalents	7(b)	**1,97,00,000**	2,48,20,000
iv) Loans	8	**1,52,300**	1,14,230
Other current assets	4	**9,18,181**	10,99,757
Total current assets		**2,21,05,984**	2,90,48,711
TOTAL ASSETS		**5,28,29,758**	6,17,55,567
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	9	**60,40,000**	60,40,000
(b) Other Equity	10	**1,75,83,160**	2,59,97,237
Total equity		**2,36,23,160**	3,20,37,237
Liabilities			
Non-current liabilities			
Financial libilities			
i) Borrowings	11	**9,98,742**	9,07,442
Deferred Tax Liabilities (Net)	12	**61,22,090**	61,64,550
Other non-current Liabilities	13	**2,13,65,426**	2,19,46,742
Total non-current liabilities		**2,84,86,258**	2,90,18,734
Current liabilities			
Financial libilities			
i) Trade payables	14	**75,600**	63,000
Other current liabilities	13	**6,44,740**	6,36,596
Total current liabilities		**7,20,340**	6,99,596
Total Liabilities		**2,92,06,598**	2,97,18,330
TOTAL EQUITY AND LIABILITIES		**5,28,29,758**	6,17,55,567
Accounting Policies	1-2		
Additional Information	19		

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of directors of
KTC Hotels Limited

V.Mohan
Director
(DIN: 00215718)
Place: Kochi
Date : 17.4.2019

Prabhat Verma
Director
(DIN: 06548864)

As per our report attached

For Varma & Varma
(FRN:004532S)
Chartered Accountants

S. Raghunandan
Partner
M.No:23592
Place:Calicut
Date : 18.4.2019

Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note	**March 31, 2019 Amount in (₹)**	March 31, 2018 Amount in (₹)
Income			
Revenue from operations	15	**35,84,229**	36,66,513
Other income	16	**14,07,478**	13,43,853
Total Income		**49,91,707**	50,10,366
Expenses			
Finance costs	17	**91,300**	88,753
Depreciation and Amortisation expenses	3	**6,35,181**	6,35,181
Other expenses	18	**3,28,755**	2,73,501
Total expenses		**10,55,236**	9,97,435
Profit / (Loss) before exceptional items and tax		**39,36,472**	40,12,931
Exceptional items		**-**	-
Profit / (Loss) before tax		**39,36,472**	40,12,931
Tax Expense			
(1) Current tax		**11,26,000**	11,50,000
(2) Deferred tax		**(42,460)**	(94,411)
(3) Relating to earlier years (net)		**14,36,547**	3,98,985
Profit for the year		**14,16,385**	25,58,357
Other comprehensive income			
Items that will not be reclassified to profit or loss		**-**	-
Remeasurement of defined benefit obligation		**-**	-
Total other comprehensive income (net of tax)		**-**	-
Total comprehensive income for the year		**14,16,385**	25,58,357
Earning per Equity Share - Basic & Diluted (Rs)		**2.35**	4.24
Weighted average number of equity shares (face value of Rs. 10 each)		**6,04,000**	6,04,000
Accounting Policies	1-2		
Additional Information	19		

The accompanying notes form an integral part of the financial statements.

For and on behalf of the Board of directors of
KTC Hotels Limited

As per our report attached

For Varma & Varma
(FRN:004532S)
Chartered Accountants

V.Mohan
Director
(DIN: 00215718)
Place: Kochi
Date : 17.4.2019

Prabhat Verma
Director
(DIN: 06548864)

S. Raghunandan
Partner
M.No:23592
Place:Calicut
Date : 18.4.2019

Cash Flow Statement for the year ended March 31, 2019

Particulars	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Cash flow from Operating Activities:-		
Net Profit before tax	**39,36,472**	40,12,931
Adjustments for:		
Depreciation and amortization	**6,35,181**	6,35,181
Finance Costs	**91,300**	88,753
Interest Income	**(14,07,478)**	(13,35,727)
Total Adjustments	**(6,80,997)**	(6,11,793)
Operating profit before working capital changes	**32,55,475**	34,01,138
Adjustments for:		
Trade receivables	**16,88,053**	(19,12,245)
Loans , other financial assets and other assets	**5,23,941**	2,35,72,593
Trade payables	**12,600**	(10,500)
Other financial liabilities, provisions and other liabilities	**(16,99,172)**	(21,17,221)
Cash generated from operating activities	**37,80,897**	2,29,33,765
Income taxes paid	**(4,69,081)**	(9,74,997)
Net cash from / (used) in operating activities (A)	**33,11,816**	2,19,58,768
Cash flow from investing activities:		
Payment for purchase of Tangible Assets	**-**	-
Bank Balances other than Cash and Cash Equivalents	**51,20,000**	(2,39,00,000)
Interest income	**14,07,478**	13,35,727
Net Cash from / (used) In Investing Activities (B)	**65,27,478**	(2,25,64,273)
Cash flow from financing activities:		
Deposit from holding company	**91,300**	88,753
Finance Costs	**(91,300)**	(88,753)
Dividends paid (including dividend distribution tax)	**(98,30,462)**	-
Net Cash from / (used) In Financing Activities (C)	**(98,30,462)**	-
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**8,832**	(6,05,505)
Cash and cash equivalents at the beginning of the year	**2,365**	6,07,870
Cash and cash equivalents at the end of the year (Refer Note7a)	**11,197**	2,365
NET INCREASE/(DECREASE) AS DISCLOSED ABOVE	**8,832**	(6,05,505)

Significant Accounting Policies - See Note No.1 & 2

For and on behalf of the Board of directors of
KTC Hotels Limited

V.Mohan
Director
(DIN: 00215718)
Place: Kochi
Date : 17.4.2019

Prabhat Verma
Director
(DIN: 06548864)

As per our report attached

For Varma & Varma
(FRN:004532S)
Chartered Accountants

S. Raghunandan
Partner
M.No:23592
Place:Calicut
Date : 18.4.2019

Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

	Note	Equity shares	Amount
Equity shares of INR 10 each issued at par, subscribed and fully paid-up			
As at 1 April 2017	9	6,04,000	60,40,000
Changes in equity share capital during 2017-18		-	-
As at 31 March 2018		6,04,000	60,40,000
Changes in equity share capital during 2018-19		-	-
As at 31 March 2019		6,04,000	60,40,000

B Other equity

Particulars	Reserves and surplus		Total equity attributable to equity share share holders of the Company
	General Reserve	Retained Earnings	
As at 1 April 2017	33,00,000	2,01,38,880	2,34,38,880
Total comprehensive income for the year ended 31 March 2018			
Profit for the year	-	25,58,357	25,58,357
Other comprehensive income, net of taxes	-		-
Total comprehensive income	-	25,58,357	25,58,357
Dividend paid	-	-	-
Dividend tax	-	-	-
Total contributions by and distributions to owners	-	-	-
As at 31 March 2018	33,00,000	2,26,97,237	2,59,97,237
Total comprehensive income for the year ended 31 March 2019			
Profit for the year	-	14,16,385	14,16,385
Other comprehensive income, net of taxes	-	-	-
Total comprehensive income	-	14,16,385	14,16,385
Transactions with owners, recorded directly in equity			
Contributions by and distributions to owners			
Dividend paid	-	81,54,000	81,54,000
Dividend tax	-	16,76,462	16,76,462
Total contributions by and distributions to owners	-	98,30,462	98,30,462
As at 31 March 2019	**33,00,000**	**1,42,83,160**	**1,75,83,160**

Dividends:-

Subsequent to March 31, 2019, the Board of Directors of the KTC Hotels Limited has proposed a final dividend of ₹ Nil per share (PY ₹13.5 per share) totaling to ₹ Nil (PY ₹ 81.54 lakhs) in respect of fiscal 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of aproximately ₹ Nil (PY ₹ 98.14 lakhs), inclusive of corporate dividend tax of ₹ Nil (PY ₹16.60 lakhs). Remittance of dividend within India is exempt from tax in the hands of shareholders.

For and on behalf of the Board of directors of
KTC Hotels Limited

As per our report attached

For Varma & Varma
(FRN:004532S)
Chartered Accountants

V.Mohan
Director
(DIN: 00215718)
Place: Kochi
Date : 17.4.2019

Prabhat Verma
Director
(DIN: 06548864)

S. Raghunandan
Partner
M.No:23592
Place:Calicut
Date : 18.4.2019

Notes to Financial Statements for the year ended March 31, 2019

Note 1. Corporate Information

KTC Hotels Limited ("the Company"), was set up in the year 1984 and has its registered office at The Gateway Hotel, Marine Drive, Ernakulam, Kochi – 682 011. The Major shareholders of the Company are The Indian Hotels Company Limited. The Company is engaged in the business of renting of immovable property.

The financial statements were approved by the Board of Directors and authorised for issue on 17 April 2019.

Note 2. Significant accounting policies

(a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

(b) Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 ('the Act') (to the extent notified) . The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after. Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(c) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note (d). Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(d) Critical accounting estimates

a. Useful lives of property, plant and equipment and intangible assets

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

b. Impairment testing

Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

c. 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 the tax charge in the statement of profit or 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.

d. 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 unfavorable 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.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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 taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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 assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off 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. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Assets under finance leases are depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 .

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

(f) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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.

(g) Revenue recognition

(i) License fees are recognised in accordance with contractual terms under completed contract service method.

(ii) Interest accrued is recognised in time proportion basis taking into account amount outstanding and rates applicable.

(h) Assets taken on lease

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2015, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard

(i) 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 profit or 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.

(1) 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.

(2) 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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit 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.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

(j) Borrowing Cost

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(k) Cash and Cash Equivalent (for the purpose of cash flow statement)

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.

(l) Cash and Cash Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year is classified by operating, investing and financing activities.

(m) Earnings per share

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

Recent Accounting pronouncements

1 Standards issued but not effective:

Ind AS 116 Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company's operating leases mainly relate to real estate assets such as Land, Land & Building and fully fitted hotel properties which are on long term lease ranging from 15 to 99 years.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

The Company has completed its preliminary evaluation of the possible impact of Ind AS 116 and will adopt the standard using the 'Modified Retrospective Method' based on the principles in Ind AS 116. Accordingly, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings i.e 1 April 2019, consequently, comparatives for the year ended 31st March, 2018 will not be retrospectively adjusted.

The Company is currently evaluating the impact this standard will have on the standalone financial statement. The Company expect this adoption will result in a material increase in the assets and liabilities and is likely to have a significant impact on the standalone financial statements.

2 Other Amendments on the existing standard but note effective

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

a) business combination accounting in case of obtaining control of a joint operation;

b) accounting in case of obtaining jointcontrol of an operation wherein there was no joint control earlier;

c) income tax consequences in case of dividends;

d) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;

e) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

f) accounting for prepayment features with negative compensation in case of debt instruments;

g) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;

h) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

The above amendments will come into force from April 1, 2019. The company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Note 3. Property, Plant & Equipments

	Land	Buildings	Total (A)+(B)
Gross carrying value			
Balance at 1 April 2017	**42,52,675**	**3,99,71,450**	**4,42,24,125**
Additions	-	-	-
Deletions	-	-	-
Balance at 31 March 2018	42,52,675	3,99,71,450	4,42,24,125
Balance at 1 April 2018	42,52,675	3,99,71,450	4,42,24,125
Additions	-	-	-
Deletions	-	-	-
Balance at 31 March 2019	**42,52,675**	**3,99,71,450**	**4,42,24,125**
Accumulated Depreciation			
Balance at 1 April 2017	-	1,29,81,876	1,29,81,876
Depreciation	-	6,35,181	6,35,181
Deletions	-	-	-
Balance at 31 March 2018	-	1,36,17,057	1,36,17,057
Balance at 1 April 2018	-	1,36,17,057	1,36,17,057
Depreciation	-	6,35,181	6,35,181
Deletions	-	-	-
Balance at 31 March 2019	-	1,42,52,238	1,42,52,238
Net carrying value as at 31 March 2019	**42,52,675**	**2,57,19,212**	**2,99,71,887**
Net carrying value as at 31 March 2018	42,52,675	2,63,54,393	3,06,07,068

Note 4. Other financial assets

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Non-current		
Unsecured, considered good		
Security Deposits	**16,913**	16,913
	16,913	16,913
Current		
Interest Receivable - Others	**9,01,239**	10,94,065
Others-Balance with Government Authorities	**16,942**	5,692
	9,18,181	10,99,757
Total	**9,35,094**	11,16,670

Note 5. Other assets

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Non current		
Unsecured, considered good		
Others-Balance with Government Authorities	**6,35,883**	6,35,883
	6,35,883	6,35,883

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Note 6. Trade receivables

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Current		
Unsecured		
Considered good	**13,24,306**	30,12,359
Considered doubtful	**-**	-
	13,24,306	30,12,359
Less: Allowances for bad and doubtful debts	**-**	-
Net Trade Receivables	**13,24,306**	**30,12,359**

Note 7(a). Cash and Cash Equivalents

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Balance with bank in current account	**11,197**	2,365
	11,197	2,365

Note 7(b). Bank Balances other than Cash and Cash Equivalent

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Call and short term deposit accounts	**1,97,00,000**	2,48,20,000
	1,97,00,000	2,48,20,000

Note 8. Loans

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
(Unsecured, considered good unless stated otherwise)		
Others	**1,52,300**	1,14,230
	1,52,300	1,14,230

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Note 9. Share Capital

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Equity Share Capital		
Authorised		
15,00,000 (15,00,000) equity shares of ₹ 10/- each	**1,50,00,000**	1,50,00,000
(March 31, 2019: 15,00,000 Equity Shares of ₹ 10 each)		
(March 31, 2018: 15,00,000 Equity Shares of ₹ 10 each)		
	1,50,00,000	1,50,00,000
Equity share capital		
Issued, subscribed and paid-up		
Equity shares		
Face Value per ordinary share		
6,04,000 equity shares of ₹ 10/- each	**60,40,000**	60,40,000
(March 31, 2019: 6,04,000 Equity Shares of ₹ 10 each)		
(March 31, 2018: 6,04,000 Equity Shares of ₹ 10 each)		
	60,40,000	60,40,000

The Company has only one class of shares referred to as equity shares having a par value of ₹ 100/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended March 31, 2019, no dividend is proposed as distribution to equity shareholders (Previous year ₹ 13.5 per share).

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reported period

Equity Shares	March 31, 2019 No. of shares	March 31, 2018 No. of shares
At the beginning of the period	**6,04,000**	6,04,000
Issued during the period	**-**	-
Outstanding at the end of the period	**6,04,000**	6,04,000

(b) Details of shareholders holding more than 5% shares of the Company

Class of shares / Name of shareholder	March 31, 2019 No. of shares	March 31, 2018 % of holding
Indian Hotel Company Ltd	**6,04,000**	100%

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Note 10. Other Equity

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Other Equity		
Reserves & Surplus		
General Reserve	**33,00,000**	33,00,000
Retained Earnings		
Balance at the beginning of the year	**2,26,97,237**	2,01,38,880
Current Year profits	**14,16,385**	25,58,357
Less: Dividend	**81,54,000**	-
Less: Dividend Distribution Tax	**16,76,462**	-
Total	**1,42,83,160**	2,26,97,237
Total Reserves and Surplus	**1,75,83,160**	2,59,97,237
Other Comprehensive Income	**-**	-
Total Other Comprehensive Income	**-**	-
Total	1,75,83,160	2,59,97,237

Dividends:-

Subsequent to March 31, 2019, the Board of Directors of the KTC Hotels Limited has proposed a final dividend of Rs. Nil per share (PY Rs.13.5 per share) totaling to Rs. Nil (PY Rs. 81.54 lakhs) in respect of fiscal 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs. Nil (PY Rs.98.14 lakhs), inclusive of corporate dividend tax of Rs.Nil (PY Rs.16.60 lakhs). Remittance of dividend within India is exempt from tax in the hands of shareholders.

Note 11. Borrowings

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Non Current		
From Related Party		
Unsecured	**9,98,742**	9,07,442
Total	**9,98,742**	9,07,442

Note 12. Deferred Tax Liabilities (Net)

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Deferred Tax Liabilities:		
On excess of net book value over income tax written down value of fixed assets	**61,22,090**	61,64,550
Total (A)	**61,22,090**	61,64,550
Deferred Tax Assets:		
Provision for doubtful debts	**-**	**-**
Others	**-**	-
Total (B)		
Net Deferred Tax Liabilities (A-B)	**61,22,090**	61,64,550

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Note 13. Other Liabilities

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Non Current		
Advances	-	-
Others	2,13,65,426	2,19,46,742
	2,13,65,426	2,19,46,742
Current		
Income Received in Advance	5,81,318	5,81,318
Deferred Revenue - Loyalty	-	-
Deferred Revenue –SFIS	-	-
Advance Collected from customers	-	-
Statutory dues	63,422	55,278
	6,44,740	6,36,596

Note 14. Trade payables

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer Note 14.1)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	75,600	63,000
	75,600	63,000

14.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (“the Act”) based on the information available with the Company are given below:		
The principal amount remaining unpaid to any supplier as at the end of the year	-	-
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Note 15. Revenue from operations

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
License Fees	**35,84,229**	36,66,513
	35,84,229	36,66,513
Income from Operation is derived from the following services:		
Management & Operating Fees	**35,84,229**	36,66,513
	35,84,229	36,66,513

Note 16. Other income

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Interest Income - Intercorporate Deposits	-	100,822
Interest Income - Others	**13,93,963**	12,34,905
Interest on Income Tax refund	**13,515**	8,126
Total	**14,07,478**	13,43,853

Note 17. Finance costs

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Interest expense		
Interest Expense on deposit	**91,300**	88,753
Total	**91,300**	88,753

Note 18. Expenses

	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Rates and taxes	**62,024**	15,060
Other expenses	**1,96,731**	1,88,441
Auditors Remuneration		
i. Statutory Audit Fees	**60,000**	60,000
ii. Taxation Matters	**10,000**	10,000
	3,28,755	2,73,501

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Note 19. Additional Information

19.1 Contingent liabilities and commitments (to the extent not provided for in the accounts)

Particulars			March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
I.	**Contingent Liabilities:**			
	(a)	**Claims against the Company not acknowledged as debts**		
		Income Tax Demands disputed in Appeals not provided for AY 2005-06 (Refer note 19.1.a)	**9,59,450**	9,59,450
		Service Tax Demands disputed in Appeals not provided for 2007-08 to 2008-09	**22,47,062**	22,47,062
	(b)	**Bank Guarantee**	**Nil**	Nil
	(c)	**Other money for which the Company is contigently liable**	**Nil**	Nil
II.	**Commitments**			
	a)	Estimated amount of contracts remaining to be executed on capital account not provided for	**Nil**	Nil
	b)	Uncalled liability on shares and other investments partly paid	**Nil**	Nil
	c)	Other Commitments	**Nil**	Nil

19.1.a

In respect of above, the company has good chance of getting orders in favour of the company and hence no provision is considered necessary at this stage.

19.2 Segment Information

The Company's only business being in the business of renting of immovable property, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments' (Ind AS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

19.3 Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Indian Accounting Standard 33 – 'Earnings Per Share' – (Ind AS-33) prescribed under Section 133 of the Companies Act, 2013.

Particulars	March 31, 2019 Amount in (₹)	March 31, 2018 Amount in (₹)
Profit/ (Loss) after tax	**14,16,385**	25,58,357
Number of Equity Shares:		
Weighted average number of equity share considered in calculation of EPS	**6,04,000**	6,04,000
Considered in calculation of diluted EPS	**6,04,000**	6,04,000
Face value per equity share	**10**	10
Earnings per share:		
Basic	**2.35**	4.24
Diluted	**2.35**	4.24

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

19.4 Disclosure of Related Party Transactions in accordance with the accounting standard (AS - 18) " Related Party Disclosures"

A. Related Party and Nature of Relationship:			
(a) Key Management Personnel	i. Visvanathan Mohan ii. Ashok Binnani iii. Prabhath Varma		
(b) Relatives of Key Management Personnel	Nil		
c.) Enterprises over which the key managerial personnel and their relatives are able to exercise significant influence having transactions with the company	Nil		
Particulars	**Nature of Transactions**	**March 31, 2019 Amount in (₹)**	March 31, 2018 Amount in (₹)
Related Party Transactions			
Indian Hotels Company Ltd. (Holding Company)	License fee	**35,84,229**	36,66,513
	Receivables	**13,24,306**	30,12,359

No amount has been provided/written off as doubtful debts or advances written back in respect of payables due from or to any of the above related parties.

19.5 Income Tax Expense

A) Income Tax recognized in Profit or loss:

Particulars	**Note for explanation**	**March 31, 2019 Amount in (₹)**
Current Tax		
In respect of the current year		**11,26,000**
In respect of earlier years		**14,36,547**
MAT Credit		**Nil**
Deferred Tax		**25,62,542**
In respect of the current year		**Nil**
MAT credit		**Nil**
Other items		**Nil**
Deferred tax reclassified from equity to profit and loss, if any		**Nil**
Adjustment to deferred tax attributable to changes in tax rates and laws		**(42,460)**
		(42,460)
Total tax expense recognised in the current year relating to continuing operations		**25,20,087**

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

B) Reconciliation of tax expense with the effective tax

Particulars	Note for explanation	March 31, 2019 Amount in (₹)
Profit before tax from continuing operations (a)		**39,36,472**
Income tax rate as applicable (b)		**26%**
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]		**11,26,000**
Permanent tax differences due to:		
Effect of deferred tax balances		**(42,460)**
Income considered as capital in nature under tax and tax provisions		
Effect of expenses that are not deductible in determining taxable profit		
Expense considered as capital in nature under tax and tax provisions		
Effect of concessions on which higher deduction given (research and development and other allowances)		
Impairment losses on goodwill that are not deductible		
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets		
Prior year taxes as shown above		**14,36,547**
Income tax expense recognised in profit or loss (relating to continuing operations)		**25,20,087**

c) Tax Working for Financial Year 2018/19 -Net Deferred Tax Liability as at March 31, 2019

Particulars	March 2019 Ind AS	PL Impact	OCI Impact	Charge During the year	Impact of tax rate change	Total charge
Deferred tax liability:						
WDV of Fixed Assets – Differential	61,22,090	(42,460)	-	-	-	(42,460)
Others (Please specify)	-	-	-	-	-	-
Total (A)	**61,22,090**	**(42,460)**	**-**	**-**	**-**	**(42,460)**

19.6 In the opinion of the Board, current assets and long term loans & advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

19.7 Previous years figures:

The Company has regrouped/reclassified the previous year's figures to conform to the current year's presentation.

For and on behalf of the Board of directors of
KTC Hotels Limited

As per our report attached

For Varma & Varma
(FRN:004532S)
Chartered Accountants

V.Mohan
Director
(DIN: 00215718)
Place: Kochi
Date : 17.4.2019

Prabhat Verma
Director
(DIN: 06548864)

S. Raghunandan
Partner
M.No:23592
Place:Calicut
Date : 18.4.2019

INDEPENDENT AUDITOR'S REPORT

To the Members of **Northern India Hotels Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Northern India Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

2. 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) With respect to the other matters to be included in the Auditor' s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.

For O.P.DADU & CO.
Chartered Accountants
FRN. 001201N

(O.P.DADU)
Partner
M.No.010871

Place : New Delhi
Dated : 22nd April, 2019

ANNEXURE 'A' TO THE AUDITOR'S REPORT

In our opinion, and in so far as we have been able to ascertain from the records produced, Information furnished and the explanations given to us by the Company.

1. a) The Company has maintained proper records of its Fixed Assets , showing full particulars including their quantitative detail and situation.

   b) The Company has, during the year, physically verified all the Fixed Assets in respect of which record is kept. No discrepancies were noticed on such verification.

   c) According to information and explanation given to us, the title deeds of Immovable Properties are held in the name of the company and the title deeds in respect of Land admeasuring 14744.60 Sq.Yards are pending Registration.

2. The company doesn't hold any inventory, during the year. Thus paragraph 3 (ii) of the order is not applicable to the Company.

3. The Company has not granted loan, 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. Thus paragraph 3(iii) of the order is not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. The Company has not accepted any deposit from the public.

6. As far as we are aware, the Central Government has not specified the maintenance of cost records by the company under section 148(1) of the Companies Act, 2013.

7. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Custom duty, Goods and Service Tax. cess and other statutory dues wherever applicable to it.

   According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, ESI, Income Tax, Service Tax, customs duty, excise duty, value added Tax, Goods Services Tax and cess were in arrears, as at 31.03.2019 for a period of more than six months from the date they became payable.

   b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax, Goods and Services Tax and cess which have not been deposited on account of any dispute.

8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year.

10. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.

11. The company has not paid or provided any managerial remuneration during the year.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanation given to us, the transaction with Related Parties are in compliance with section 177 and 188 of the Act, and details have been disclosed in Financial Statements etc, as required by the applicable accounting standards.

14. According to the information and explanation given to us, the Company has not made any Preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

ANNEXURE 'A' TO THE AUDITOR'S REPORT (Contd.)

15. According to the information and explanation given to us, the Company has not entered into any non cash transaction with Director or persons connected with him during the year.

16. The Company is not required to registered U/s 45 IA of Reserve Bank of India Act, 1934.

For O.P.DADU & CO.
Chartered Accountants
FRN. 001201N

(O.P.DADU)
Partner
M.No.010871

Place : New Delhi
Dated : 22nd April, 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S 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 Northern India Hotels Limited ("the Company") as of 31, March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 standalone Ind AS 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on, "the 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 O.P.DADU & CO.
Chartered Accountants
FRN. 001201N

(O.P.DADU)
Partner
M.No.010871

Place : New Delhi
Dated : 22nd April, 2019

Balance Sheet as at March 31, 2019

	Note	March 31, 2019	March 31, 2018
			₹ Lakhs
Assets			
Non-current Assets			
Property, Plant and Equipment	3	**28.51**	29.46
Intangible Assets	4	**0.06**	0.08
		28.57	29.54
Financial Assets			
Investments	5	**10.43**	10.43
Other financial assets	7	**489.62**	0.59
Current Tax (Net)		**-**	8.45
Other Non-current Assets	8	**6.55**	7.21
		535.17	56.22
Current Assets			
Financial Assets			
Trade and Other Receivables	9	**46.98**	50.73
Cash and Cash Equivalents	10	**70.53**	6.28
Bank Balances other than Cash and Cash Equivalents	11	**2,245.53**	2,580.71
Loans	6	**-**	-
Other financial assets	7	**-**	-
Other Current Assets	8	**0.78**	0.66
		2,363.82	2,638.38
Total Assets		**2,898.99**	2,694.60
Equity and Liabilities			
Equity			
Equity Share capital	12	**44.15**	44.15
Other Equity	13	**2,834.01**	2,634.54
Total Equity		**2,878.16**	2,678.69
Liabilities			
Non-current Liabilities			
Deferred Tax Liabilities (Net)	14	**6.62**	6.80
		6.62	6.80
Current Liabilities			
Financial Liabilities			
Other financial Liabilities	15	**0.93**	0.79
Provision for tax (net)		**0.66**	-
Other current liabilities	16	**12.62**	8.32
		14.21	9.11
Total Equity and Liabilities		**2,898.99**	2,694.60
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 21		

In terms of our report attached.
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of the Board

O. P. Dadu
Partner
Membership No. 010871

Mr. Sudhir Nagpal
Director
DIN No. : 00044762

Mr. Rohit Khosla
Director
DIN No. : 07163135

Date : 22nd April, 2019
Place : New Delhi

Mumbai, 22nd April, 2019

Statement of Profit and Loss for the year ended March 31, 2019

₹ Lakhs

	Note	March 31, 2019	March 31, 2018
Income			
Revenue from Operations			
Income from Hotel Operations	17	**116.71**	135.28
Other Income	18	**178.93**	204.58
Total		**295.64**	339.86
Expenses			
Depreciation and Amortisation	3 & 4	**0.98**	1.10
Other Operating and General Expenses	19	**17.37**	14.64
Total		**18.35**	15.74
Profit/ (Loss) Before Tax and Exceptional items		**277.29**	324.12
Exceptional Items	20	**-**	-
Profit/ (Loss) Before Tax		**277.29**	324.12
Tax Expenses			
Current Tax		**77.60**	90.00
Deferred Tax		**(0.18)**	(1.44)
Short/ (Excess) Provision of Tax/ Deferred Tax of Earlier Years (net)		**0.40**	2.19
Total		**77.82**	90.75
Profit/ (Loss) for the period after tax		**199.47**	233.37
Other Comprehensive income, net of tax		**-**	-
Other Comprehensive income for the period, net of tax		**-**	-
Total Comprehensive Income for the period		**199.47**	233.37
Earning Per Equity Share			
a) **Weighted average number of shares**		**437,600**	437,600
b) **Nominal value of shares (₹)**		**10**	10
c) **Basic and diluted earnings per share (₹)**		**46**	53
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 21		

In terms of our report attached.
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871

Date : 22nd April, 2019
Place : New Delhi

For and on behalf of the Board

Mr. Sudhir Nagpal
Director
DIN No. : 00044762

Mr. Rohit Khosla
Director
DIN No. : 07163135

Mumbai, 22nd April, 2019

Cash Flow Statement for the year ended March 31, 2019

		₹ Lakhs
	March 31, 2019	March 31, 2018
Cash Flow From Operating Activities		
Profit Before Tax	**277.29**	324.12
Adjustments For :		
Depreciation and Amortisation	**0.98**	1.10
Dividend Income	**(0.02)**	(0.52)
Interest Income	**(178.90)**	(203.95)
Provision for Employee Benefits		
	(177.94)	(203.37)
Cash Operating Profit before working capital changes	**99.35**	120.75
Adjustments for (increase)/ decrease in operating assets:		
Trade and Other Receivables	**3.75**	1.16
Other Current Assets	**(0.12)**	0.44
Other Non-Current Assets	**0.66**	0.67
	4.29	2.27
Adjustments for increase/ (decrease) in operating liabilities:		
Other Current Liabilities	**4.30**	0.66
Other Financial Liabilities	**0.14**	(3.49)
	4.44	(2.83)
Cash Generated from Operating Activities	**108.08**	120.19
Direct Taxes (Paid)/ Refunded	**(68.90)**	(94.98)
Net Cash From Operating Activities (A)	**39.18**	25.21
Cash Flow From Investing Activities		
Interest Received	**178.90**	203.95
Dividend Received	**0.02**	0.52
ICD's Given	**-**	1,400.00
Other Financial Assets	**-**	14.60
Proceeds from maturity of short-term deposits with banks	**(153.85)**	(1,658.03)
Net Cash Used In Investing Activities (B)	**25.07**	(38.96)
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**64.25**	(13.75)
Cash and Cash Equivalents - Opening	**6.28**	20.03
Cash and Cash Equivalents - Closing (Refer Note 10)	**70.53**	6.28
Summary of Significant Accounting Policies 2		
The accompanying notes form an integral part of the Financial Statements 1 - 21		

In terms of our report attached.
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of the Board

O. P. Dadu
Partner
Membership No. 010871

Mr. Sudhir Nagpal
Director
DIN No. : 00044762

Mr. Rohit Khosla
Director
DIN No. : 07163135

Date : 22nd April, 2019
Place : New Delhi

Mumbai, 22nd April, 2019

Statement of Changes in Equity as at March 31, 2019

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus				Grand Total
		Retained Earning				
		Retained Earning	General Reserve	Profit & Loss B/fd	Other reserves	
Balance as at March 31, 2018	**44.15**	**2,634.54**	**-**	**2,634.54**	**-**	**2,678.69**
Changes in accounting policy/ prior period errors	-	-	-	-	-	-
Restated balance as at March 31, 2018	**44.15**	**2,634.54**	**-**	**2,634.54**	**-**	**2,678.69**
Profit for the year	-	199.47	-	199.47	-	199.47
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	-	-
Actuarial Gains/Losses (Not Reclass to P&L)	-	-	-	-	-	-
Total Comprehensive Income for the year	**-**	**199.47**	**-**	**199.47**	**-**	**199.47**
Dividends	-	-	-	-		-
Tax on Dividend	-	-	-	-		-
Balance as at March 31, 2019	**44.15**	**2,834.01**	**-**	**2,834.01**	**-**	**2,878.16**

In terms of our report attached.
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of the Board

O. P. Dadu
Partner
Membership No. 010871

Mr. Sudhir Nagpal
Director
DIN No. : 00044762

Mr. Rohit Khosla
Director
DIN No. : 07163135

Date : 22nd April, 2019
Place : New Delhi

Mumbai, 22nd April, 2019

Notes to the Financial Statements for the year ended March 31, 2019

Note 1. Corporate Information

Northern India Hotels Limited ("NIHL" or the "Company"), is a public limited company incorporated in 1971 and has its registered office at **The Gateway Hotel , Fatehabad Road, Taj Ganj, Agra – 282001.** It is subsidiary of PIEM Hotels Ltd., Mumbai. The company is primarily engaged in the business of owing hotel.

The financial statements were approved by the Board of Directors and authorised for issued on 22nd April 2019.

Note 2. Significant Accounting Policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

(b) Basis of preparation and presentation:

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

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **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 there the tax charge in the statement of profit or 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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

- **Fair value measurement of financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- **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 unfavorable 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.

(d) Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises Licence Fee relating to hotel operations.

Licence fee earned is under long-term contracts with the PIEM Hotels Limited and is recognised when earned in accordance with the terms of the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

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

(e) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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 taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (Refer Note 2(j) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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 assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Hotel Buildings	60 years
Plant and Equipment	10 to 20 years
Assets costing less than ₹ 5000	4 years

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

(f) Intangible Assets:

Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

i) the technical feasibility and Company's intention and ability of completing the project;

ii) the probability that the project will generate future economic benefits;

iii) the availability of adequate technical financial and other resources to complete the project; and

iv) the ability to measure the development expenditure reliably.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful lives used for amortising intangible assets are as under:

Class of Assets	Estimated Useful Life
Software	6 years

An intangible assets is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(g) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

(h) 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 profit or 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 except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit 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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(i) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(j) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(k) Cash and Cash Equivalent (for the purpose of cash flow statements):

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.

(l) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no 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.

(m) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(n) Financial Instruments:

Financial Assets:

<u>Classification</u>

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

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Initial Recognition and measurement:

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

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.

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 and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset 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:
    (a) the Company has transferred substantially all the risks and rewards of the asset, or
    (b) 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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

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.

The Company's financial liabilities include trade and other payables.

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.

Derecognition

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

Offsetting of financial instruments

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

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated) ₹ Lakhs

	Freehold Land	Buildings (Refer Footnote (i))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Gross Block at Cost							
At March 31, 2018	**3.80**	**28.50**	**0.01**	**-**	**-**	**-**	**32.31**
Additions	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At March 31, 2019	**3.80**	**28.50**	**0.01**	**-**	**-**	**-**	**32.31**
Depreciation							
At March 31, 2018	**-**	**2.85**	**-**	**-**	**-**	**-**	**2.85**
Charge for the year	-	0.95	-	-	-	-	0.95
Disposals	-	-	-	-	-	-	-
At March 31, 2019	**-**	**3.80**	**-**	**-**	**-**	**-**	**3.80**
Net Block							
At March 31, 2018	3.80	25.65	0.01	-	-	-	29.46
At March 31, 2019	**3.80**	**24.70**	**0.01**	**-**	**-**	**-**	**28.51**

Footnotes :

i) Gross block including freehold land admeasuring 14744.60 Sq.yd Aggregating to ₹ 1,93,499/- pending conveyance.

Note 4 : Intangible Assets (Acquired) ₹ Lakhs

	Website Development Cost	Software and Licenses	Service and Operating Rights	Total	Intangible assets under development
At March 31, 2018	**-**	**0.51**	**-**	**0.51**	**-**
Additions	-	-	-	-	-
Adjustments	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2019	**-**	**0.51**	**-**	**0.51**	**-**
Amortisation					
At March 31, 2018	-	0.42	-	0.42	-
Charge for the year	-	0.03	-	0.03	-
Adjustments	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2019	**-**	**0.45**	**-**	**0.45**	**-**
Net Block					
At March 31, 2018	-	0.08	-	0.08	-
At March 31, 2019	**-**	**0.06**	**-**	**0.06**	**-**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 5 : Investments

	Face Value	March 31, 2019 Holdings As at	March 31, 2019 ₹ Lakhs	March 31, 2018 Holdings As at	March 31, 2018 ₹ Lakhs
Non Current					
Trade Investments					
Fully Paid Quoted Equity Investments :					
Investments in Fellow Subsidiary					
Beneras Hotels Limited	10	**150**	**0.02**	150	0.02
			0.02		0.02
Fully Paid Unquoted Equity Investments :					
Investments in Associate Companies					
Taida Trading and Industries Limited	100	**4,000**	**0.09**	4,000	0.09
Inditravel Limited	10	**24,000**	**2.40**	24,000	2.40
Taj Trade and Transport Company Limited	10	**49,998**	**7.91**	49,998	7.91
			10.40		10.40
Total Trade Investment			**10.42**		10.42
Non-trade Investments					
Investment in Equity Instruments					
Fully Paid Unquoted Equity Instruments					
Sarswat Co-operative Bank Ltd.	10	**1,000**	**0.10**	1,000	0.10
			0.10		0.10
Total Non-current Investments - Gross			**10.52**		10.52
Less : Provision for Diminution in value of Investments			**0.09**		0.09
Total Non-current Investments - Net			**10.43**		10.43
Aggregate amount of quoted investments					
Cost			**0.02**		0.02
Market Value			**2.35**		1.73
Aggregate amount of unquoted investments					
Cost			**10.50**		10.50

Note 6 : Loans

		March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
A)	**Current**		
	Short-term Loans		
	(Unsecured, considered good unless stated otherwise)		
	ICD to Related Parties	**-**	-
	Others	**-**	-
		-	-

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 7 : Other Financial Assets

		March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
A)	**Non Current**		
	Deposits with Public Bodies and Others at amortised costs		
	Term Deposit with Bank maturing after 12 months	**489.03**	-
	Public Bodies and Others	**0.59**	0.59
		489.62	0.59
	Less: Provision for Deposits doubtful of recovery	**-**	-
		489.62	0.59
B)	**Current**		
	Interest receivable		
	Related Parties	**-**	-
	Others	**-**	-

Note 8 : Other Assets

		March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
A)	**Non Current**		
	Prepaid Expenses	**6.55**	7.21
		6.55	7.21
B)	**Current**		
	Prepaid Expenses	**0.66**	0.66
	Deposits adjustable against future payments	**0.12**	-
		0.78	0.66

Note 9 : Trade and other receivables

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
(Unsecured) (Refer Footnote)		
Considered good	**46.98**	50.73
Considered doubtful	**-**	-
	46.98	50.73
Less : Provision for Debts doubtful of recovery	**-**	-
	46.98	50.73

Note 10 : Cash and Cash Equivalents

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Cash on hand	**0.05**	0.23
Balances with bank in current account	**70.48**	6.05
	70.53	6.28

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 11 : Bank Balances Other than Cash and Cash Equivalents

	March 31, 2019 ₹ **Lakhs**	March 31, 2018 ₹ Lakhs
Other Balances with banks		
Call and Short-term deposit accounts	**2,245.53**	2,580.71
	2,245.53	2,580.71
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current	**-**	-
	2,245.53	2,580.71

Note 12 : Share Capital

	March 31, 2019 ₹ **Lakhs**	March 31, 2018 ₹ Lakhs
Authorised Share Capital		
Equity Shares		
5,50,000 (Previous year - 5,50,000) Equity Shares of ₹ 10 each	**55.00**	55.00
Preference Shares		
5,000 (Previous year - 5,000) Preference Shares of ₹ 100/- each	**5.00**	5.00
	60.00	60.00
Issued Share Capital		
4,37,600 (Previous year - 4,37,600) Equity Shares of ₹ 10 each	**44.91**	44.91
	44.91	44.91
Subscribed and Paid Up		
4,37,600 (Previous year - 4,37,600) Equity Shares of ₹ 10 each	**43.76**	43.76
Add : 11,450 Shares Forfeited	**0.39**	0.39
	44.15	44.15

Footnotes :

(i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2019		March 31, 2018	
	No. of shares	₹ **Lakhs**	No. of shares	₹ Lakhs
As at the beginning of the year	**4,37,600**	**43.76**	4,37,600	43.76
Add/ less : Shares issued during the year	**-**	**-**	-	-
Add/ less : Shares bought back during the year	**-**	**-**	-	-
As at the end of the year	**4,37,600**	**43.76**	4,37,600	43.76

(iii) Shares Held by Holding Company :

	March 31, 2019		March 31, 2018	
Equity share of ₹ 10 each fully paid	**No. of shares**	**% of Holding**	No. of shares	% of Holding
PIEM Hotels Limited	**4,12,083**	**94.16%**	4,12,033	94.16%

(iv) Shareholders holding more than 5% shares in the Company :

	March 31, 2019		March 31, 2018	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Equity share of ₹ 10 each fully paid				
PIEM Hotels Limited	**4,12,083**	**94.16%**	4,12,033	94.16%

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 13. Other Equity

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Reserves & Surplus		
Retained Earning		
Surplus/Deficit in the Profit And Loss b/f	**2,634.54**	2,401.17
Add: Current Year profits	**199.47**	233.37
Closing retained earning	**2,834.01**	2,634.54
Other Comprehensive Income	**-**	-
Total	**2,834.01**	2,634.54

Note 14 : Deferred Tax Liabilities (net)

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Deferred Tax Liabilities:		
Property, Plant & Equipment	**6.62**	6.80
Total (A)	**6.62**	6.80
Deferred Tax Assets:		
Total (B)	**-**	-
Net Deferred Tax Liabilities (A-B)	**6.62**	6.80

Note 15: Other financial liabilities

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Current financial liabilities		
Payables on Current Account dues :		
Related Parties	**0.07**	-
Others	**-**	-
	0.07	-
Employee related liabilities	**-**	-
Others	**0.86**	0.79
	0.93	0.79

Note 16 : Other Current Liabilities

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Current		
Advances against plot	**5.00**	-
Statutory dues	**7.62**	8.32
	12.62	8.32

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 17 : Revenue from Operations

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Income from Hotel Operations	**116.71**	135.28
Total	**116.71**	135.28

Note 18 : Other Income

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Interest Income		
Inter-corporate deposits		
Related Parties	-	160.31
Others	-	-
	-	160.31
Deposits with banks	**178.90**	43.64
Total	**178.90**	203.95
Dividend Income on investments held at the end of period/ year		
From others	**0.02**	0.52
Others	**0.01**	0.11
Total	**178.93**	204.58

Note 19 : Other Operating and General Expenses

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
General expenses consist of the following :		
Rent	**0.16**	0.16
Licence Fees	**0.66**	0.66
Printing and Stationery	**0.30**	0.28
Passage and Travelling	**0.03**	0.04
Telephone Expenses	**0.36**	0.36
Professional Fees	**2.05**	0.51
Payment made to Statutory Auditors (Refer Footnote (i)	**1.25**	1.24
Service Charges	**11.88**	10.45
Other Expenses (Refer Footnote (iv))	**0.68**	0.94
Total	**17.37**	14.64
(i) Payment made to Statutory Auditors:		
As auditors	**0.80**	0.80
As tax auditors	**0.08**	0.08
For other services (Taxation Matters)	**0.20**	0.20
For out-of pocket expenses	**0.17**	0.16
	1.25	1.24

Note 20 : Exceptional Items

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Exceptional Items comprises the following :	-	-
Total	-	-

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

21. Notes on Account

21.1 Additional information to the financial statements

21.1.1 Contingent Liabilities

Contingent liabilities and commitments (to the extent not provided for)

S. No.	Particulars	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
1.	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	**NIL**	NIL
	(b) Guarantees	**NIL**	NIL
	(c) Other money for which the Company is contingently liable	**NIL**	NIL
	Total	**NIL**	NIL
2.	Commitments	**NIL**	NIL
	Total	**NIL**	NIL

Note: Contingent assets are not recognized in the financial statements.

21.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

S. No.	Particulars	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	**NIL**	NIL
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**NIL**	NIL
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**NIL**	NIL
(iv)	The amount of interest due and payable for the year	**NIL**	NIL
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**NIL**	NIL
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**NIL**	NIL

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

21.3 Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(a) Ultimate Holding Company

Name	Country	Holding as at	
		March 31, 2019	March 31, 2018
The Indian Hotels Company Limited	India	**-**	-

(b) Holding Company

Name	Country	Holding as at	
		March 31, 2019	March 31, 2018
PIEM Hotels Limited	India	**94.16%**	94.16%

Details of transactions made during the year:

(1) PIEM Hotels Limited

S. No.	Particulars	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
1.	Operating/License Fees Income	**116.71**	135.28
2.	Reimbursement of Services	**11.88**	10.45
3.	Interest on ICD	**-**	160.31
4.	Sundry Expenses	**0.11**	-

(2) PIEM Hotels Limited

S. No.	Particulars	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
1.	Balance at the year end (Payable)	**0.07**	-
2.	Balance at the year end (Receivable)	**46.98**	50.73
3.	Balance of ICD	**-**	-
4.	Interest Receivable	**-**	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

21.4 Earnings Per Share

Particulars	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Profit/ (Loss) after tax (₹ Lakhs)	**199.47**	233.37
Number of Ordinary Shares	**437600**	437600
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS	**437600**	437600
Considered in calculation of Diluted EPS	**437600**	437600
Face Value per Ordinary Share	**10**	10
Earnings Per Share:(Rupees)		
Basic	**46**	53
Diluted	**46**	53

21.5 Income Tax recognised in Profit or loss:

Particulars	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Current Tax		
In respect of the current year	**77.60**	90.00
In respect of earlier years	**0.40**	2.19
	78.00	92.19
Deferred Tax		
In respect of the current year		
MAT credit	**-**	-
Other items	**(0.18)**	(1.44)
In respect of earlier years	**-**	-
	(0.18)	(1.44)
Total tax expense recognised in the current year relating to continuing operations	**77.82**	**90.75**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

21.6 Reconciliation of tax expense with the effective tax

Particulars	**March 31, 2019 ₹ Lakhs**	March 31, 2018 ₹ Lakhs
Profit before tax from continuing operations (a)	**277.29**	324.12
Income tax rate as applicable (b)	**27.82**	27.55
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**77.14**	89.30
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	**(0.01)**	(0.14)
Income considered as capital in nature under tax and tax provisions	**-**	-
Effect of expenses that are not deductible in determining taxable profit	**0.03**	0.03
Expense considered as capital in nature under tax and tax provisions	**0.18**	0.18
Income subject to lower rate of Income tax	**-**	-
Impairment losses on goodwill / investments that are not deductible	**-**	-
Deferred tax asset not recognised in statement of profit & loss	**-**	-
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	**0.14**	0.28
Effect on deferred tax balances due to the change in income tax rate	**(0.06)**	(1.09)
Prior year taxes as shown above	**0.40**	2.19
Others	**-**	-
Income tax expense recognised in profit or loss (relating to continuing operations)	**77.82**	90.75

21.7 Financial Instruments

21.7.1 The carrying value and fair value of financial instruments by categories is as follows:

(a) As of 31st March, 2019

Particulars	**FVPL ₹ Lakhs**	**FVOCI ₹ Lakhs**	**Amortised cost ₹ Lakhs**	**Total ₹ Lakhs**
Financial assets:				
Investments				
Equity Investment				
Subsidiaries, JVs and Associates	-	-	10.33	**10.33**
External Companies	-	-	0.10	**0.10**
Other Financial Assets	-	-	489.62	**489.62**
Trade Receivables	-	-	46.98	**46.98**
Cash and cash equivalents	-	-	70.53	**70.53**
Bank Balance Other than Cash & Cash Equivalent	-	-	2245.53	**2245.53**
Total - Financial Assets	**-**	**-**	**2863.09**	**2863.09**
Financial liabilities:				
Other Financial Liabilities	-	-	0.93	**0.93**
Total - Financial Liabilities	**-**	**-**	**0.93**	**0.93**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(b) As of 31st March, 2018

Particulars	FVPL ₹ Lakhs	FVOCI ₹ Lakhs	Amortised cost ₹ Lakhs	Total ₹ Lakhs
Financial assets:				
Investments				
Equity Investment				
Subsidiaries, JVs and Associates	-	-	10.33	10.33
External Companies	-	-	0.10	0.10
Loans	-	-	-	-
Other Financial Assets	-	-	0.59	0.59
Trade Receivables	-	-	50.73	50.73
Cash and cash equivalents	-	-	6.28	6.28
Bank Balance Other than Cash & Cash Equivalent	-	-	2580.71	2580.71
Total - Financial Assets	**-**	**-**	**2648.74**	**2648.74**
Financial liabilities:				
Other Financial Liabilities	-	-	0.79	0.79
Total - Financial Liabilities	**-**	**-**	**0.79**	**0.79**

21.8 Segment Reporting (Ind AS-108)

Disclosure of segment wise information is not applicable as Hoteliering is the Company's only business segment.

21.9 Payments to the auditor comprises of:

Particulars	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Audit Fees (As statutory auditors)	**0.80**	0.80
Tax Audit Fees	**0.08**	0.08
Taxation Matters	**0.20**	0.20
Reimbursement of Expenses	**0.17**	0.16
Total	**1.25**	1.24

21.10 Events occurring after the reporting period

There are no events which qualify for events happening after the reporting period.

21.11 Offsetting financial assets and financial liabilities

There are no financial liabilities and assets that are off set during the financial years 31.03.2019 and 31.03.2018.

In terms of our report attached.
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871

Date : 22nd April, 2019
Place : New Delhi

For and on behalf of the Board

Mr. Sudhir Nagpal
Director
DIN No. : 00044762

Mr. Rohit Khosla
Director
DIN No. : 07163135

Mumbai, 22nd April, 2019

Independent Auditor's Report

TO THE MEMBERS OF PIEM HOTELS LIMITED

Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements Opinion

We have audited the accompanying Ind AS financial statements of **PIEM Hotels Limited** ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31 March 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of* Ind AS financial statements section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS 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 Management and Those Charged with Governance for 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

Independent Auditor’s Report (Contd.)

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the Ind AS 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 auditors’ 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors’ Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    (c) The Balance Sheet, the Statement of Profit and Loss, 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 financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Independent Auditor's Report (Contd.)

(e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2019 on its financial position in its Ind AS financial statements – Refer Note 23;

   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.

(h) As required by Section 197(16) of the Act, we report that the remuneration paid by the Company to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place of Signature: Mumbai
Date: 22-Apr-2019

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of PIEM HOTELS LIMITED ("the Company") on the Ind AS financial statements as of and for the year ended 31 March 2019.

(i) In respect of the Company's fixed assets:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company, except in case of a piece of land at Agra having a gross block and net block of Rs.4.32 lacs, where registration has not been effected after purchase. However, a settlement reached in a tripartite agreement with the vendors and a claimant has been duly recorded in Court.

(ii) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii) Based on our audit procedures & according to the information and explanation given to us, 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 Act. Therefore, the provisions of Clause 3(iii) (a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and other material statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and other material statutory dues were in arrears, as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax (GST), Duty of customs, Excise duty and Value added tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Annexure A to the Independent Auditor's Report (Contd.)

Name of Statute	Nature of Dues	Amount Rs. in Lacs	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act,1961	Income Tax	10.75	Assessment year 2010-11	Income Tax Appellate Tribunal, Mumbai
The Income Tax Act, 1961	Income Tax	11.51	Assessment year 2016-17	Commissioner of Income Tax Appeals, Mumbai
The Finance Act,1994	Service Tax	630.22	FY 2005-06 to 2011-12	Commissioner of Central Excise and Customs and Service tax, Lucknow
The Finance Act,1994	Service Tax	0.20	Financial year 2013-14 and 2014-15	Local Service Tax Authority, Nashik
The Finance Act,1994	Service tax	393.90	Apr 1, 2006 - Mar 31, 2010	Customs Excise and Service Tax Appellate Tribunal and Commissioner of Central Excise and Customs and Service tax, Bangalore
The Finance Act,1994	Service tax	40.43	Apr,1 2012- Mar 31, 2016	Customs Excise and Service Tax Appellate Tribunal and Commissioner of Central Excise and Customs and Service tax, Bangalore
The Finance Act, 1994	Service Tax	3.61	April 1,2011 -March 31,2016	Asst. Commissioner of CGST & C. Ex., Mumbai
The U.P Sales Tax Act	Sales Tax	7.01	Apr 1, 2007 - Mar 31, 2012	Commissioner of Sales Tax, Lucknow
The U.P Sales Tax Act	Sales Tax	0.76	Financial year 2009-10	Commissioner of Sales Tax, Agra
The Bombay Sales Tax Act, 1959	Sales Tax	39.29	April 1,1995 -March 31,1996	Bombay High Court
The Bombay Sales Tax Act,1959	Sales tax	1.70	April 1,2000 – March 31, 2001	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	103.91	April 1,2002 – March 31, 2003	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	120.35	April 1,2001 - March 31,2002	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	9.99	April 1,2007 -March 31,2008	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	118.50	April 1,2008 -March 31,2009	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	35.53	April 1,2009 -March 31,2010	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	62.51	April 1,2010 -March 31,2011	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	222.05	April 1,2006 -March 31,2007	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	15.59	April 1,2011 -March 31,2012	Joint Commissioner of Sales Tax, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	16.29	April 1,2013 -March 31,2014	Joint Commissioner of Sales Tax, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	7.89	April 1,2012 -March 31,2013	Deputy Commissioner of Sales Tax, Mumbai

Annexure A to the Independent Auditor's Report (Contd.)

(viii) As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place of Signature: Mumbai
Date: 22-Apr-2019

Annexure B to the Independent Auditor's Report

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

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

1. We have audited the internal financial controls over financial reporting of **PIEM HOTELS LIMITED** ("the Company") as of 31 March 2019 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

2. 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

3. 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 issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

4. 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.

5. 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

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

Annexure B to the Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place of Signature: Mumbai
Date: 22-Apr-2019

Balance Sheet as at March 31, 2019

₹ in lakhs

	Notes	March 31, 2019	March 31, 2018
Assets			
Non-current assets			
Property, Plant and Equipment	3	**50,846.94**	48,179.74
Capital work-in-progress		**505.91**	498.70
Intangible Assets	4	**188.72**	258.95
		51,541.57	48,937.39
Financial Assets			
Investments	5(a)	**15,098.22**	14,112.09
Other Financial non Current Assets	5(b)	**396.72**	367.99
Deferred Tax Assets (Net)	12	**-**	95.79
Advance Income Tax (Net)		**446.77**	456.76
Other non Current Assets	7	**2,112.75**	2,063.05
Total non-Current Assets		**69,596.03**	66,033.07
Current Assets			
Inventories	8	**918.15**	980.62
Financial Assets			
Investments	5(a)	**416.32**	549.28
Trade Receivables	5(c)	**1,460.97**	1,203.35
Cash and Cash Equivalents	5(d)	**385.17**	561.84
Bank Balances other than Cash and Cash Equivalents	5(d)	**428.70**	806.64
Other Financial Assets	5(b)	**483.58**	511.55
Other Current Assets	6	**1,125.17**	1,056.93
Total Current Assets		**5,218.06**	5,670.21
Total Assets		**74,814.09**	71,703.28
Equity and Liabilities			
Equity			
Equity Share Capital	9(a)	**381.00**	381.00
Other Equity	9(b)	**62,955.06**	62,002.24
Total Equity		**63,336.06**	62,383.24
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	10(a)	**217.24**	102.64
Provisions	11	**570.79**	513.23
Deferred Tax Liabilities (Net)	12	**55.23**	-
Total non-Current Liabilities		**843.26**	615.87
Current Liabilities			
Financial Liabilities			
Borrowings	10(c)	**2,200.00**	-
Trade Payables			
Total outstanding dues of `micro and small enterprises	10(b)	**47.95**	89.59
Total outstanding dues of creditors other than micro and small enterprises	10(b)	**4,253.95**	3,928.86
Other Financial Liabilities	10(a)	**2,205.81**	3,016.49
Provisions	11	**878.44**	1,084.72
Other Current Liabilities	13	**1,048.62**	584.51
Total Current Liabilities		**10,634.77**	8,704.17
Total Liabilities		**11,478.03**	9,320.04
Total Equity and Liability		**74,814.09**	71,703.28

To be read along with our audit report of even date attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Ramanarayanan J
Partner (220369)

Mumbai, April 22, 2019

For and on behalf of the Board
Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 07624616

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Ms. Farzana Sam Billimoria
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2019

₹ in lakhs

	Notes	March 31, 2019	March 31, 2018
Income			
Revenue			
Revenue from Operations	14	**38,558.43**	35,206.33
Other Income	15	**3,084.89**	636.92
Total Income		**41,643.32**	35,843.25
Expenses			
Food and Beverages Consumed	16	**4,666.40**	4,482.60
Employee Benefit Expense and Payment to Contractors	17	**10,885.09**	10,374.96
Finance Costs	18	**125.72**	192.97
Depreciation and Amortisation expenses	3 & 4	**3,817.95**	3,806.68
Other Operating and General expenses	19	**18,605.22**	17,591.93
Total expenses		**38,100.38**	36,449.14
Profit Before Exceptional items and Tax		**3,542.94**	(605.89)
Exceptional Items		**-**	-
Profit Before Tax		**3,542.94**	(605.89)
Tax Expenses	20		
Current Tax		**785.98**	1,600.14
Deferred Tax		**26.30**	(1,774.11)
Total tax expenses		**812.28**	(173.97)
Profit/ (Loss) during the year		**2,730.66**	(431.92)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined benefit obligation		**28.46**	(235.42)
Change in fair value of equity instruments designated irrevocably as FVTOCI		**985.42**	4,610.95
Less :-income tax expense		**124.72**	(40.25)
Other Comprehensive income for the year, net of tax		**889.16**	4,415.78
Total Comprehensive Income for the year		**3,619.82**	3,983.86
Earnings per share - ₹ (Basic and Diluted)	32	**71.67**	(11.34)
Face value per ordinary share - (₹)		**10.00**	10.00

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Ramanarayanan J
Partner (220369)

Mumbai, April 22, 2019

For and on behalf of the Board
Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 07624616

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Ms. Farzana Sam Billimoria
Company Secretary

Statement of Changes in Equity as at 31 March 2019

₹ in lakhs

	Equity Share Capital Subscribed	RESERVES AND SURPLUS						TOTAL
		Capital Reserve	Securities Premium Account	Retained Earning	Retained Earning		Other reserves	
					General Reserve	Profit & Loss B/fd		
Balance at the beginning of the reporting period (April 1, 2017)	**381.00**	**375.61**	**2,011.00**	**47,280.92**	**12,834.04**	**34,446.88**	**8,350.85**	**58,399.38**
Profit for the year	-	-	-	(431.92)	-	(431.92)	-	**(431.92)**
Other Comprehensive Income for the year ended March 31, 2018, net of taxes, excluding actuarial gain/ losses, given below	-	-	-	-	-	-	4,568.94	**4,568.94**
Transfer to Retained earnings on sale of Investments	-	-	-	8,226.89	-	8,226.89	(8,226.89)	**-**
Actuarial Gains / Losses (Not Reclass to P&L)	-	-	-	(153.16)	-	(153.16)	-	**(153.16)**
Total	**-**	**-**	**-**	**7,641.81**	**-**	**7,641.81**	**(3,657.95)**	**3,983.86**
Dividends	-	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-
Balance at the end of the reporting period (March 31, 2018)	**381.00**	**375.61**	**2,011.00**	**54,922.73**	**12,834.04**	**42,088.69**	**4,692.90**	**62,383.24**
Balance at the beginning of the reporting period (April 1, 2018)	**381.00**	**375.61**	**2,011.00**	**54,922.73**	**12,834.04**	**42,088.69**	**4,692.90**	**62,383.24**
Profit for the year	-	-	-	2,730.66	-	2,730.66	-	**2,730.66**
Other Comprehensive Income for the year ended March 31, 2019, net of taxes, excluding actuarial gain/ losses, given below	-	-	-	-	-	-	870.64	**870.64**
Actuarial Gains / Losses (Not Reclass to P&L)	-	-	-	18.52	-	18.52	-	**18.52**
Total	**-**	**-**	**-**	**2,749.18**	**-**	**2,749.18**	**870.64**	**3,619.82**
Dividends	-	-	-	(2,667.00)	-	(2,667.00)	-	**(2,667.00)**
Tax on Dividend	-	-	-	-	-	-	-	-
Balance at the end of the reporting period (March 31, 2019)	**381.00**	**375.61**	**2,011.00**	**55,004.91**	**12,834.04**	**42,170.87**	**5,563.54**	**63,336.06**
Summary of significant accounting policies			1					
Critical Estimates and Judgements			2					

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Ramanarayanan J
Partner (220369)

Mumbai, April 22, 2019

For and on behalf of the Board
Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 07624616

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(Jt. Managing Director)
DIN No. 00032123

Ms. Farzana Sam Billimoria
Company Secretary

Cash Flow Statement for the year ended March 31, 2019

₹ in lakhs

	March 31, 2019	March 31, 2018
Cash Flow From Operating Activities		
Profit Before Tax	**3,542.94**	(605.89)
Adjustments For :		
Depreciation and Amortisation	**3,817.95**	3,806.68
(Profit)/Loss on sale of investments	**(53.51)**	(98.81)
Loss on sale of assets	**64.89**	10.73
Dividend Income	**(2,755.36)**	(104.80)
Interest Income	**(53.23)**	(79.99)
Interest Expense	**125.72**	192.97
Fair value movement on Investment measured at FVTPL	**(10.07)**	(6.30)
Other	**-**	11.50
Provision for Employee Benefits (OCI Adjustments)	**28.46**	(235.42)
	1,164.85	3,496.56
Cash Operating Profit before working capital changes	**4,707.79**	2,890.67
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**62.47**	41.59
Trade Receivables	**(257.62)**	(126.05)
Other current financial assets	**38.27**	49.75
Other Current assets	**(68.25)**	(383.01)
Other financial non current assets	**(28.73)**	(25.67)
Other non current assets	**(46.11)**	(100.30)
	(299.97)	(543.69)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**283.45**	3,316.18
Other Current Liabilities	**464.11**	(429.56)
Other financial Liabilities	**301.23**	(11.57)
Other financial non current Liabilities	**57.57**	79.08
Other Liabilities	**(206.28)**	326.32
	900.08	3,280.45
Cash Generated from Operating Activities	**5,307.90**	5,627.43
Direct Taxes (Paid)/ Refunded	**(775.99)**	(1,715.01)
Net Cash From Operating Activities (A)	**4,531.91**	3,912.42
Cash Flow From Investing Activities		
Purchase of Fixed Assets	**(7,561.15)**	(10,673.39)
Sale of Fixed Assets	**38.93**	135.42
Sale of current Investments	**196.55**	(444.17)
Purchase of long-term investment	**(0.71)**	(63.69)
Sale of Investment in Other Companies	**-**	8,310.53
Interest Received	**42.92**	30.27
Dividend Received	**2,755.36**	104.80
Bank balances other than cash and cash equivalents	**377.94**	91.25
Short-term Deposits placed	**-**	(500.00)
Short-term Deposits repaid	**-**	500.00
Net Cash Used In Investing Activities (B)	**(4,150.16)**	(2,508.98)

Cash Flow Statement for the year ended March 31, 2019 (Contd.)

₹ in lakhs

	March 31, 2019	March 31, 2018
Cash Flow From Financing Activities		
Interest Paid	**(91.42)**	(207.57)
Proceeds from short term borrowings from subsidiary	**-**	500.00
Proceeds from short term borrowings from related party	**2,200.00**	2,000.00
Repayment of short term borrowings from subsidiary	**-**	(1,900.00)
Repayment of short term borrowings from related party	**-**	(2,000.00)
Dividend & Tax paid	**(2,667.00)**	-
Net Cash Generated/ (Used) In Financing Activities (C)	**(558.42)**	(1,607.57)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(176.67)**	(204.13)
Cash and Cash Equivalents - Opening (Refer Note 5(d))	**561.84**	765.97
Cash and Cash Equivalents - Closing (Refer Note 5(d))	**385.17**	561.84

Note:

Previous year's figures have been regrouped wherever necessary.

For Net Debt position - Refer note 10(c)

Summary of Significant Accounting Policies	1
Critical Estimates and Judgements	2

The above Statement of cash flow should be read in conjunction with the accompanying notes.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Ramanarayanan J
Partner (220369)

Mumbai, April 22, 2019

For and on behalf of the Board

Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 07624616

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Ms. Farzana Sam Billimoria
Company Secretary

Notes to the Financial Statements for the year ended March 31, 2019

Background and Operations

Piem Hotels Limited is a subsidiary of The Indian Hotels Company Limited. The Company is primarily engaged in the business of owning and operating hotels. The registered office of the Company is located at 90, Cuffe Parade, Mumbai 400005.

The financial statements were approved by the Board of Directors and authorised for issue on 22nd April 2019.

Note 1 : Significant accounting policies

a. Statement of Compliance:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other relevant provisions of the Act.

Recent Accounting Pronouncements:

(i) <u>New standards notified and adopted by the Company</u>

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five-step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer

ii. Identification of the performance obligations in the contract

iii. Determination of the transaction price

iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards had been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments have any material effect on the Company's financial statements.

(ii) <u>New standards notified and yet to be adopted by the company</u>

Ind AS 116 Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1st April 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The Company's operating leases mainly relate to real estate assets such as Land, Land & Building and fully fitted hotel properties which are on long term lease ranging from 20 to 99 years.

The Company is currently evaluating the impact this standard will have on the financial statement. The Company expects that this adoption will result in a material increase in the assets and liabilities and is likely to have a significant impact on the financial statements.

Other Amendments to the existing standards but not effective

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

a) business combination accounting in case of obtaining control of a joint operation;

b) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;

c) income tax consequences in case of dividends;

d) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;

e) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

f) accounting for prepayment features with negative compensation in case of debt instruments;

g) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;

h) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

The above amendments will come into force from 1st April 2019. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

b. Basis of presentation and presentation:

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

- Certain financial assets and Liabilities that are measured at fair Value;
- Defined benefits plan – Plan assets measured at fair Value

c. 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed in line with the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

- An asset as current when it is:
  - Expected to be realized within twelve months after the reporting period, or within the normal operating cycle of the company.
  - 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 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.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

e. Use of Estimates and Judgements

Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

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 are provided in Note 2.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

f. Consolidation

These financial statements represent the separate financial statements of the Company. The Ministry of Corporate Affairs (MCA) through its circular dated 27 July 2016 has exempted a company from preparing and filing of consolidated financial statements if its ultimate or intermediate holding company is filing consolidated financial statements.

Further Sub - Para (iv) to Para 4 of Ind AS 110 - Consolidated Financial Statements exempts a company from consolidation if its ultimate parent produces Ind AS complied consolidated financial statement, which are available for public use.

In view of above exemptions, Company is not required to file the consolidated financial statements.

The Company has complied with Ind AS 27: Separate financial statements whereby investments in subsidiaries, joint ventures and associates are to be valued either

- at cost; or
- in accordance with Ind AS 109.

The Company has elected to measure its investment in subsidiaries and associates at cost determined in accordance with Ind AS 27 at original cost of investment in subsidiaries and associates.

g. Revenue recognition

- **Revenue from Services**

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Income from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals: Rentals basically consist of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other Allied services: In relation to the laundry income, communication income, health club income, transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

Membership Fees: Membership fee income majorly consists of health club and spa membership fees. The performance obligations are satisfied over a period of time. Revenue is recognised at the allocated transaction price on a time-proportion basis.

- **Interest**

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's gross carrying amount on initial recognition.

- **Dividend**

Dividends are recognized in profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

h. Employee Benefits

(i) Short- term Obligations

Liabilities for the wages and salaries, including non- monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the balance sheet.

(ii) Other long-term employee benefit obligations

The Liabilities for earned leave and sick leave are not expected to be settled wholly with 12 months after the end of the period in which the employee render the related services. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of the reporting period having terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in Profit and Loss.

(iii) Post-employment obligations

- **Defined Contribution plan (Provident fund)**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognized as an expense in the Statement of Profit and Loss. The contributions as specified under the law are paid to the respective Regional Provident fund commissioner (RPFC) or to the trust set up by the Company. In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan.

- **Defined Benefit plans (Gratuity)**

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognized in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Company presents the first two components of defined benefit costs in Statement Profit and Loss in the line item "Employee Benefits Expenses". Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognized in the Balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

- **Other Employee Benefits**

  Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognized based on the likely entitlement thereof.

i. Property, plant and equipment

Freehold land is carried at historical Cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and where applicable accumulated impairment losses. Historical Cost includes expenditure that is directly attributable to acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of Property, Plant and equipment have differential useful life, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and equipment and are recognized within other income/ other expenses in the statement of profit and loss account.

The Subsequent cost or cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of day to day servicing and all other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation on fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on group's technical evaluation, taking into the account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties, maintenance support, etc.

• Plant and machinery	10 to 20 years
• Electrical installations and equipment	20 years
• Hotel Wooden Furniture	15 years
• End User devices -Computers, Laptops, etc.	6 years
• Minor Additions to Furniture & Fittings/Plant & Machinery	4 years
• Improvements to Buildings	15 years
• Operating Supplies on opening of a new hotel	2 to 3 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values are not more than 5% of the original cost of the assets. The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

j. Intangible assets

(i) Computer Software

Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Useful life of the intangible assets are as follows

Website Development Cost	5 years
Cost of Customer Reservation System (including licensed software)	6 years

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

k. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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 immediately recognized.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit or loss section of 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.

l. Foreign Currency Translation

- Functional and Presentation Currency

  The Financial Statement is presented in Indian rupee (INR), which is Piem Hotels Limited’s functional and presentation currency.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

- Transactions and balances

  Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

- Subsequent Recognition

  As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported in the functional currency, using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported in functional currency using the exchange rates that existed when the the fair value measured. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

m. 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.

- Company as a lessee

  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 capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. 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 recognized in finance costs in the statement of profit and loss.

  A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

  Operating lease payments are recognized as an expense in the statement of profit and loss over the lease term.

n. Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realizable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits are deducted in determining the cost of purchase. Net realizable value represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sale.

o. Taxes

- Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on the taxable income of the year. The tax rates and tax laws used for computation of current tax includes those that are enacted or substantively enacted, at the reporting date

Current tax is recognized in the statement of profit and loss except to the extent it relates to an item recognized directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis or to realise the asset and settle the liability simultaneously.

- Deferred tax

Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 asset to be recovered.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

- Current and Deferred tax charge for the year

Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity

Minimum Alternate Tax (MAT) is accounted when the Company is subjected to such provisions of the Income Tax Act. Minimum Alternative Tax ("MAT") credit 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.

p. Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized, when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, there will be an outflow of resources and a reliable estimate can be made of the amount of obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Present value is arrived by using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized but only disclosed in the financial statements.

q. 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. Bank Overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

r. Earnings per Share

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

s. Segment Reporting

The Company identifies operating segments based on the internal reporting provided to the Management of the Company. Disclosure of segment wise information is not applicable as Hoteliering is the Company's only business segment.

t. Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Sch III, unless otherwise stated.

u. Financial Instruments & Risk Management

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

a. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The Classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investment in debt instruments, this will depend on the business model in

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

which the investment is held. For investment in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investment when and only when its business model for managing those assets changes.

b. Initial recognition and measurement

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

c. Subsequent measurement

- Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The 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.

  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.

- Debt instrument at FVTOCI (Fair Value through Other Comprehensive Income)

A 'debt instrument' is measured at Fair value through OCI if both the following conditions are met:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Interest income is recognised in Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to Statement of Profit and Loss.

- Debt instrument at FVTPL(Fair Value through Profit and Loss account)

  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 classify 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'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

- **Equity investments**

  All equity investments, other than those in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. Where the Company has elected to present fair value gains and losses on equity investment in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

  For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments

  Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

- **Impairment of financial assets**

  In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and bank balance;

(b) Contract assets and trade receivables under Ind AS 115.

  The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

  The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

  The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(ii) Financial Liabilities and Equity

- **Classification as debt or equity**

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- **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 recognized at the proceeds received, net of direct issue costs.

  Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

- **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 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.

  A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking.
- Financial liabilities subsequently measured at amortized cost

  This is the category most relevant to the Company. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

- **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.

- **Derecognition**

  The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

Note 2 : Critical estimates & Judgements

The preparation of the Company's 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, and the disclosure of contingent liabilities & contingent assets. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying number of assets or liabilities affected in future periods.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates 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.

- **Estimated useful life of Property, Plant and Equipment**

  The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods. -Refer Note 3.

- **Impairment of non-financial assets**

  Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Estimation of current tax expense and deferred tax**

  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 the tax charge in the statement of profit or 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. -Refer Note 20.

- **Estimation of Defined Benefit Obligation**

  The cost of the defined benefit gratuity plan and compensated absences and the present value of the gratuity obligation are determined using actuarial valuations. 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 reporting date. -Refer Note 28(ii)

  The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

  The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

- **Estimation for 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 unfavorable 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. Refer Note 30.

- **Fair value measurement of financial instruments**

  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 21.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ in lakhs

	Freehold Land Refer Footnote (i)	Buildings Refer Foot-note (ii)	Plant and Equipment	Furniture and Fixtures	Office Equip-ment	Vehicles	Total
Gross Block at Cost							
At April 1, 2018	1,971.78	25,014.89	18,733.58	8,289.40	908.35	182.43	**55,100.43**
Additions	-	2,810.97	2,983.56	435.27	80.34	193.51	**6,503.65**
Disposals	-	61.39	84.80	33.90	0.43	-	**180.52**
At March 31, 2019	**1,971.78**	**27,764.47**	**21,632.34**	**8,690.77**	**988.26**	**375.94**	**61,423.56**
Depreciation							
At April 1, 2018	-	1,966.78	3,312.32	1,238.94	303.34	99.31	**6,920.69**
Charge for the year	-	1,051.78	1,780.58	719.87	154.04	26.46	**3,732.73**
Disposals / Adjustments	-	20.67	49.93	6.68	(0.48)	-	**76.80**
At March 31, 2019	**-**	**2,997.89**	**5,042.97**	**1,952.13**	**457.86**	**125.77**	**10,576.62**
Net Block							
At March 31, 2018	**1,971.78**	**23,048.11**	**15,421.26**	**7,050.46**	**605.01**	**83.12**	**48,179.74**
At March 31, 2019	**1,971.78**	**24,766.58**	**16,589.37**	**6,738.64**	**530.40**	**250.17**	**50,846.94**

Footnotes :

(i) Cost of Freehold land includes ₹ 4.32 lakhs pending registration (previous year ₹ 4.32 lakhs)

(ii) Gross Block includes

(a) Improvements to buildings constructed on leasehold land - ₹ 5,565.60 lakhs (previous year - ₹ 3,359.71 lakhs)

(b) Cost of shares of Co-operative Societies in case of Residential Buildings

Note 4 : Intangible Assets

₹ in lakhs

	Website Development Cost	Software (Refer Footnote)	Total
Gross Block at Cost			
At April 1, 2018	4.38	472.23	**476.61**
Additions	-	15.08	**15.08**
Disposals	-	0.09	**0.09**
At March 31, 2019	**4.38**	**487.22**	**491.60**
Amortisation			
At April 1, 2018	4.26	213.40	**217.66**
Charge for the year	0.12	85.10	**85.22**
Disposals / Adjustments	-	-	**-**
At March 31, 2019	**4.38**	**298.50**	**302.88**
Net Block			
At March 31, 2018	**0.12**	**258.83**	**258.95**
At March 31, 2019	**-**	**188.72**	**188.72**

Footnote : Software includes Customer Reservation System and other licensed software.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 5 (a) : Non-Current Investments

₹ in lakhs

	Face Value		March 31, 2019 Holdings As at	March 31, 2019 Amount	March 31, 2018 Holdings As at	March 31, 2018 Amount
Fully Paid Unquoted Equity Instruments						
Investments in Subsidiary Companies (At cost)						
Piem International (H. K.) Limited (Wholly Owned)	$	10	**8,00,000**	**2,825.34**	8,00,000	2,825.34
Northern India Hotels Limited **	₹	10	**4,12,083**	**627.35**	4,12,033	626.64
				3,452.69		3,451.98
Investments in Associates (At cost)						
Taida Trading and Industries Limited*	₹	100	**34,400**	**34.42**	34,400	34.42
Taj Enterprises Limited	₹	100	**10,548**	**10.58**	10,548	10.58
TAL Hotels and Resorts Limited	$	1	**2,80,108**	**132.69**	2,80,108	132.69
Taj Karnataka Hotels and Resorts Ltd.	₹	10	**3,00,000**	**30.00**	3,00,000	30.00
Roots Corporation Limited	₹	10	**65,35,948**	**5,000.00**	65,35,948	5,000.00
Inditravel Limited	₹	10	**1,89,002**	**18.91**	1,89,002	18.91
Taj Trade and Transport Company Limited	₹	10	**8,86,500**	**140.38**	8,86,500	140.38
				5,366.98		5,366.98
Investment in Other Companies (Refer footnote)						
Damania Airways Ltd. *	₹	10	**500**	**-**	500	-
Smile and Care Products Pvt. Ltd.*	₹	10	**49,800**	**-**	49,800	-
MPOWER Information Systems Pvt Ltd.*	₹	10	**30,000**	**-**	30,000	-
				-		-
Fully Paid quoted Equity Instruments						
Investment in Associates (At cost)						
Beneras Hotels Limited	₹	10	**54,063**	**5.41**	54,063	5.41
Oriental Hotels Company Limited	₹	1	**36,57,170**	**596.81**	36,57,170	596.81
				602.22		602.22
Investment in Other Companies (Fair Value Through OCI)						
Tulip Star Hotels Limited	₹	10	**35,800**	**23.25**	35,800	19.33
Titan Company Limited	₹	1	**5,00,000**	**5,687.50**	5,00,000	4,706.00
				5,710.75		4,725.33
Total Non-current Investments - Gross				**15,132.64**		14,146.51
Less : Provision for Diminution in value of Investments				**34.42**		34.42
Total Non-current Investments - Net				**15,098.22**		14,112.09

Footnotes :

(i) Aggregate amount of Quoted Investments	**:Market Value**	**8,252.40**	6,703.73
(ii) Aggregate amount of Unquoted Investments	**:Cost**	**8,819.67**	8,818.95
(iii) Aggregate amount of impairment in value of investments		**34.42**	34.42

* Provision for diminution is created for these investments

** In accordance with the directives issued by SEBI via its circular SEBI/HO/MRD/DSA/CIR/P/2016/110 dated 02/10/2016 the company provided an exit option to the minority share holders of its subsidiary, The Northern India Hotels Limited (NIHL). The exit offer was priced at ₹ 1,426/- per equity share of Rs 10/- each. Under the offer 50 shares (previous year 4,466 shares) were tendered by various minority share holders and the same were acquired by the company as of 31/03/2019. The Company's holding in the subsidiary (NIHL) has increased to 4,12,083 shares.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 5 (a) : Current Investments

₹ in lakhs

	Fair Value	March 31, 2019 Units	March 31, 2019 Amount	March 31, 2018 Units	March 31, 2018 Amount
Investments in Mutual Fund Units (Unquoted)					
Kotak Floater Short Term - Growth	**2,844.578**	**0.000**	-	10,099.330	287.28
Aditya Birla Sun Life Floating Rate Fund Short Term Plan - Growth-			-	-	
Regular Plan	**231.073**	**0.000**	-	57,708.756	133.35
Tata Money Market Fund Regular Fund - Growth	**2,930.550**	**14,206.178**	416.32	4,717.829	128.65
Total Current Investments			**416.32**		549.28
Footnotes :					
(i) Aggregate amount of Investments		**: NAV**	416.32	: NAV	549.28
		: NAV	416.32	: NAV	549.28

Note 5 (b) : Other Financial Assets

₹ in lakhs

	March 31, 2019	March 31, 2018
A) Non Current		
Deposits with Public Bodies and Others at amortised cost		
Public Bodies and Others	**320.70**	311.48
	320.70	311.48
Deposits with Bank	**76.02**	56.51
	396.72	367.99
B) Current		
Loans and Advances		
(Unsecured, considered good unless stated otherwise)		
Others	**6.36**	8.01
	6.36	8.01
Deposit with public bodies and others	**68.19**	68.31
Other advances		
Considered good	**256.51**	243.54
Considered doubtful	**4.87**	3.93
	261.38	247.47
Less: Provision for Advances doubtful of recovery	**4.87**	3.93
	256.51	243.54
Claims Receivable	**-**	5.25
Interest receivable		
Others	**90.21**	79.90
	90.21	79.90
On Current Account dues :		
Related Parties	**41.77**	57.96
Others	**20.54**	48.58
	62.31	106.54
	483.58	511.55

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 5 (c). Trade receivables

₹ in lakhs

	March 31, 2019	March 31, 2018
Considered good	**1,460.97**	1,203.35
Credit impaired	**114.30**	105.94
	1,575.27	1,309.29
Less : Provision for Trade Receivables credit impaired	**114.30**	105.94
	114.30	105.94
	1,460.97	1,203.35

* Footnote:

i) **Provision for Trade Receivables credit impaired**

	March 31, 2019	March 31, 2018
Opening Balance	**105.94**	86.83
Add : Provision during the year	**30.04**	25.30
	135.98	112.13
Less : Bad debts written off against past provisions	**-**	-
Less : Reversal of provision no longer required	**21.68**	6.19
Closing Balance	**114.30**	105.94

ii) **For impairment of trade receivables and significant increase in credit risk Refer Note 22**

Note 5 (d). Cash and bank balances

₹ in lakhs

	March 31, 2019	March 31, 2018
Cash and cash equivalents		
Cash on hand	**63.50**	43.67
Cheques, Drafts on hands	**63.77**	98.90
Balances with bank in current account	**257.90**	419.27
	385.17	561.84

Note 5 (d) : Bank Balances Other than Cash and Cash Equivalents

₹ in lakhs

	March 31, 2019	March 31, 2018
Margin money deposits	**464.09**	459.59
Earmarked balances	**40.63**	403.56
	504.72	863.15
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/ Margin Money/ Pledged deposits classified as Non-Current (Note 5(b))	**76.02**	56.51
	428.70	806.64

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 6 : Other Current assets

₹ in lakhs

	March 31, 2019	March 31, 2018
Prepaid Expenses	**848.12**	776.91
Advance to Suppliers	**84.23**	99.07
Advance to Employees	**25.71**	31.72
Export Incentive Received	**167.11**	149.23
	1,125.17	1,056.93

Note 7 : Other non current assets

₹ in lakhs

	March 31, 2019	March 31, 2018
Capital Advances	**235.54**	231.95
Prepaid Expenses	**1,039.84**	1,052.59
Advance to Employees	**15.08**	16.05
Deposits for tax and other statutory dues	**402.86**	379.13
Export Incentive Receivable	**419.43**	383.33
	2,112.75	2,063.05

Note 8 : Inventories (At lower of cost and net realisable value)

₹ in lakhs

	March 31, 2019	March 31, 2018
Food and Beverages	**713.58**	712.10
Stores and Operating Supplies	**204.57**	268.52
	918.15	980.62

Note 9 (a). Share Capital

₹ in lakhs

	March 31, 2019	March 31, 2018
Authorised Share Capital		
Ordinary Shares		
47,50,000 (Previous year - 47,50,000) Equity Shares of ₹ 10/- each	**475.00**	475.00
	475.00	475.00
Preference Shares		
18,000 (Previous year - 18,000) 9.5% First Redeemable Cumulative Preference Shares of ₹ 100/- each	**18.00**	18.00
	18.00	18.00
Preference Shares		
7,000 (Previous year - 7,000) 3% First Redeemable Cumulative Preference Share of ₹ 100/- each	**7.00**	7.00
	7.00	7.00

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 9 (a). Share Capital (Contd.)

₹ in lakhs

	March 31, 2019	March 31, 2018
	500.00	500.00
Issued Share Capital		
38,10,000 (Previous Year - 38,10,000) Equity Shares of ₹ 10/- each	**381.00**	381.00
	381.00	381.00
Subscribed and Paid Up		
38,10,000 (Previous Year - 38,10,000) Equity Shares of ₹ 10/- each	**381.00**	381.00
	381.00	381.00

Footnotes :

(i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) During the year ended March 31, 2019, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 40/- per share (Previous year ₹ Nil).

(iii) Interim Dividend ₹ 30/- per share (PY ₹ Nil) is paid in respect of Equity Shares in Current Year.

(iv) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2019		March 31, 2018	
	No. of shares	**₹ Lakhs**	No. of shares	₹ Lakhs
As at the beginning of the year	**38,10,000**	**381.00**	38,10,000	381.00
Add : Shares issued during the year	**-**	**-**	-	-
As at the end of the year	**38,10,000**	**381.00**	38,10,000	381.00

(v) Share held by Holding Company and Subsidiary of Holding Company

	March 31, 2019		March 31, 2018	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Holding Company				
The Indian Hotels Company Limited (IHCL) *	**19,64,770**	**52%**	19,64,770	52%

(vi) Details of share held by other shareholders holding more than 5% the aggregate shares in the Company

	March 31, 2019		March 31, 2018	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Mr. Rajesh R. Nagpal	**4,99,429**	**13%**	4,99,429	13%
Mr. Sudhir L. Nagpal	**5,09,757**	**13%**	3,89,398	10%
New Vernon Private Limited	**2,59,000**	**7%**	2,59,000	7%
Mr. Rajkumar M. Nagpal	**2,46,088**	**6%**	2,46,088	6%
Mrs. Subhadra R. Nagpal	**1,99,418**	**5%**	1,99,418	5%

(vii) Aggregate number of shares allotted as fully paid pursuant to contracts without payment being received in cash, bonus shares and shares bought back for period of 5 years immediately preceeding Balance sheet date NIL (previous year NIL)

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 9 (b). Other Equity

₹ in lakhs

	March 31, 2019	March 31, 2018
Reserves & Surplus		
Capital Reserve		
Opening and Closing Balance	**375.61**	375.61
Capital Redemption Reserve		
Opening and Closing Balance	**77.00**	77.00
Securities Premium		
Opening and Closing Balance	**2,011.00**	2,011.00
General Reserve		
Opening and Closing Balance	**12,834.04**	12,834.04
Retained Earning		
Opening Balance	**42,088.69**	34,446.88
Add: Current Year profits	**2,730.66**	(431.92)
Less : Appropriations		
Final Dividend	**(1,524.00)**	-
Tax on Final Dividend	**-**	-
Interim Dividend	**(1,143.00)**	-
Tax on Interim Dividend	**-**	-
Transfer to General Reserve	**-**	-
Transfer of Profit on OCI Equity Inst. To Retained Earnings	**-**	8,226.89
Transfer to/(from) Revaluation Reserve	**-**	-
Add: Remeasurement of post employment benefit obligation (net of taxes)	**18.52**	(153.16)
Closing retained earning	**42,170.87**	42,088.69
Reserves and Surplus	**57,468.52**	57,386.34
Other Comprehensive Income		
OCI - Equity Instruments (Not reclassified to P&L)		
Opening Balance	**4,615.90**	8,273.85
Less : Profit on Sale of Equity Instruments transferred to Retained Earnings	**-**	(8,226.89)
Add: Change in fair value of equity instruments designated irrevocably as FVTOCI (Net of Taxes)	**870.64**	4,568.94
Closing Balance	**5,486.54**	4,615.90
Total	**62,955.06**	62,002.24

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 10 (a) : Other financial liabilities

₹ in lakhs

		March 31, 2019	March 31, 2018
A)	**Non Current financial liabilities**		
	Creditors for Capital goods and services	**217.24**	102.64
		217.24	102.64

Note 10 (a) : Other financial liabilities

₹ in lakhs

		March 31, 2019	March 31, 2018
B)	**Current financial liabilities**		
	Payables on Current Account dues :		
	Related Parties	**5.83**	2.24
	Others	**10.26**	12.93
		16.09	15.17
	Deposits from others		
	Unsecured	**96.35**	87.46
		96.35	87.46
	Interest accrued but not due on borrowings at amortised costs	**34.30**	-
	Creditors for capital expenditure	**972.46**	2,118.67
	Employee related liabilities	**1,027.00**	735.13
	Others	**59.61**	60.06
		2,205.81	3,016.49

Footnote :

A sum of Nil (Previous year Nil) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.

Note 10 (b): Trade Payables

₹ in lakhs

	March 31, 2019	March 31, 2018
Trade Payables		
Micro and Small Enterprises (Refer Footnote (i) and (ii))	**47.95**	89.59
	47.95	89.59
Other than Micro and Small Enterprises		
Vendor Payables	**3,089.52**	3,090.22
Accrued expenses and others	**1,164.43**	838.64
	4,253.95	3,928.86

Footnotes :

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) The disclosures relating to Micro and Small Enterprises Refer Note 26

(iii) For related party balances Refer Note 31.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 10 (c) : Borrowings

₹ in lakhs

	March 31, 2019	March 31, 2018
Current borrowings		
Borrowings from Related Parties	**2,234.30**	-
Total Short term borrowings	**2,234.30**	-
Less : Interest accurred (included in note10 (a))	**34.30**	-
Total Borrowings	**2,200.00**	-

Net Debt Reconciliation

₹ in lakhs

	March 31, 2019	March 31, 2018
Cash and cash equivalents	**385.17**	561.84
Liquid investments	**416.32**	549.28
Current borrowings including interest	**(2,234.30)**	-
Non-current borrowings	**-**	-
Net (debt) / Cash & Cash Equivalents	**(1,432.81)**	1,111.12

₹ in lakhs

	Other Assets		Liabilities from financing activities			Total
	Cash and bank overdraft	Liquid Investments	Finance lease obligations	Non-current borrowings	Current borrowings	
Net (debt) / Cash & Cash Equivalents as at 1 April 2017	765.97	-	-	-	(1,414.60)	(648.63)
Cash Flows	(204.13)	444.17	-	-	1,400.00	1,640.04
Interest expense	-	-	-	-	(192.97)	(192.97)
Interest paid	-	-	-	-	207.57	207.57
- Fair value adjustments	-	105.11	-	-	-	105.11
(Net debt) / Cash & Cash Equivalents as at 31 March 2018	**561.84**	**549.28**	**-**	**-**	**-**	**1,111.12**
Cash Flows	(176.67)	(196.55)			(2,200.00)	(2,573.22)
Interest expense	-	-	-	-	(125.72)	(125.72)
Interest paid	-	-	-	-	91.42	91.42
- Fair value adjustments	-	63.59	-	-	-	63.59
(Net debt) / Cash & Cash Equivalents as at 31 March 2019	**385.17**	**416.32**	**-**	**-**	**(2,234.30)**	**(1,432.81)**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 11 : Provisions

₹ in lakhs

		March 31, 2019	March 31, 2018
A)	**Long term provisions**		
	Employee Benefit Obligation (Non-current)		
	Leave obligations	**570.79**	513.23
		570.79	513.23
B)	**Short term provisions**		
	Employee Benefit Obligation (Current)		
	Leave obligations	**108.73**	116.95
	Gratuity	**55.97**	350.38
		164.70	467.33
	Provision for Contingencies (Refer Note 30)	**713.74**	617.39
	Total Short term provisions	**878.44**	1,084.72

Note 12 : Deferred Tax (Assets) / Liabilities (Net)

₹ in lakhs

	March 31, 2019	March 31, 2018
Deferred Tax Liabilities:		
Property. Plant and equipment & Intangible Assets	**2,986.49**	2,534.18
Long Term Capital Gain - FVTOCI	**156.79**	42.00
Others	**9.90**	-
Total (A)	**3,153.18**	2,576.18
Deferred Tax Assets:		
DTA on Unabsorbed Losses	**613.14**	510.85
DTA-MAT credit entitlement	**1,917.31**	1,600.14
Provision for Compensated Absences	**269.97**	233.96
Liabilities / Provisions that are deducted for tax purposes when paid	**255.72**	206.28
Provisions - Others	**41.81**	38.48
Others	**-**	82.26
Total (B)	**3,097.95**	2,671.97
Net Deferred Tax (Assets) / Liabilities (A-B)	**55.23**	(95.79)

Footnote: Refer note 20 for detailed disclosures

Note 13 : Other non financial Liabilities

₹ in lakhs

	March 31, 2019	March 31, 2018
Income received in advance	**35.73**	38.91
Advances collected from customers and others	**618.93**	476.60
Statutory dues	**393.96**	69.00
	1,048.62	584.51

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 14 : Revenue from Operations

₹ in lakhs

	March 31, 2019	March 31, 2018
Room Income, Food, Restaurants and Banquet Income	**36,534.50**	33,258.41
Membership fees	**4.91**	7.25
Others	**2,019.02**	1,940.67
Total Revenue	**38,558.43**	35,206.33

Note 15 : Other Income

₹ in lakhs

	March 31, 2019	March 31, 2018
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	-	1.60
Deposits with banks	**45.76**	62.46
Others	**17.87**	19.33
Total	**63.63**	83.39
Dividend Income on non-current investments held at the end of the year		
From related parties	**2,736.61**	57.84
From others (FVTOCI)	**18.75**	46.96
Profit on sale of assets (Net)	**6.05**	88.80
Profit on sale of Investments (Net) (FVTPL)	**53.52**	98.81
Exchange Gain (Net)	**0.84**	0.30
Others	**205.49**	260.82
Total	**3,084.89**	636.92

Note 16 : Food and Beverages Consumed

₹ in lakhs

	March 31, 2019	March 31, 2018
Opening Stock	**712.10**	748.90
Add : Purchases	**4,667.88**	4,445.80
	5,379.98	5,194.70
Less : Closing Stock	**713.58**	712.10
Food and Beverages Consumed	**4,666.40**	4,482.60

Note 17 : Employee Benefit Expense and Payment to Contractors

₹ in lakhs

	March 31, 2019	March 31, 2018
Salaries, Wages, Bonus etc.	**6,276.41**	5,876.00
Company's Contribution to Provident and Other Funds	**370.24**	391.55
Reimbursement of Expenses on Personnel Deputed to the Company	**1,973.44**	1,905.06
Payment to Contractors	**927.80**	870.77
Staff Welfare Expenses	**1,337.20**	1,331.58
Total	**10,885.09**	10,374.96

Note 18 : Finance costs

₹ in lakhs

	March 31, 2019	March 31, 2018
Interest Expense at effective interest rate on borrowings	**125.72**	192.97
Total	**125.72**	192.97

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 19 : Other Operating and General Expenses

₹ in lakhs

		March 31, 2019	March 31, 2018
(i)	**Operating expenses consist of the following :**		
	Linen and Room Supplies	**617.52**	648.86
	Catering Supplies	**339.23**	389.83
	Other Supplies	**93.02**	110.67
	Fuel, Power and Light	**3,449.63**	3,380.72
	Repairs to Buildings	**530.30**	414.24
	Repairs to Machinery	**899.17**	796.14
	Repairs to Others	**180.50**	182.97
	Linen and Uniform Washing and Laundry Expenses	**483.73**	465.57
	Payment to Orchestra Staff, Artistes and Others	**741.24**	675.79
	Guest Transportation	**365.13**	315.04
	Travel Agents' Commission	**550.95**	545.61
	Discount to Collecting Agents	**321.07**	304.01
	Other Operating Expenses	**1,005.55**	822.77
	Total	**9,577.04**	9,052.22
(ii)	**General expenses consist of the following :**		
	Rent	**751.72**	758.59
	Licence Fees	**1,118.97**	1,108.33
	Rates and Taxes	**717.73**	707.12
	Insurance	**89.93**	100.87
	Advertising and Publicity	**2,151.82**	1,979.79
	Printing and Stationery	**167.57**	142.63
	Passage and Travelling	**79.46**	82.74
	Provision for Doubtful Debts	**8.36**	19.11
	Expenditure on Corporate Social Responsibility (Refer Note 35)	**39.94**	79.67
	Management Fees	**1,835.66**	1,671.21
	Reservation and Information system	**367.82**	333.99
	Brand Common Cost	**368.00**	334.88
	Professional fees	**302.93**	275.71
	Outsourced Support Services	**275.18**	218.06
	Exchange Loss (Net)	**3.24**	1.85
	Loss on Sale of Fixed Assets (Net)	**70.93**	99.53
	Payment made to Statutory Auditors		
	i. As Auditors	**43.00**	50.05
	ii. As Tax Auditors	**6.00**	6.00
	iii. For Other Services	**4.50**	4.58
	iv. For Reimbursement of expenses	**2.51**	1.94
	Directors Sitting Fees and Commission	**52.40**	30.34
	Other Expenses	**570.51**	532.72
	Total	**9,028.18**	8,539.71
	Grand Total	**18,605.22**	17,591.93

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 20 : Income tax expense

₹ in lakhs

		March 31, 2019	March 31, 2018
a)	**Income tax expense**		
	Current Tax:		
	Current Tax on profits for the year	**785.98**	1,600.14
		785.98	1,600.14
	Deferred Tax		
	Increase/(Decrease) in deferred tax liability	**26.30**	(1,774.11)
	Total deferred tax expense/(benefit)	**26.30**	(1,774.11)
	Income tax expense	**812.28**	(173.97)
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**		
	Profit before tax from continuing operations (a)	**3,542.94**	(605.89)
	Income tax rate as applicable (b)	**34.94%**	34.61%
	Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**1,238.06**	(209.68)
	Permanent tax differences due to:		
	Effect of income that is exempt from taxation (like dividend income)	**(12.91)**	(24.30)
	Effect of expenses that are not deductible in determining taxable profit	**62.74**	62.77
	Effect on deferred tax balances due to the change in income tax rate from 34.61% to 34.94%	**-**	14.84
	Income subject to lower rate of income tax	**(468.81)**	-
	Others	**(6.80)**	(17.60)
	Income tax expense recognised in profit or loss (relating to continuing operations)	**812.28**	(173.97)
(c)	**Income Tax recognised in Other Comprehensive Income**		
	Current Tax	**-**	-
		-	-
	Deferred Tax		
	Arising on income and expenses recognised in other comprehensive income		
	Net fair value gain on investments in equity shares at fair value through other comprehensive income	**114.78**	42.01
	Re-measurement of Defined Benefit Obligation	**9.94**	(82.26)
	Total	**124.72**	(40.25)
	Total Income tax recognised in Other comprehensive Income	**124.72**	(40.25)

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 21 : Financial Instruments

Fair value hierarchy

₹ in Lakhs

As of March 31, 2019:	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity shares	5,710.75	-	-	**5,710.75**
Liquid Funds	416.32	-	-	**416.32**
Total	**6,127.07**	-	-	**6,127.07**

In ₹ Lakhs

As of March 31, 2018:	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity shares	4,725.33	-	-	**4,725.33**
Liquid Funds	549.28	-	-	**549.28**
Total	**5,274.61**	-	-	**5,274.61**

The carrying value of financial instruments by categories is as follows:

As on 31.03.2019

₹ in Lakhs

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Equity Investment in External Companies	-	5,710.75	-	5,710.75
Liquid Funds	416.32	-	-	416.32
Trade Receivables	-	-	1,460.97	1,460.97
Cash and cash equivalents	-	-	385.17	385.17
Bank Balances other than cash & cash equivalents	-	-	428.70	428.70
Other financial assets	-	-	880.31	880.31
Total - Financial Assets	**416.32**	**5,710.75**	**3,155.15**	**9,282.22**
Financial liabilities:				
Borrowings	-	-	2,200.00	2,200.00
Trade Payables including capital creditors	-	-	5,491.59	5,491.59
Deposits	-	-	96.35	96.35
Other financial liabilities			1,137.00	1,137.00
Total - Financial Liabilities	**-**	**-**	**8,924.94**	**8,924.94**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

As on 31.03.2018

₹ in Lakhs

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Equity Investment in External Companies	-	4,725.33	-	4,725.33
Liquid Funds	549.28	-	-	549.28
Trade Receivables	-	-	1,203.35	1,203.35
Cash and cash equivalents	-	-	561.84	561.84
Bank Balances other than cash & cash equivalents	-	-	806.64	806.64
Other financial assets	-	-	879.54	879.54
Total - Financial Assets	**549.28**	**4,725.33**	**3,451.37**	**8,725.98**
Financial liabilities:				
Trade Payables including capital creditors	-	-	6,239.77	6,239.77
Deposits	-	-	87.46	87.46
Other financial liabilities	-	-	810.36	810.36
Total - Financial Liabilities	**-**	**-**	**7,137.59**	**7,137.59**

Note: The fair value of assets and liabilities approximates its carrying value.

Note 22 : Financial risk management objectives and policies

The Company's principal financial liabilities, comprise, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance team provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, currency risk and interest rate risk are not significant for the company, since the company has only Indian Rupee Borrowings which are short term in nature.

Price Risk

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at profit or loss account.

To manage the price risk arising from the investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the directions of the investment committee.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored, resulting in no significant credit risk.

Particulars	31st March 2019	31st March 2018
No of Customers who owed more than 5% of the Total receivables	0	0
Contribution of Customers in owing more than 5% of Total receivables	0%	0%

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in Lakhs

Particulars	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total
Year ended 31 March 2019				
Borrowings payable on demand	2,200.00	-	-	2,200.00
Other financial liabilities	2,205.80	217.24	-	2,423.04
Trade and other payables	4,301.90	-	-	4,301.90
	8,707.70	**217.24**	**-**	**8,924.94**
Year ended 31 March 2018				
Other financial liabilities	3,016.49	102.65	-	3,119.14
Trade and other payables	4,018.45	-	-	4,018.45
	7,034.94	**102.65**	**-**	**7,137.59**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 23 : Contingent Liabilities

₹ in Lakhs

Particulars	As at 31 March, 2019	As at 31 March, 2018
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Minimum amount to be paid to Punjab Urban Development Authority (PUDA) for Amritsar as per Revenue sharing Agreement. (Note A)	400.00	400.00
Employee termination/ resignation cases	2.84	2.84
Demand raised by Tahsildar towards evacuation not approved	94.75	94.75
Total	**497.59**	**497.59**
(b) Guarantees		
Guarantee given for Amritsar Project to PUDA	1,220.00	1,200.00
Guarantee given to Local Authorities	45.00	50.00
Guarantee given for Foreign cars	7.11	7.11
Total	**1,272.11**	**1,257.11**
(c) Other money for which the Company is contingently liable		
Income Tax	38.52	38.52
Luxury Tax	11.55	253.87
Entertainment Tax	1.11	1.11
Sales Tax/VAT	864.85	870.77
Property Tax	87.65	36.18
Service Tax & Excise Duty	1,279.74	1,305.08
Others (Water & Sewerage Tax)	88.00	88.00
Total	**2,371.22**	**2,593.53**

Note:

A. The Punjab Urban Development Authority (PUDA) has contested the order passed by the Appellate Authority - Punjab Infrastructure Regulatory Authority (PIRA) at the High Court granting an extension of one year in the completion date of the Amritsar Project. The Company will be liable to pay the concession fee for the aforesaid period in case the above claim is upheld by the High Court.

Details of amounts paid under protest and accounted under Advance/Receivable (₹ in lakhs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Property Tax	248.43	222.49
VAT	148.79	154.99
Service Tax	11.24	7.25
Total	**408.46**	**384.73**

The Company has been advised by its legal counsel that it is only possible, but not probable, that the actions initiated will succeed. Accordingly, no provision for any liability has been made in these financial statements.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 24 : Contingent Asset

The company has instituted a suit against a Bank for recovery of rent amounting to ₹ 19.85 lakhs, as they continued to occupy the area leased to them at a hotel, even after the expiry of the lease agreement. The company has also initiated legal proceedings against an Electricity distribution Company for wrong levy of Transport Department Loss Recovery (TDLR) on the electricity charges payable at one of the units. The amount of refund receivable (if any) can be determined only on the conclusion of litigation.

Contingent assets are not recognized in the financial statements.

Note 25 : Capital Commitments

₹ in Lakhs

Particulars	31st March 2019	31st March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	1,742.75	1,758.06
Intangible assets	13.29	24.48
Total	**1,756.04**	**1,782.54**

Note 26 : Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lakhs

Particulars	As at 31 March, 2019	As at 31 March, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	47.95	89.59
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) the amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 27 : Lease Charges

The Company has taken certain land and immovable properties on operating lease. These leases have varying terms, escalation clauses and renewal rights. The total lease rent paid on the same is included under Rent forming part of other expenses.

Obligations towards Minimum Lease payments

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Not later than one year	752.19	756.60
Later than one year but not later than five years	3,232.76	3,140.76
Later than five years	72,816.57	70,493.16
Total	**76,801.52**	**74,390.52**

Details of leasing arrangements

The Company has given on lease certain residential flats to its employees or employees of its parent company for a lease period ranging between 1 to 3 years. These arrangements are in the nature of cancelable lease and are generally renewable by mutual consent or mutual agreeable terms.

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Cost	58.26	109.98
Accumulated Depreciation	11.85	25.00
Net Book Value*	46.41	84.98
Current Period Depreciation	2.37	8.33
Future minimum lease receipts		
• Not Later than one year	**36.00**	36.00

*Reduction in net block vis a vis previous year due to closure of lease agreement for certain properties during the previous year

Note 28 : Employee Benefits

(i) Provident Fund

The Company has recognized the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries):

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Provident Fund	294.04	284.83

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(ii) Gratuity Benefits

The Company provides for gratuity a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees.

Actuarial Valuation was done in respect of the aforesaid defined benefit plan using the following assumptions:

Particulars	As at 31st March 2019	As at 31st March 2018
Discount rate	7.55%	7.55%
Salary escalation: -		
Staff	5.00%	5.00%
Executive	4.00%	4.00%

Note : Mortality has been assumed as per published notes under the Indian Assured Lives Mortality (2006-08) Ult table

Amount Recognized in the Balance Sheet

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Liability at the end of the year	2,153.50	2,103.97
Fair value of plan assets at the end of the year	2,097.53	1,753.59
Amount recognized in the Balance Sheet [(Asset) / Liability]	**55.97**	**350.38**

Reconciliation of Defined Benefit Obligation:

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Defined Benefit Obligation	2,103.97	1,863.33
Current service cost	128.46	117.54
Past Service Cost	(56.58)	-
Interest cost	145.07	126.23
Remeasurements due to actuarial loss/ (gain) arising from		
• Changes in financial assumptions	(0.00)	(31.39)
• Changes in demographic assumptions	(0.76)	37.42
• Experience adjustments	0.77	206.69
Benefits Paid	(164.81)	(215.85)
Liabilities assumed/ (settled)	(2.62)	-
Closing Defined Benefit Obligation	**2,153.50**	**2,103.97**

Reconciliation of Plan Assets:

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Fair value of Plan Assets at the beginning of the year	1,753.59	1,827.73
Expected Return on Plan Assets	123.15	128.01
Actuarial (loss)/gain on Plan Assets	28.47	(22.70)
Contribution by Employer	359.75	36.40
Benefits paid	(164.81)	(215.85)
Assets acquired / (settled)	(2.62)	-
Fair value of Plan Assets at the end of the year	**2,097.53**	**1,753.59**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Expenses recognized in the Statement of Profit and Loss

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Current service cost	128.46	117.54
Past Service Cost	(56.58)	-
Interest cost	21.92	(1.78)
Expense/(Reversal) recognized in the Statement of Profit and Loss	**93.80**	**115.76**

Amount recorded in Other Comprehensive Income

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Amount recognised in OCI	84.13	(151.30)
Remeasurements in the period due to		
• Changes in Financial Assumption	0.00	(31.39)
• Change in Demographic Assumption	(0.76)	37.43
• Experience Adjustments	0.77	206.69
• Actual Return on Plan assets less interest on Plan Assets	(28.47)	22.70
Fair value of Plan Assets at the end of the year	**55.67**	**84.13**

Balance Sheet Reconciliation

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Opening net liability / (asset)	350.38	35.60
Expense/(Reversal) as above	93.80	115.76
Amount recognized outside Profit & loss account	(28.46)	235.42
Employers contributions	(359.75)	(36.40)
Amount recognized in Balance Sheet (asset)/Liability	55.97	350.38
Expected Employer's Contributions next year	120.00	120.00

The discount rate is based on the government bond yields as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Sensitivity Analysis (for each defined benefit plan)

	31st March 2019		31st March 2018	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	-3.31	3.59	-2.87	3.10
Impact of decrease in 50 bps on DBO	3.51	-3.41	3.03	-2.96

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Disaggregation of Plan Assets ₹ in Lakhs

	March 31, 2019			
	Quoted	**Unquoted**	**Total**	**%**
Insurer managed funds	-	1,962.41	1,962.41	94%
Government Debt Instruments	45.40	-	45.40	2%
Others	62.50	27.22	89.72	4%
Total	**107.90**	**1,989.63**	**2,097.53**	**100%**

In ₹ Lakhs

	March 31, 2018			
	Quoted	**Unquoted**	**Total**	**%**
Insurer managed funds	-	1,625.63	1,625.63	93%
Government Debt Instruments	45.40	-	45.40	2%
Others	62.50	20.06	82.56	5%
Total	**107.90**	**1,645.69**	**1,753.59**	**100%**

Maturity Profile - Benefits	₹ in Lakhs
Expected benefits for year 1	275.94
Expected benefits for year 2	280.48
Expected benefits for year 3	213.73
Expected benefits for year 4	301.12
Expected benefits for year 5	215.32
Expected benefits for year 6	265.00
Expected benefits for year 7	150.71
Expected benefits for year 8	145.62
Expected benefits for year 9	169.34
Expected benefits for year 10 and above	2,043.43

The weighted average duration of these payments is 6.82 years.

Note 29 : Ind AS 115 'Revenue from Contracts with Customers'

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended 31st March 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1st April 2018 ('transition date') in equity and the impact on such transition date is not material.

Also, the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months (also refer Credit Risk).

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Prior to adoption of Ind AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations and Membership fees income. **The recognition of these revenue streams is largely unchanged by Ind AS 115.**

₹ in Lakhs

Sr No	Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
	CONTRACT WITH CUSTOMERS		
1	Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Revenue from operations		
	Revenue from contract with customers		
	a) Room Income, Food & Beverages and Banquets	36,534.50	33,258.41
	b) Membership fees	4.91	7.25
		36,539.41	**33,265.66**
	Other operating revenue		
	a) Export Incentive	212.93	202.56
	b) Others	1,806.29	1,738.12
		2,019.02	**1,940.67**
	Total Income from operations	**38,558.43**	**35,206.33**
2	**Disaggregate Revenue** **The following table presents Group revenue disaggregated by type of revenue stream**		
	Revenue based on product and services		
	Revenue from contract with customers		
	a) Room Income	16,479.95	15,188.19
	b) Food & Beverages and Banquets	20,054.55	18.070.22
	c) Membership fees	4.91	7.25
	Other operating revenue		
	a) Export Incentive	212.93	202.56
	b) Others	1,806.29	1,738.12
3	The Company derives its revenue from the transfer of goods and services over time in its major service lines		
4	**Contract balances** Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/Banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services.		
	At April	572.47	410.63
	At March	698.44	572.47

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 30 : Details of Provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

₹ in Lakhs

Particulars	As at 1 April, 2018	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2019
Provision for other contingencies					
Entertainment Tax	**166.00**	**0.00**	**0.00**	**0.00**	**166.00**
	(160.00)	(6.00)	0.00	0.00	(166.00)
Sales Tax	**78.78**	**0.00**	**0.00**	**0.00**	**78.78**
	(78.78)	0.00	(0.00)	0.00	(78.78)
Property Tax	**372.61**	**59.25**	**0.00**	**0.00**	**431.86**
	(320.72)	(51.89)	(0.00)	0.00	(372.61)
Others	**0.00**	**37.10**	**0.00**	**0.00**	**37.10**
	(2.00)	(0.00)	(2.00)	0.00	(0.00)
Total	**617.39**	**96.35**	**0.00**	**0.00**	**713.74**
	(561.50)	(57.89)	(2.00)	0.00	(617.39)

Particulars	As at 1 April, 2018	Provisions during the year	Debtors written off against past provision	Provision written back	As at 31 March, 2019
Provision for doubtful debts	**105.94**	**30.04**	**-**	**21.68**	**114.30**
	(86.83)	(25.30)	-	(6.19)	(105.94)

₹ in Lakhs

Particulars	Provisions during the year	Provision written back	Debts written of in the past recovered	Net Expense
Provision for doubtful debts charged to P&L	**30.04**	**21.68**	**-**	**8.36**
	(25.30)	(6.19)	-	(19.11)

₹ in Lakhs

Particulars	As at 1 April, 2018	Provisions during the year	Advances written off against past provision	Provision written back	As at 31 March, 2019
Provision for doubtful advances	**3.93**	**0.95**	**-**	**-**	**4.87**
	(4.17)	(0.00)	(0.24)	-	(3.93)

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 31 : Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

i. **Holding Company**
The Indian Hotels Company Limited (IHCL)
(Tata Sons Private Ltd has substantial interest in Indian Hotels Company Ltd)

ii. **Subsidiary Companies**
Northern India Hotels Limited
Piem International (H.K.) Limited (PIHK)
BAHC 5 Pte Ltd (Subsidiary of PIHK)

iii. **Associate Companies**
Taida Trading and Industries Limited
Taj Enterprises Limited
Taj Trade and Transport Company Limited
Inditravel Limited
Roots Corporation Limited
Benares Hotels Limited
Oriental Hotels Limited
Taj Karnataka Hotels and Resorts Limited.
TAL Hotels and Resorts Limited

iv. **Fellow Subsidiaries / Joint Ventures**
United Hotels Limited
Taj SATS Air Catering Limited
KTC Hotels
Skydeck Properties and Developers Private Ltd.
Sheena Investments Private Ltd
ELEL Hotels and Investments Ltd.
Luthria and Lalchandani Hotel and Properties Private Ltd.
IHOCO BV
St. James Court Hotel Ltd.
Taj International Hotels Ltd.
Taj International Hotels (H.K.) Ltd.
United Overseas Holding Inc.

v. **Key Management Personnel**
Mr. Puneet Chhatwal – Chairman & Managing Director
Mr. Sudhir L. Nagpal - Jt. Managing Director
Mr. Rajesh R. Nagpal - Jt. Managing Director
Mr. Rajkumar M. Nagpal - Executive Director

vi. **Relatives of Key Management Personnel** (Parties with whom transactions were conducted during the year)
Ms. Pushpa. L. Nagpal
Ms. N. M. Nagpal
Ms. Beryl. F. Nagpal
Ms. Subhadra. R. Nagpal
Mr. Aryaman. R. Nagpal
Ms. Sansara. R. Nagpal

vii. **Firms/Companies in which Key Management personnel are Interested**
MPOWER Information Systems Pvt Limited

viii. **Others**
Taj Residency Employees Provident Fund Trust (Bangalore Unit)
Piem Hotel Employees Gratuity Trust
Taj Residency Hotel Employees Gratuity Trust

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

- **Terms and conditions of transactions with related parties**

  The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

₹ in Lakhs

Particulars	Holding Company		Subsidiaries		Associates		Fellow Subsidiaries / Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Others	
	2018-19	2017-18	**2018-19**	2017-18	**2018-19**	2017-18	**2018-19**	2017-18	**2018-19**	2017-18	**2018-19**	2017-18	**2018-19**	2017-18
Purchase of Goods & Services and Sharing of Expenses (Note 1)	**1,580.22**	1,436.72			**0.11**	0.19								
Sale of Services	**361.39**	361.18					**0.01**		**0.73**	0.11				
Interest Expense / (Income)	**79.64**	24.66		160.31		(1.60)	**45.39**	7.59						
Lease Rent Income	**36.00**	54.77												
Lease Rent Expense	**36.00**	36.00												
Dividend Received			**2,683.20**		**53.41**	57.84								
Dividend Paid	**1,375.34**								**830.55**		**221.05**			
Inter Corporate Deposits Borrowed	**1,000.00**	1,000.00		500.00			**1,200.00**	1,000.00						
Interest Accrued														
Inter Corporate Deposits Refunded		1,000.00		1,900.00				1,000.00						
Consultation / License Fees	**1,824.50**	1,670.65	**116.71**	135.28										
Commission / Remuneration (Refer Footnote 2)									**252.48**	243.82				
Deputed Staff Salary expenses	**1,747.19**	1,798.63			**82.73**	74.81	**56.65**	53.20						
Contribution to Trust													**350.38**	35.62
Net Balance at year end -Receivable / (Payables)	**(1,877.26)**	(1,200.64)	**(46.98)**	(50.73)	**10.62**	(0.86)	**(1,226.85)**	(0.47)						

Footnotes:

a. Purchase of Goods and Services includes Advertisement, Reservation and Information system expenses and Brand Common Cost

b. Commission to Executive Directors is considered on payment basis

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

- **Compensation of key management personnel of the Company**

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Short Term Employee Benefits	252.48	243.82
Total	**252.48**	**243.82**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

- **Statement of Material Transactions**

₹ in Lakhs

Particulars	2018 – 19	2017 – 18
Holding Companies		
The Indian Hotels Company Ltd (IHCL)		
- Purchase of Goods & Services	1,580.22	1,436.76
- Interest Expenses	79.64	24.66
- Sale of Services	361.39	361.18
- Dividend Paid	1,375.34	-
- Lease Rent Income	36.00	54.77
- Lease Rent paid	36.00	36.00
- Consultation / Licence Fees	1,824.50	1,670.65
- Inter Corporate Deposits Borrowed	1,000.00	1,000.00
- Inter Corporate Deposits Refunded	-	1,000.00
- Deputed Staff Salary paid	1,747.19	1,798.63
Fellow Subsidiaries		
Taj SATS Air Catering Limited		
- Inter Corporate Deposits Borrowed	1,200.00	1,000.00
- Inter Corporate Deposits Refunded	-	1,000.00
- Interest Paid	45.39	7.59
Associates		
TAL Hotels and Resorts Limited		
- Dividend Received	45.30	40.87
Subsidiaries		
a) Northern India Hotels Limited		
- Consultation / Licence Fees	116.71	135.28
- Inter Corporate Deposits Borrowed	-	500.00
- Inter Corporate Deposits Refunded	-	1,900.00
- Interest Paid	-	160.31
b) Piem International (H.K) Limited		
- Dividend Received	2683.20	-
Key Management Personnel		
a) Mr. Rajkumar M. Nagpal		
- Commission / Remuneration	49.90	51.44
- Dividend Paid	172.26	-
b) Mr. Sudhir L. Nagpal		
- Commission / Remuneration	124.47	120.85
- Dividend Paid	308.69	-
c) Mr. Rajesh R. Nagpal		
- Commission / Remuneration	78.11	71.53
- Dividend Paid	349.60	-

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 32 : Earnings per Shares

Earnings Per Share is calculated in accordance with IND AS 33 – 'Earnings Per Share'

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Profit/ (Loss) after tax	2,730.66	(431.92)
Number of Ordinary Shares	38.10	38.10
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS & Diluted EPS	38.10	38.10
Face Value per Ordinary Share in Rs.	10	10
Earning Per Share:		
Basic/Diluted in Rs.	71.67	(11.34)

Note 33 : Events occurring after the reporting period

There are no events occurring after the reporting period to be reported.

Note 34 : Offsetting financial assets and financial liabilities

There are no financial liabilities and assets that are off set during the financial years 31.03.2019 and 31.03.2018.

Note 35 : Corporate Social Responsibility:

₹ in Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Amount required to be spent as per Section 135 of the Act	39.28	76.12
Amount Spent during the year on:		
(i) Construction/Acquisition of an asset	-	-
(ii) On purpose other than (i) above	39.94	79.67

Dividends:

On April 22, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 10 per equity share in respect of year ended March 31, 2019, subject to approval of shareholders at the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 459.32 lakhs, inclusive of dividend distribution tax of ₹ 78.32 lakhs.

Note 36 : Previous year's figures

The Company has regrouped/reclassified the previous year's figures to conform to the current year's presentation.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Ramanarayanan J
Partner (220369)

Mumbai, April 22, 2019

For and on behalf of the Board
Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 07624616

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Ms. Farzana Sam Billimoria
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Roots Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Roots Corporation Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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.

Management's responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (Contd.)

In preparing the financial statements, the management and Board of 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Auditor's Responsibilities for the Audit of the Financial Statements *(Continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

(A) 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 flows dealt with by this report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements – Refer Note 27 to the financial statements.

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

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the financials year ended 31 March 2019.

d. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No.: 101248W/W-100022)

Mansi Pardiwalla
Partner
Membership No: 108511

Place: Mumbai
Date: 22 April 2019

Annexure 'A' to the Independent Auditor's Report - 31 March 2019

(Referred to in our report of even date)

With reference to the Annexure referred to in the Independent Auditor's Report to the Members of Roots Corporation Limited ("the Company") on the financial statements for the year ended 31 March 2019, we report the following:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all the items are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant, to the programme, a certain fixed assets has been physically verified by the management during the year. According to the information and explanations 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 sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings as disclosed in Note No. 3 to the financial statements, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company does not have any stock lying with third parties at the year-end. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account.

(iii) In our opinion and according to the information and explanations given to us, 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 ('the Act'). Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan, made any investment, given any guarantee, or provided any security under Section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of the services rendered and goods sold by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, goods and service tax, professional tax, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other material statutory dues were in arrears as on 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income-tax, goods and service tax, sales-tax, service tax, value added tax, duty of excise and duty of customs which have not been deposited with the appropriate authorities on account of any dispute except as stated below:

Annexure 'A' to the Independent Auditor's Report - 31 March 2019 (Contd.)

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax	26,95,591	Nil	2012-13 to 2015-16	Deputy Commissioner, CGST and Central Excise
Finance Act, 1994	Service tax	10,84,479	Nil	2014-15 to 2015-16	Deputy Commissioner, CGST and Central Excise
	Cess	1,27,55,100	Nil	2006-07 to 2018-19	Deputy Commissioner, East Singhbhum

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

(ix) According to the information and explanations given to us, the term loans have been applied by the Company for the purpose for which they were obtained. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) During the course of the examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of sections 177 and 188 of the Act where applicable and details of such related party transactions have been disclosed in the financial statements as required under the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No.: 101248W/W-100022)

Mansi Pardiwalla
Partner
Membership No: 108511

Place: Mumbai
Date: 22 April 2019

Annexure 'B' to the Independent Auditor's Report on the financial statements of Roots Corporation Limited for the year ended 31 March 2019

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of the Roots Corporation Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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

Annexure 'B' to the Independent Auditor's Report on the financial statements of Roots Corporation Limited for the year ended 31 March 2019 (Contd.)

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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No.: 101248W/W-100022)

Mansi Pardiwalla
Partner
Membership No: 108511

Place: Mumbai
Date: 22 April 2019

BALANCE SHEET AS AT MARCH 31, 2019

	Note	March 31, 2019 ₹ lakhs	March 31, 2018 ₹ lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	32,820	33,246
Capital work-in-progress		2,317	1,496
Intangible assets		569	632
Intangible assets under development		-	6
Financial assets	4 (a)	885	1,024
Non current tax assets (net)	5	710	454
Other non-current assets	6 (a)	3,878	3,900
		41,179	40,758
Current assets			
Inventories	7	209	198
Financial assets			
Investments	8	440	-
Trade receivables	9	3,002	2,936
Cash and cash equivalents	10	541	244
Other Balances with Banks	11	240	-
Other financial assets	4 (b)	63	118
Other current assets	6 (b)	833	606
		5,328	4,102
Total		46,507	44,860
Equity and Liabilities			
Equity			
Equity share capital	12	9,404	8,597
Other equity	13	22,299	17,366
Total Equity		31,703	25,964
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14 (a)	9,184	10,829
Other financial liabilities	15 (a)	57	46
Provisions	16 (a)	211	144
		9,452	11,019
Current Liabilities			
Financial liabilities			
Borrowings	14 (b)	-	2,200
Trade payables			
(i) Dues of micro enterprises and small enterprises	17	8	-
(ii) Dues of creditors other than micro enterprises and small enterprises	17	2,692	2,415
Other financial liabilities	15 (b)	1,941	2,645
Provisions	16 (b)	62	22
Other current liabilities	18	649	595
		5,352	7,877
Total		46,507	44,860
Significant Accounting Policies	1 &2		
The accompanying notes form an integral part of the financial statements	1 - 40		

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
CAI Firm Registration No. 101248W/W-100022

Mansi Pardiwalla
Partner
Membership No. 108511

Mumbai, April 22, 2019

For and on behalf of the Board of Directors
of Roots Corporation Limited
CIN : U55100MII2003PLC143639

Puneet Chhatwal
Chairman
DIN :07624616

Deepika Rao
Managing Director and CEO
DIN : 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary

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

	Note	March 31, 2019 ₹ lakhs	March 31, 2018 ₹ lakhs
Income			
Revenue from operations	19	20,350	18,422
Other income	20	287	246
Total income		20,637	18,669
Expenses			
Food and beverages consumed	21	43	46
Employee benefit expenses	22	3,479	3,300
Finance costs	23	1,200	1,125
Depreciation and amortisation expenses	3	2,074	2,167
Other operating and general expenses	24	15,341	13,681
Total Expenses		22,137	20,318
(Loss) before exceptional items and tax		(1,500)	(1,649)
Exceptional items	25	-	(257)
(Loss) before tax		(1,500)	(1,906)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
(Loss) after tax		(1,500)	(1,906)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(14)	(0)
Other comprehensive income for the year		(14)	(0)
Total comprehensive Income for the year		(1,514)	(1,906)
Earnings per share:			
Basic and Diluted - (₹)	36	(1.69)	(2.22)
Face value per equity share - (₹)		10.00	10.00
Significant Accounting Policies	1 & 2		
The accompanying notes form an integral part of the financial statements	1 - 40		

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
CAI Firm Registration No. 101248W/W-100022

Mansi Pardiwalla
Partner
Membership No. 108511

Mumbai, April 22, 2019

For and on behalf of the Board of Directors of Roots Corporation Limited
CIN : U55100MII2003PLC143639

Puneet Chhatwal
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Deepika Rao
Managing Director and CEO
DIN : 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary

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

₹ lakhs

Particulars	Equity Share Capital Subscribed	Reserve & Surplus		Total	Total Equity
		Securities Premium Account	Retained Earnings		
Balance as at April 1, 2017	**8,597**	**25,467**	**(6,194)**	**19,273**	**27,870**
(Loss) for the year ended March 31, 2018	-	-	(1,906)	(1,906)	(1,906)
Other Comprehensive Income for the year ended March 31, 2018, net of taxes	-	-	(0)	(0)	(0)
Total Comprehensive Income for the year ended March 31, 2018	**-**	**-**	**(1,906)**	**(1,906)**	**(1,906)**
Balance as at March 31, 2018	**8,597**	**25,467**	**(8,100)**	**17,367**	**25,964**
(Loss) for the year ended March 31, 2019	-	-	(1,500)	(1,500)	(1,500)
Other Comprehensive Income for the yearended March 31, 2019, net of taxes	-	-	(14)	(14)	(14)
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**(1,514)**	**(1,514)**	**(1,514)**
Allocation of Shares on Rights basis	807	-	-	-	807
Premium on allocation of shares on Rights basis	-	6,453	-	6,453	6,453
Issue expenses written off against Securities Premium	-	(7)	-	(7)	(7)
Balance as at year ended March 31, 2019	**9,404**	**31,913**	**(9,614)**	**22,299**	**31,703**

Significant Accounting Policies (1&2)

The accompanying notes form an integral part of the financial statements (Refer Notes 1 - 40).

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
CAI Firm Registration No. 101248W/W-100022

Mansi Pardiwalla
Partner
Membership No. 108511

Mumbai, April 22, 2019

For and on behalf of the Board of Directors of Roots Corporation Limited
CIN : U55100MII2003PLC143639

Puneet Chhatwal
Chairman
DIN :07624616

Deepika Rao
Managing Director and CEO
DIN : 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

	March 31, 2019 ₹ lakhs	March 31, 2018 ₹ lakhs
Cash Flow From Operating Activities		
(Loss) Before Tax	**(1,500)**	(1,906)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	**2,074**	2,167
Capital Projects costs write off	**-**	257
Loss on sale / write off of assets	**213**	56
Finance costs	**1,200**	1,121
Interest income	**(79)**	(95)
Net Gain on Sale of Investments	**(48)**	(3)
Provision for Compensated Absences & Gratuity	**61**	41
Bad Debts Written Off	**54**	8
Imputed Lease Expense	**127**	142
Liabilities / provisions no longer required written back	**(31)**	(53)
Provision for doubtful trade and other receivables, loans and advances	**210**	138
	3,781	3,779
Cash Operating Profit before working capital changes	**2,281**	1,873
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**(11)**	(16)
Trade receivables	**(330)**	(1,181)
Other Current Financial assets	**(127)**	(68)
Non current financial assets	**76**	(139)
Other current assets	**(467)**	(168)
	(859)	(1,572)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	**316**	63
Financial Liabilities	**276**	(87)
Other Current & non Current Financial liabilities	**66**	(133)
Provisions	**33**	(30)
	691	(187)
Cash Generated from Operating Activities	**2,113**	114
Income taxes (paid)/refund	**(257)**	(10)
Net Cash Generated From Operating Activities (A)	**1,856**	104
Cash Flow From Investing Activities		
Payment for purchase of property, plant and equipment	**(2,452)**	(1,931)
Proceeds from disposal of property, plant and equipment	**21**	39
Purchase of current Investments	**(5,418)**	(550)
Sale of current Investments	**5,026**	553
Interest Received	**135**	29
Net Cash Used In Investing Activities (B)	**(2,688)**	(1,860)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

	March 31, 2019 ₹ lakhs	March 31, 2018 ₹ lakhs
Cash Flow From Financing Activities		
Proceeds from issue of shares on Rights basis from equity shareholders	**7,260**	-
Expenses for Rights Issue	**(7)**	-
Proceeds from long-term borrowings	**-**	5,000
Repayment of long-term borrowings	**(2,720)**	(1,080)
Proceeds from short-term borrowings	**1,650**	4,600
Repayment of short-term borrowings	**(3,850)**	(5,500)
Finance cost	**(1,203)**	(1,191)
Net Cash Generated from In Financing Activities (C)	**1,129**	1,829
Net Increase In Cash and cash equivalents (A + B + C)	**297**	73
Cash and Cash Equivalents - Opening	**244**	171
Cash and Cash Equivalents - Closing	**541**	244

Significant Accounting Policies (1&2)

The accompanying notes form an integral part of the financial statements (Refer Notes 1 - 40).

The above cash flow has been prepared under the ''Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7)

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
CAI Firm Registration No. 101248W/W-100022

Mansi Pardiwalla
Partner
Membership No. 108511

Mumbai, April 22, 2019

For and on behalf of the Board of Directors of Roots Corporation Limited
CIN : U55100MII2003PLC143639

Puneet Chhatwal
Chairman
DIN :07624616

Deepika Rao
Managing Director and CEO
DIN : 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary

Statement of Net Debt Reconciallition for the year ended March 31, 2019

Particulars	**March 31, 2019 ₹ In Lakhs**	March 31, 2018 ₹ In Lakhs
a) Net debt		
Cash and cash equivalents	**541**	244
Current investments	**440**	-
	981	244
Current borrowings	**(695)**	(3,963)
Non- current borrowings	**(9,184)**	(10,829)
Total Borrowings	**(9,879)**	(14,792)
Total Net Debt	**(8,898)**	(14,548)
b) Other financial Liability		
Interest Accrued	**(81)**	(92)
Total Other financial Liability	**(81)**	(92)
Grand Total	**(8,979)**	(14,640)

₹ In Lakhs

Particulars	**Other assets**		**Borrowings**		**Total Net borrowings**
	Cash and bank Overdraft	**Liquid Investments**	**Non Current Borrowings**	**Interest accrued but not due**	
Net debt as at April 1, 2018	244	-	(14,792)	(92)	**(14,640)**
Cash flows	297	392	-	-	**689**
Borrowings	-	-	(1,650)	-	**(1,650)**
Repayment	-	-	6,570	-	**6,570**
Interest expense	-	-	-	1,200	**1,200**
Interest paid	-	-	-	(1,203)	**(1,203)**
Other non- cash movements:					
- Amortization Costs	-	-	(7)	7	**-**
Others	-	48	-	7	**55**
Net debt as at March 31, 2019	541	440	(9,879)	(81)	**(8,979)**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 1. Corporate Information

Roots Corporation Ltd (RCL) is in the business of developing, managing and operating, what it terms, 'Smart Basics Hotels' that provides facilities to meet the key needs of today's travellers. RCL envisages creating a chain of no-frill hotels for the Indian market currently, and the international market in the near future. "Smart Basics" is a philosophy of providing intelligent thought-out facilities and services at a 'value' pricing. Currently, the Company has 45 hotels including 9 hotels on management contracts and 3 transit quarters across various geographical locations in India.

The Company has its registered office at Corporate Support Centre, Godrej and Boyce Complex, Gate No.8, Vikhroli (East), Mumbai 400 079.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 22, 2019.

Note 2. Significant Accounting Policies

(a) Statement of compliance:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(c) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

- **Impairment of investments:** The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **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 or loss.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

- **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 unfavorable 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.
- **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 is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Income from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other Allied services: In relation to laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

Management and Operating fees: Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Company’s performance obligation is to provide hotel management services and a license to use the Company’s trademark and other intellectual property.

Management and incentive fee is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

Contract balances

a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

(e) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The Company contributes to the Recognised Employee's Provident Fund Scheme paid/payable during the year. The Company does not have any legal or informal obligation to pay additional sum.

ii. **Gratuity (Unfunded)**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

iii. **Compensated Absences**

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

iv. **Other Long term Employee Benefits**

These are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated 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 (refer note no. 2(5) below). 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 that its estimated recoverable amount.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Depreciation is charged to Profit or 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 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

Class of Assets		Estimated Useful Life
1.	Plant and machinery	4 to 20 years
2.	Electrical installations and equipment	20 years
3.	Hotel Wooden Furniture	15 years
4.	End User devices - Computers, Laptops, etc	6 years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Freehold land is not depreciated.

Assets under finance leases as depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

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

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 and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

i) the technical feasibility and Company's intention and ability of completing the project;

ii) the company' ability to use the intangible assets;

iii) the probability that the project will generate future economic benefits;

iv) the availability of adequate technical financial and other resources to complete the project; and

v) the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets are as under:

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

An intangible assets is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (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 have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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.

(i) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell

(j) Assets taken on lease:

Finance Lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease arrangement explicitly states that increase is on account of inflation. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2015, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(k) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(l) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(m) Transactions in foreign currencies:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies and outstanding at the Balance Sheet date are translated at the exchange rates prevailing at the year end. Non-monetary items denominated in foreign currencies are carried at the exchange rate in force at the dates of the transactions. Exchange differences arising on foreign currency transactions are recognised as income or expense in the year in which they arise.

(n) 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 profit or 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 except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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.

(o) Goods & Service Tax input credit:

Goods & Service Tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

(p) Share Issue Expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52(2) of the Companies Act, 2013, to the extent balance is available for utilization in the Securities Premium Account.

(q) Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(r) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an on going basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(s) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(t) Cash and Cash Equivalent (for the purpose of cash flow statements):

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(u) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no 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.

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

(w) 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, impairment charges, unrealised exchange gain/ loss on long term borrowings/ assets and changes in fair value of derivative contracts.

(x) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Subsequent Measurement:

Debt instruments

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.

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 and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s balance sheet) when:

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

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) 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.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated 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 the Statement of Profit and Loss. 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 and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

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

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

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Offsetting of financial instruments

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

(y) Recent accounting pronouncements

Standards issued but not yet effective

Ind AS 116 Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company's operating leases mainly relate to real estate assets such as Land, Land & Building and fully fitted hotel properties which are on long term lease ranging from 15 to 99 years. The Company has completed its preliminary evaluation of the possible impact of Ind AS 116 and will adopt the standard using the '**Modified Retrospective Method'** based on the principles in Ind AS 116. Accordingly, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings i.e 1 April 2019, consequently, comparatives for the year ended 31st March 2018 will not be retrospectively adjusted.

On preliminary assessment, for leases other than short-term leases and leases of low value assets, the Company will recognise a right-of-use asset of approximately ₹ 251 crores and a corresponding lease liability of approx. ₹ 351 crores with the cumulative effect of applying the standard by adjusting retained earnings net of taxes. There will be consequent reclassification in the cash flow categories in the statement of cash flows.

Other Amendments on the existing standard but not effective

A number of other accounting standards have been modified on miscellaneous issues with effect from April 1, 2019. Such changes include clarification/guidance on:

a) Income tax consequences in case of dividends (Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend));

b) Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities (Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments));

c) Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset (Ind AS 23 – Borrowing Costs);

d) Accounting for prepayment features with negative compensation in case of debt instruments (Ind AS 109 – Prepayment Features with Negative Compensation);

e) Accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);

The above amendments will come into force from April 1, 2019. The company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Notes to the Financial Statements for the year ended March 31, 2019

Note 3 Property, Plant and Equipment and Intangible Assets

₹ In Lakhs

Particulars		Gross Block					Accumulated Depreciation and Impairment					Net Block	
		As at April 1, 2018	Additions / Adjustments	Deductions/ Adjustments	Transfers	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions/ Adjustments	Transfers	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
TANGIBLE ASSETS													
1 Freehold Land	CY	1,135	-	-	-	**1,135**	-	-	-	-	**-**	**1,135**	1,135
(Refer note 3 and 4)	PY	1,135	-	-	-	**1,135**	-	-	-	-	**-**	**1,135**	1,135
2 Buildings													
a Hotel Building (Refer notes 1, 2 and 4)	CY	16,423	797	183	-	**17,037**	906	465	20	-	**1,351**	**15,686**	15,517
	PY	12,301	4,092	(30)	-	**16,423**	436	461	(9)	-	**906**	**15,517**	11,865
b Improvements to leasehold buildings (Refer note 4 and 6)	CY	10,275	204	-	0	**10,479**	1,786	548	-	0	**2,334**	**8,145**	8,489
	PY	10,373	70	168	-	**10,275**	1,277	526	17	-	**1,786**	**8,489**	9,096
Total Buildings	CY	26,698	1,001	183	-	**27,516**	2,692	1,013	20	0	**3,685**	**23,831**	24,006
	PY	26,698	-	-		**26,698**	1,713	987	8	-	**2,692**	**24,006**	20,961
3 Plant, Machinery and Data Processing	CY	8,592	530	270	2	**8,854**	1,784	753	226	1	**2,312**	**6,542**	6,808
Equipments(Refer Note 4 and 5)	PY	7,239	1,494	141		**8,592**	1,065	811	92	-	**1,784**	**6,808**	6,174
4 Furniture and Fixtures (Refer Note 4 and 5)	CY	1,679	228	111	(2)	**1,794**	383	184	84	(1)	**482**	**1,312**	1,296
	PY	1,430	276	27	-	**1,679**	206	193	16	-	**383**	**1,296**	1,224
5 Office Equipment (Refer Note 5)	CY	3	-	1	-	**2**	2	1	1	-	**2**	**-**	1
	PY	3	-	0	-	**3**	1	1	0	-	**2**	**1**	2
Sub-Total	CY	38,107	1,759	565	-	**39,301**	4,861	1,951	331	0	**6,481**	**32,820**	33,246
	PY	36,504	1,770	168	-	**38,106**	2,985	1,992	116	-	**4,861**	**33,246**	29,496
INTANGIBLE ASSETS													
Computer Software (Refer Note 5)	CY	1,068	61	3	-	**1,126**	436	124	3	-	**556**	**569**	632
	PY	905	129	(34)	-	**1,068**	226	178	(32)	-	**436**	**632**	679
Sub-Total	CY	1,068	61	3	-	**1,126**	436	124	3	-	**556**	**569**	632
	PY	905	129	(34)	-	**1,068**	226	178	(32)	-	**436**	**632**	679
Total	CY	39,175	1,821	568	-	**40,427**	5,297	2,074	334	0	**7,036**	**33,389**	33,878
	PY	37,410	1,899	134	-	**39,175**	3,211	2,169	84	-	**5,296**	**33,878**	30,175
CAPITAL WORK-IN- PROGRESS	CY	1,496	2,591	1,770	-	**2,317**	-	-	-	-	**-**	**2,317**	1,496
	PY	5,681	3,934	8,119	-	**1,496**	-	-	-	-	**-**	**1,496**	5,681
INTANGIBLE ASSETS UNDER DEVELOPMENT	CY	6	-	6	-	**-**	-	-	-	-	**-**	**-**	6
	PY	39	6	39	-	**6**	-	-	-	-	**-**	**6**	39

1 Net Block of Building Includes ₹ 12,832 Lakhs (Previous year ₹ 12,563 Lakhs) constructed on Leasehold Land

2 Capital Grants amount to ₹ 351 Lakhs (Previous Year ₹ 351 Lakhs) relating to certain Hotel projects has been reduced from the Gross value of Fixed Assets.

3 Deductions/Adjustments in Gross Block and Accumulated depreciation includes Transfers done during the year

4 Additions to Gross Block includes Interest capitalised during the year with a capitalisation rate of 8.8% p.a.(Refer Notes to Accounts No. 35).

5 Opening Gross Block includes Impairment provision for Ludhiana property of ₹ 520 Lakhs.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 4 : Financial Assets

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
(a) Non Current Financial Assets		
Other than related parties		
Long-term security deposits (other than related parties)		
Hotel Properties	**520**	440
Public bodies and Others	**353**	336
	873	776
Deposits Pledged with Bank (Refer Note 11)	**-**	240
Margin Money Deposit*	**12**	8
	12	248
	885	1,024
(b) Current Financial Assets		
Other than related parties		
Interest Accrued on Deposits	**63**	118
	63	118

*Margin Money deposits are for financial bank guarantees provided to guarantee provided to government authorities

Note 5 : Non current tax assets (net)

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Income Tax Assets (net)	**710**	454
(Net of Provision for Tax ₹ 43 lakhs, Previous year 43 lakhs)		
	710	454

Note 6 : Other Assets

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
(a) Other Non Current Assets		
Other than related parties		
Prepaid Expenses	**2,453**	2,515
Advance for Lease Hold Land	**913**	978
Advance to Suppliers	**213**	163
Capital Advances	**288**	233
Deposits with Government Authorities	**7**	4
Loans and Advances to employees	**4**	7
	3,878	3,900
(b) Other Current Assets		
Other than related parties		
Prepaid Expenses	**370**	298
Balance receivable from Government authorities	**246**	53
Advance to Suppliers	**176**	189
Loans and Advances to employees	**41**	34
	833	574
Loans and Advances to related party (Refer Note 33)	**-**	32
	833	606

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 7 : Inventories (At lower of cost and net realisable value)

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Stores and Operating Supplies	**209**	198
(includes Food & Beverage Stock of ₹ 1 lakhs (Previous year ₹ 1 lakhs)		
	209	198

Note 8 : Investments

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Current Investments		
Carried at fair value through profit and loss:		
Investments in Mutual Fund Units (Unquoted)		
Tata Liquid Fund - Direct Plan - Growth (Units CY 14,943.585, PY Nil)	**440**	-
	440	-

Footnote :

Aggerate Amount of Unquoted Investments	**440**	-

Note 9 : Trade Receivables

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Unsecured		
Considered good	**3,002**	2,936
Which have significant increase in credit risk	**-**	-
Credit impaired	**377**	167
	3,379	3,103
Less : Allowance for trade receivables credit impaired	**(377)**	(167)
	3,002	2,936

Footnote:

i) Allowance for Trade receivable credit impaired		
Opening Balance	**167**	29
Add: Allowance during the year	**210**	138
	377	167
Less: Bad Debts written off against past provision		
Closing Balance	**377**	167

ii) For related party balances Refer Note 33.

Note 10 : Cash and Cash Equivalents

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Cash on hand	**9**	10
Balances with bank in current account	**532**	234
	541	244

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 11 : Other Balances with Banks

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Deposit Pledged with Bank	**240**	240
Margin Money Deposit	**12**	8
	252	248
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current Financial Asset	**12**	248
	240	-

Note 12 : Equity Share Capital

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Authorised Share Capital		
Equity Shares		
10,00,00,000 Equity Shares of ₹ 10 each	**10,000**	10,000
Preference Shares		
1,50,00,000 Preference Shares of ₹ 100/- each	**15,000**	15,000
	25,000	25,000
Issued, subscribed and fully paid-up		
Equity Shares		
9,40,33,729 (Previous year 8,59,67,320) Equity shares of ₹ 10/- each fully paid-up	**9,404**	8,597
	9,404	8,597

Footnotes:

(i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) On December 4, 2018, the Company allotted 80,66,409 Equity Shares of face value of ₹ 10 each for cash, at a price of ₹ 90 per equity share (including a premium of ₹ 80 per share), aggregating to ₹ 7,260 lakhs to the existing shareholders on a "rights" basis in the ratio of 1 Equity Share for every 33 equity shares held by equity shareholders.

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2019		March 31, 2018	
	No. of shares	**₹ In Lakhs**	No. of shares	₹ In Lakhs
As at the beginning of the year	**8,59,67,320**	**8,597**	8,59,67,320	8,597
Add : Shares issued on Rights basis	**80,66,409**	**807**	-	-
As at the end of the year	**9,40,33,729**	**9,404**	8,59,67,320	8,597

(iv) Shareholders holding more than 5% shares in the Company :

	No. of shares	**% of Holding**	No. of shares	% of Holding
Equity shares of ₹ 10 each fully paid				
The Indian Hotels Company Limited, Holding Company	**5,65,67,994**	**60.2**	5,10,00,000	59.3
Omega TC Holdings Pte Limited	**2,60,23,954**	**27.7**	2,37,27,724	27.6
Piem Hotels Limited	**65,35,948**	**7.0**	65,35,948	7.6

(v) 5,65,67,994 (Previous Year 5,10,00,000) number of equity shares are held by The Indian Hotels Company Limited, the holding company.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 13 : Other Equity

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
(a) Securities Premium Account		
Opening Balance	**25,467**	25,467
Add : Premium on allocation of shares on Rights basis	**6,453**	-
Less : Issue expenses written off	**(7)**	-
Closing Balance	**31,913**	25,467
(b) Other Comprehensive Income Retained Earnings		
Opening Balance	**(8,100)**	(6,194)
Add: Current year profits	**(1,500)**	(1,906)
Add : Other Comphrensive Income - Defined Benefit Obligations	**(14)**	(0)*
Closing Balance	**(9,614)**	(8,100)
Total	**22,299**	17,366

* denotes less than ₹ 50 thousand

Note 14 : Borrowings

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
(a) Long term borrowings		
Term Loan from Banks		
Secured (Refer Footnote)	**9,879**	12,592
Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities)	**695**	1,763
	9,184	10,829
(b) Short term borrowings		
Unsecured Inter corporate Deposits		
From Related Parties (Refer note no 33)	**-**	2,200
	-	2,200

Footnotes:

(i) Company, had obtained a secured loan facility from Kotak Bank for ₹ 7,500 lakhs which carries variable interest rate of 6 month MCLR + 30bps (effective interest as at March 31, 2019 9.15% (Previous year 8.6%) payable at monthly rests. Principal amount is repayable in quarterly installments upto March 2022.Outstanding loan as at March 31, 2019 ₹ 4,900 lakhs (Previous Year ₹ 6,900 lakhs). The Company has created a charge in April 2016 by way of hypothecation and mortgage of 4 hotel properties and Property, Plant and Equipment contained therein

(ii) Company had obtained loan of ₹ 5,000 Lakhs was taken from HDFC Bank Ltd carrying carries variable interest rate of 1 year MCLR + 5bps (effective interest as at March 31, 2019 9.7% (Previous year 8.2%) payable at monthly rest. Principal amount payable in 2 equal quarterly installments of ₹ 100 Lakhs and 16 quarterly installments of ₹ 300 Lakhs each. The repayment schedule shall start from July 2020. Outstanding loan as at March 31, 2019 ₹ 5,000 lakhs (Previous Year ₹ 5,000 lakhs). The company is in a process to create a charge by way of hypothecation and mortgage of one hotel property and assets contained therein.

(iii) Secured Loan of ₹ 720 Lakhs outstanding at the beginning of the year was prepaid during the year .

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 15: Other financial liabilities

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
(a) Other Non Current financial liabilities		
Contractor's Retention Money	**57**	46
	57	46
(b) Other Current financial liabilities		
Current maturities of long term borrowings	**695**	1,763
Interest accrued but not due on borrowings	**81**	92
Payables related to Capital Projects	**203**	104
Contractor's Retention Money	**36**	76
Security Deposits	**76**	60
Other Payables	**572**	324
Payable to employees	**278**	226
	1,941	2,645

Note 16 : Provisions

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
(a) Non Current provisions		
Employee Benefit Obligation		
Compensated absences	**88**	62
Gratuity (Refer note 32)	**123**	82
	211	144
(b) Current provisions		
Employee Benefit Obligation		
Compensated absences	**21**	12
Gratuity (Refer note 32)	**41**	10
	62	22

Note 17: Trade Payables

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Micro and Small Enterprises (Refer Footnote (i) and (ii))	**8**	-
	8	-
Vendor Payables	**1,941**	1,566
Accrued expenses and others	**751**	849
	2,692	2,415

Footnotes:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(ii) The disclosures relating to Micro and Small Enterprises are as under:

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	**8**	-
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	**-**	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	**-**	-
(d) The amount of interest due and payable for the year	**-**	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-

(iii) For related party balances Refer Note 33.

Note 18 : Other Current Liabilities

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Advances collected from customers	**342**	301
Statutory Dues	**153**	77
Cess Payable	**128**	115
Goods & Service Tax	**1**	82
Payable to Provident funds and others	**25**	20
	649	595

Note 19 : Revenue from Operations

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Room Income, Food, Restaurants Income	**18,347**	16,589
Rental Income	**790**	662
Management and operating fees	**1,039**	921
Other Operating Income	**174**	250
	20,350	18,422

Note 20 : Other Income

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Interest Income from financial assets at amortised cost		
Deposits with banks	**26**	29
Others	**53**	65
	79	94
Gain on investments carried at fair value through statement of profit and loss	**48**	3
Others		
Write back of credit balances	**31**	53
Miscellaneous Income	**129**	96
	287	246

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 21 : Food and Beverages Consumed

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Opening Stock	**1**	1
Add : Purchases	**43**	46
	44	47
Less : Closing Stock	**1**	1
	43	46

Note 22 : Employee Benefit Expenses

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Salaries, Wages, Bonus etc.	**2,925**	2,697
Company's Contribution to Provident and Other Funds (Refer Note 32)	**132**	114
Retiring Gratuity	**17**	39
Staff Welfare Expenses	**405**	451
	3,479	3,300

Note 23 : Finance costs

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Interest Expense at effective interest rate on borrowings which are measured at amortised cost (Refer note 33 and 37)	**1,207**	1,195
Less : Interest Capitalised	**(7)**	(70)
	1,200	1,125

Note 24 : Other operating and general expenses

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
(i) Operating expenses consist of the following :		
Linen and Room Supplies	**400**	419
Housekeeping Charges	**905**	942
Maintenance Charges	**409**	391
Power and Fuel	**1,813**	1,745
Water Charges	**119**	120
Repairs to Buildings	**322**	259
Repairs to Machinery	**398**	348
Repairs to Others	**604**	643
Security Charges	**555**	565
Linen, Uniform Washing & Laundry Expenses	**459**	462
Guest Hotel Expenses	**487**	284
Travel Agent's Commission	**1,248**	976
Collecting Agent's Commission	**83**	111
Other Operating Expenses	**96**	57
	7,898	7,320

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 24 : Other operating and general expenses (Contd.)

		March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
(ii)	General expenses consist of the following :		
	Rent	**4,003**	3,681
	License Fees (refer note 33)	**456**	228
	Rates and Taxes	**314**	307
	Insurance	**50**	29
	Advertising & Publicity	**390**	309
	Printing & Stationery	**81**	81
	Passage & Travelling	**246**	229
	Provision for Doubtful Debts	**210**	138
	Legal and Professional Fees (refer note 33)	**702**	581
	Telephone & Communications Expenses	**481**	420
	Director Sitting Fees	**12**	12
	Bad Debts	**54**	8
	Loss on Sale/Discard of Property, Plant and Equipment	**213**	56
	Other Miscellaneous Expenses	**176**	221
	Payment to Auditors		
	i. As Auditors'	**42**	46
	ii. For Taxation Audit	**5**	10
	iii. For other Services	**2**	1
	iv. For Reimbursement of Expenses	**4**	3
		7,443	6,361
		15,341	13,681

Note 25 : Exceptional Items

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Exceptional Items comprises the following:		
Provision for Shell Deposit	-	60
Expenditure on discontinued capital projects charged off	-	197
	-	257

Note 26. Tax Disclosures:

i) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Deferred Tax assets	**4,800**	6,553
Deferred Tax liabilities	**(4,800)**	(6,553)
Net Deferred Tax Liability	-	-

Note:

a. The Company has restricted the recognition of deferred tax asset to the extent of deferred tax liability and not recorded deferred tax asset of ₹ 1,820 Lakhs on carry forward losses in the absence of convincing evidence of taxable profits in the foreseeable years.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 26. Tax Disclosures: (Contd.)

b. the Company has not shown tax reconciliations as they have no tax profits due to carried forward losses on account of specified business and unabsorbed depreciation

c. Significant components of net deferred tax assets and labilities for the year

Particulars	**March 31, 2019 ₹ In Lakhs**	March 31, 2018 ₹ In Lakhs
Deferred Tax assets /(liabilities)		
Tax losses carried forward	**6,451**	7,649
Provision for Employee benefits	**71**	59
Provision for Doubtful Debts & Deposits	**98**	58
Property, Plant & equipment's & Intangible assets	**(4,800)**	(6,553)
Net Deferred tax (not recognised)	**1,820**	**1,213**

d. Tax losses for which no deferred tax asset was recognized expire as follows

Particulars	Period	₹ In Lakhs
Expire	2026 -2028	1,734
Never Expire	-	23,078

Note 27. Contingent Liabilities (to the extent not provided for):

There are matters in appellate, judicial and arbitration proceedings (including those described below) arising during the course of conduct of the Company's business and other contingencies arising from having issued guarantees to lenders and other entities. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

(a) On account of matters in dispute:

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company, in respect of taxes, etc, which are in dispute, are as under:

Nature	**March 31, 2019 ₹ In Lakhs**	March 31, 2018 ₹ In Lakhs
Dues not acknowledged as Debts		
Property Tax **	**167**	167
Service Tax	**36**	36
	203	203

**₹ 50 Lakhs paid under protest to NDMC

In respect of Income Tax matters, the Company's appeals are pending and the said amounts have been paid/ adjusted and will be recovered as refund if the matters are decided in favour of the Company.

(b) On account of guarantees given:

Bank Guarantees given for restaurant sale for Indian made foreign liquor – ₹ 3.30 Lakhs (PY - Nil)

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 27. Contingent Liabilities (to the extent not provided for): (Contd.)

(c) Others:

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

(iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented

The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial statements, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

Note 28. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 928 Lakhs (Previous year – ₹ 597 Lakhs).

Note 29. Measurement of Financial Assets and Liabilities:

All financial assets and liabilities are subsequently carried at amortised costs and the fair value of financial assets and liabilities approximate its amortised costs.

	Level	**Total Carrying Cost**	
		As at March 31, 2019	As at March 31, 2018
		₹ In Lakhs	₹ In Lakhs
Financial Assets (Not Measured at fair value)			
Not Measured at fair value			
Trade receivables		**3,002**	2,936
Cash and cash equivalents		**541**	244
Other Bank Balance		**240**	-
Other Current financial assets		**63**	118
Other non-current financial assets		**885**	1,024
Financial Labilities (Not Measured at fair value)			
Non-Current Borrowings	Level 2	**9,184**	10,829
Other Non-Current financial liabilities		**57**	46
Current Borrowings	Level 2	**-**	2,200
Trade payables		**2,700**	2,415
Other Current financial liabilities		**1,941**	2,645

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 30. Operating Lease:

The Company has taken certain vehicles, land and immovable properties on operating lease. These leases have varying terms, escalation clauses and renewal rights. The total lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses (Refer note no 26 (iv)). The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

Particulars	**March 31, 2019 ₹ In Lakhs**	March 31, 2018 ₹ In Lakhs
Not later than one year	**3,420**	3,323
Later than one year but not later than five years	**14,525**	14,722
Later than five years	**94,639**	79,874
	1,12,585	97,919

In addition, in certain circumstances the Company is committed to making additional lease payments that are contingent on the performance of the hotels that are being leased.

Expenses recognised in the Statement of Profit and Loss

Particulars	**March 31, 2019 ₹ In Lakhs**	March 31, 2018 ₹ In Lakhs
Minimum Lease Payments	**3,425**	3,445
Contingent rents (% of Turnover)	**338**	188
	3,763	3,633

Note 31. Capitalisation/Reimbursement of Expenses:

Following expenses are disclosed in the Statement of Profit and Loss, at net of amounts capitalised for projects and recoveries made under management contract:

Particulars	**Current Year ₹ In Lakhs**	Previous Year ₹ In Lakhs
Salaries and Wages	**3,197**	2,878
Less : Salary Capitalised	**58**	59
Less: Recoveries made under Management contracts	**214**	122
Salaries and Wages (Net)	**2,925**	2,697
Passage and Travelling	**250**	232
Less: Passage and travelling Capitalised		0
Less: Recoveries made under Management contracts	**4**	3
Passage and travelling (Net)	**246**	229
Interest Expenses	**1,207**	1,195
Less: Interest Capitalised	**7**	70
Interest Expenses (Net)	**1,200**	1,125

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 32. Employee Benefits:

(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds"(net of recoveries):

	March 31, 2019 ₹ In Lakhs	March 31, 2018 ₹ In Lakhs
Provident Fund	**110**	94
ESIC	**22**	20
Total	**132**	114

In light of the recent Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability prospectively from date of judgement.

The Company operates post retirement defined benefit plans – Gratuity (Unfunded)

(b) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2019:-

(i) Amount to be recognized in Balance Sheet and movement in net liability

Particulars	**Gratuity Un Funded**	
	Current Year ₹ In Lakhs	**Previous Year** ₹ In Lakhs
Present Value of Funded Obligations	-	-
Present Value of Unfunded Obligations	162	92
Fair Value of Plan Assets	-	-
Amount not recognised due to asset limit	-	-
Net (Asset) / Liability	**162**	**92**

(ii) Expenses recognised in the Statement of Profit & Loss

Particulars	**Gratuity Un Funded**	
	Current Year ₹ In Lakhs	**Previous Year** ₹ In Lakhs
Current Service Cost	25	23
Past service Cost	-	-
Interest Cost	7	6
Total	**32**	**29**

(iii) Expenses recognised in Other Comprehensive Income (OCI)-

Particulars	**Gratuity Un Funded**	
	Current Year ₹ In Lakhs	**Previous Year** ₹ In Lakhs
Opening amount recognized in OCI outside Profit and Loss	2	2
Remeasurements due to actuarial loss/ (gain) arising from:		
Changes in financial assumptions	4	(5)
Change in demographic assumptions	(0)	7
Experience adjustments	10	(2)
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognise the effect of asset ceiling	-	-
Total	**16**	**2**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 32. Employee Benefits: (Contd.)

(iv) Reconciliation of Defined Benefit Obligation -

Particulars	Gratuity Un Funded Current Year ₹ In Lakhs	Gratuity Un Funded Previous Year ₹ In Lakhs
Opening Defined Benefit Obligation	92	76
Current Service Cost	25	23
Interest Cost	7	5
Changes in financial assumptions	4	(5)
Changes in demographic assumptions	(0)	7
Experience adjustments	11	(2)
Benefits Paid	(8)	(12)
Impact of Liability assumed or (settled)*	31	0
Closing Defined Benefit Obligation	**162**	**92**

*On account of business combination or inter group transfer

(v) Reconciliation of Fair Value of Plan Assets

Particulars	Gratuity Un Funded Current Year ₹ In Lakhs	Gratuity Un Funded Previous Year ₹ In Lakhs
Employer contributions	8	12
Interest on Plan Assets	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	-	-
Contribution by Employer	-	-
Benefits Paid	(8)	(12)
Closing Fair Value of Plan Assets	-	-

(vi) Actuarial Assumptions

Particulars	Gratuity Un Funded Current Year	Gratuity Un Funded Previous Year
Discount rate (p.a.) in %	7.55%	8.00%
Salary Escalation Rate (p.a.) in %	5.00%	5.00%
Mortality Post-Retirement	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

1) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

2) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 33. Related Party Disclosures:

(a) The names of related parties of the Company are as under:

i. Holding Company

Name of the Company	Country of Incorporation
The Indian Hotels Company Limited	India

ii. Subsidiaries, Associates and Joint Ventures of Holding Company

Name of the Joint Venturs	Country of Incorporation
Taj SATS Air Catering Limited	India

iii. Company having significant influence over Holding Company

Name of the Company	Country of Incorporation
Tata Sons Limited(including its Subsidiaries and Joint Ventures	India

iv. Company having substantial interest

Name of the Company	Country of Incorporation
Omega TC Holdings PTE Limited	Singapore

v. Fellow Subsidiary Companies

Name of the Company	Country of Incorporation
<u>Domestic</u>	
PIEM Hotels Ltd.	India
Benares Hotels Ltd	India

vi. Key Management Personnel

Particulars	Relation
Rahul Pandit(resigned w.e.f. 2nd April 2018)	Managing Director & CEO
Ms Deepika Rao (joined w.e.f 9th April 2018)	Managing Director & CEO

(b) Details of related party transactions during the year ended March 31, 2019 and outstanding balances as at March 31, 2019:

S.No.	Description	Current Year ₹ In Lakhs	Previous Year ₹ In Lakhs
I	**The Indian Hotels Company Limited**		
1	Operating Fees	372	171
2	Rent Paid	4	4
3	Room Revenue	2	2
4	ICD's received	650	3,300
5	ICD's repaid	2350	3,500
6	Interest Paid	122	199
7	Equity Capital Invested	5,011	-
8	Balance payables		
	Inter Corporate Deposit Payable	-	1700
	Other Payable	310	204

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 33. Related Party Disclosures: (b) (Contd.)

S.No.	Description	Current Year ₹ In Lakhs	Previous Year ₹ In Lakhs
II	**PIEM Hotels Ltd.**		
1	ICD's received	-	500
2	Interest Paid	-	2
3	ICD's paid	-	500
III	**TAJ SATS Air Catering Limited**	1,000	800
1	ICD's Recived	56	59
2	Interest Paid	1,500	1,000
3	ICD's Paid	-	500
4	Balance Payable		
III	**Benares Hotels Limited.**		
1	ICD's received	-	-
2	ICD's repaid	-	500
3	Interest Paid	-	27
4	Balance payables	-	-
IV	**Omega TC Holdings PTE Limited**		
1	Equity Capital Invested	2,067	-
V	**Tata Consultancy Services Limited**		
1	Room Revenue	2,413	1,300
2	Operating Expense	624	174
3	Balance Receivable	440	619
4	Balance Payable	193	7
VI	**Mr Rahul Pandit**		
1	Managerial Remuneration	106	164
2	Amount Recoverable	-	6
3	Loans & Advances Outstanding	-	26
4	Amount Received	32	-
VII	**Ms. Deepika Rao**		
1	Managerial Remuneration	101	-

Note 34. Foreign Currency Transactions:

(a) Earnings in Foreign Exchange from sale of rooms/food & beverages based on actual receipts amount to ₹ 236 Lakhs. (Previous Year ₹. 321 Lakhs).

(b) Expenditure in Foreign Exchange towards Travel, Architectural services and commission amount to ₹ 293 Lakhs. (Previous Year ₹ 194 Lakhs)

Note 35. Segment Information:

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments' (Ind AS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 36. Earnings Per Share (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'

Particulars	Current Year	Previous Year
(Loss) after tax (₹ in lakhs)	(1500)	(1906)
Weighted Average no. of equity shares (Nos.)	8,85,52,991	8,59,67,320
Earnings per share – Basic/Diluted (Amount ₹)	(1.69)	(2.22)
Face Value per Equity Share (Amount ₹)	10	10

Note 37. Financial risk management:

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

a) Credit risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions

The company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the company.

The Credit risk for trade receivable for the company as at March 31, 2019 is as under

₹ In Lakhs

Ageing	Less than one year	More than one year	Total
Gross carrying Amount	2,975	404	**3,379**
Credit Impaired	(147)	(230)	**(377)**
Net Carrying Amount	2,828	174	**3,002**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 37. Financial risk management: (Contd.)

The Credit risk for trade receivable for the company as at March 31, 2018 is as under

₹ In Lakhs

Ageing	Less than one year	More than one year	Total
Gross carrying Amount	2,785	318	**3,103**
Credit Impaired	(8)	(159)	**(167)**
Net Carrying Amount	2,777	159	**2,936**

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

₹ Lakhs

Term Loans	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
March 31, 2019	700	2,450	5,850	900	9,900
March 31, 2018	1,770	1,650	6,200	3,000	12,620

₹Lakhs

Future Interest Payments	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
March 31, 2019	926	787	901	29	2,643
March 31, 2018	1,043	892	1,433	154	3,522

ii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 37. Financial risk management: (Contd.)

Particulars	**March 31, 2019 ₹ In Lakhs**	March 31, 2018 ₹ In Lakhs
Borrowings	**9,879**	14,792
Less : Cash & Cash equivalents	**541**	244
Less : Bank Balances	**240**	-
Less : Current Investments	**440**	-
Net Borrowings	**8,658**	14,548
Equity	**31,703**	25,964
Gearing ratio	**0.27**	0.56

c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company 's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Where applicable the Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

i) Interest rate risk

Where applicable the Company adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

ii) Other market price risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through other comprehensive income.

The Company has not disclosed the fair value of financial instruments because their carrying amounts are reasonable approximation of fair value.

Note 38. Unhedged Foreign Currency exposure

The unhedged foreign currency exposure payable is as under:

Currency	**March 31, 2019**	March 31, 2018
United States Dollar	**4,748**	18,610

Sensitivity

For the year ended 31 March 2019 and 31 March 2018 every 3% depreciation/ appreciation in the exchange rate between the Indian rupee and US dollar, shall not have material impact on the company's profit before tax.

Note 39. Specified Bank Notes disclosure

The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31st March 2019.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 40. Revenue from contracts with customers

Ind AS 115 'Revenue from Contracts with Customers'

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' that replaces Ind AS 18. It introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended March *31,* 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at April 1, 2018 ('transition date') in equity and the comparative information continues to be reported under Ind AS 18. The impact of the adoption of the standard on the financial statements is not material.

Also the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months. (Also refer Credit Risk)

Prior to adoption of Ind AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations, Management and Operating Fee . The recognition of these revenue streams is largely unchanged by Ind AS 115.

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its Statement of Profit and Loss:

Revenue from operations	**March 31, 2019** **₹ In Lakhs**
Revenue from contract with customers	
Room Income, Food, Restaurants Income	18,347
Rental Income	790
Management and operating fees	1,039
Other Operating Revenue	174
Total Revenue from operations	**20,350**

ii) Contract Balances

The contract liabilities primarily relate the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ services delivered.

a) Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage.

	March 31, 2019 **₹ In Lakhs**
Contract liabilities	
Advances collected from customers *	342
	342

* Considering the nature of business of the Company, the advance collections from customer and Income received in advance are generally materialised as revenue within the same operating cycle.

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
CAI Firm Registration No. 101248W/W-100022

Mansi Pardiwalla
Partner
Membership No. 108511

Mumbai, April 22, 2019

For and on behalf of the Board of Directors of Roots Corporation Limited
CIN : U55100MII2003PLC143639

Puneet Chhatwal
Chairman
DIN :07624616

Deepika Rao
Managing Director and CEO
DIN : 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Taj SATS Air Catering Limited

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Taj SATS Air Catering Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information(hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI'') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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.

Management's Responsibility for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

In preparing the financial statements, management and Board of 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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

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

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

(c) the Balance Sheet, the Statement of Profit and Loss, the Statement of 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 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 as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;

(f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

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

i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the 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; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
26 April 2019

Annexure 'A' to the Independent Auditors' Report – 31 March 2019

(Referred to in our report of even date)

With reference to the Annexure referred to in the Independent Auditor's Report to the Members of Taj SATS Air Catering Limited ("the Company") on the financial statements for the year ended 31 March 2019, we report the following:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant, to the programme, a portion of fixed assets has been physically verified by the management during the year and the discrepancies noticed on verification between the physical assets and the book record were not material and have been adequately dealt with in books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note No. 3 to the financial statements, are held in the name of the Company as at the balance sheet date, except the following

Particulars of land and building	Whether Title of property is in name of Company	Gross Amount (as at 31 March 2019)	Net Amount (as at 31 March 2019)	Remarks
Freehold land located at Mumbai having effective plot area of 11,888.43 sqft.	No	₹ 26.58 lakhs	₹ 26.58 lakhs	The title deeds are in the name of Indian Hotels Company Limited from whom the asset was transferred to the Company based on Business Transfer Agreement
Freehold land and building at Amritsar wherein land admeasuring 3 Kanal 16 Marla	Yes (Under Dispute)	Freehold Land at ₹ 194.72 lakhs Building at ₹ 341.53 lakhs	Freehold Land at ₹ 194.72 lakhs Building at ₹ 0 (net of impairment provision)	There is a dispute on the land title based on the claim made by the Gram panchayat. The Company has filed an Appeal before the Joint Commissioner (Development), Mohali, Punjab The Jt. Commissioner Development granted "Stay" in the matter and hearings are in progress. However, due to transfer of the Jt. Commissioner and the new Jt. Commissioner is re-hearing the matter again. In respect of such dispute the Management has represented that the title deed for the aforesaid immovable property is in the name of the Company and it will be able to defend any counter claims to such property.

In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the company is the lessee in the agreement.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company does not have any stock lying with third parties at the year-end. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of account.

(iii) According to the information and explanations given to us, 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 (" the Act") during the year. Accordingly, paragraphs 3 (iii) (a) (b) and (c) of the Order are not applicable to the Company.

Annexure ‘A’ to the Independent Auditors’ Report – 31 March 2019 (Contd.)

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of the services rendered and goods sold by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-Tax, Goods and Service Tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-Tax, Goods and Service Tax cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of excise, Goods and Service tax and Value added tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount Relates	Amount Demanded (₹ in Lakh)	Amount not deposited under dispute (₹ in Lakh)
West Bengal Sales tax Act, 1994	Commercial Tax	Deputy Commissioner of Commercial Taxes	2002-03	1.44	1.44
West Bengal Sales tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2006-07	82.52	82.52
West Bengal Sales tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2010-11	14.60	14.60
West Bengal Sales tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2011-12	8.43	8.43
Karnataka Sales Tax Act, 1957	Commercial Tax	Additional Commissioner of Commercial Taxes (Enforcement)	2013-14	13	13
Maharashtra Value Added Tax	Value Added Tax	Deputy Commissioner of Sales Tax-Mumbai	2004-05	149.51	144.57
Maharashtra Value Added Tax	Value Added Tax	Joint Commissioner of Sales Tax	2009-10	71.57	57.79
Maharashtra Value Added Tax	Value Added Tax	Deputy Commissioner of Sales Tax-Mumbai	2012-13	43.62	40.96
Finance Act 1994	Service Tax	Office of Commissioner of Service Tax	2004-05 to 2010-11, 2011-12, 2012-13,2013-14,2014-15 & 2015-16	873.37	807.87

Annexure 'A' to the Independent Auditors' Report – 31 March 2019 (Contd.)

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

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of the examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standards (Ind AS) 24, Related Party Disclosures prescribed under Section 133 of the Act, read with the relevant rules.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
26 April 2019

Annexure 'B' to the Independent Auditors' Report

on the financial statements of Taj SATS Air Catering Limited for the period ended 31 March 2019.

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

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

Opinion

We have audited the internal financial controls over financial reporting of Taj SATS Air Catering Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note")

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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(hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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

Annexure 'B' to the Independent Auditors' Report (Contd.)

on the financial statements of Taj SATS Air Catering Limited for the period ended 31 March 2019.

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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
26 April 2019

Balance Sheet as at March 31, 2019

	Note	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
ASSETS			
Non-current assets			
Property, plant and equipment	3	**9,796**	9,392
Capital work-in-progress		**222**	65
Goodwill	4(a)	**7,348**	7,348
Other Intangible assets	4(b)	**374**	435
Intangible assets under development		**17**	17
		17,757	17,257
Other Financial assets	5(a)	**540**	483
Advance Income Tax Asset (net)		**200**	175
Other non-current assets	6(a)	**478**	411
		1,218	1,069
Current assets			
Inventories	7	**481**	509
Financial assets			
Investments	8	**7,766**	8,149
Trade receivables	9	**6,791**	6,880
Cash and cash equivalents	10	**526**	842
Other balances with bank	11	**104**	89
Loans	12	**1,225**	500
Other financial assets	5(b)	**633**	1,007
Other current assets	6(b)	**192**	225
		17,718	18,201
TOTAL ASSETS		**36,693**	36,527
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**1,740**	1,740
Other equity	14	**25,349**	24,418
		27,089	26,158
Liabilities			
Non-current liabilities			
Provisions	15(a)	**705**	157
Other Financial Liabilities	18(a)	**145**	73
Deferred tax liabilities (net)	16	**1,967**	2,780
		2,817	3,010
Current Liabilities			
Financial liabilities			
Borrowings	39	**72**	-
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	17	**34**	181
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17	**3,665**	3,209
Other financial liabilities	18(b)	**880**	914
Provisions	15(b)	**1,815**	2,270
Other liabilities	19	**321**	785
		6,787	7,359
TOTAL EQUITY AND LIABILITIES		**36,693**	36,527
Notes forming part of the financial statements :	**1-39**		

As per our Report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Date : April 24, 2019
Place : Mumbai

For and on behalf of the Board

Puneet Chhatwal
Chairman
DIN : 07624616

Mehernosh Kapadia
Vice Chairman
DIN : 00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

Statement of Profit and Loss for the year ended March 31, 2019

	Note	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Revenue from operations	20	**40,869**	37,789
Other income	21	**914**	939
TOTAL INCOME		**41,783**	38,728
Expenses			
Food and beverages consumed	22	**12,119**	12,096
Excise duty		**-**	21
Employee benefit expense and payment to contractors	23	**13,517**	12,728
Finance costs		**6**	2
Depreciation and amortisation expense	3, 4(b)	**1,096**	1,077
Other operating and general expenses	24	**12,423**	8,946
TOTAL EXPENSES		**39,161**	34,870
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**2,622**	3,858
Exceptional item		**-**	(409)
PROFIT BEFORE TAX		**2,622**	3,449
Tax expenses			
Current tax		**1,557**	1,246
Deferred tax		**(898)**	33
TOTAL TAX EXPENSE		**659**	1,279
PROFIT FOR THE YEAR		**1,963**	2,170
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**91**	108
Less :-income tax expense		**(32)**	(41)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**59**	67
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,022**	2,237
Earnings per share - Basic and diluted (₹)		**11.28**	12.47
Face value per ordinary share - (₹)		**10**	10
Weighted average number of equity shares		**1,74,00,000**	1,74,00,000
Notes forming part of the financial statements :	**1-39**		

As per our Report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Date : April 24, 2019
Place : Mumbai

For and on behalf of the Board
Puneet Chhatwal
Chairman
DIN : 07624616

Mehernosh Kapadia
Vice Chairman
DIN : 00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

Cash Flow Statement for the year ended March 31, 2019

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	**2,622**	3,448
Adjustments for :		
Depreciation and amortisation expenses	**1,096**	1,077
Loss/(Profit) on sale / disposal of fixed assets (net)	**8**	(5)
Liabilities / provisions no longer required written back	**(19)**	(249)
Provision for doubtful debts	**2,604**	100
Provision for doubtful advances	**-**	24
Doubtful advances written off	**-**	13
Provision for Employee Benefits	**236**	170
Fixed assets written off	**44**	38
Dividend income from current investments	**(339)**	(283)
Interest income	**(177)**	(397)
Interest income on financial assets carried at amortised cost	**(7)**	(4)
Finance costs	**6**	2
Exceptional Items	**-**	409
Operating Profit before Working Capital changes	**6,074**	4,344
(Increase) / Decrease in :		
Trade receivables	**(2,515)**	(236)
Financial assets	**335**	(1,096)
Inventories	**28**	(16)
Other assets	**1**	36
(Decrease) / Increase in :		
Trade payables	**309**	232
Other financial liabilities	**31**	92
Other liabilities	**(465)**	(361)
	(2,276)	(1,349)
Cash Generated from Operations	**3,798**	2,995
Net income tax (paid) / refunds	**(1,582)**	16
NET CASH FROM OPERATING ACTIVITIES (A)	**2,216**	3,011

Cash Flow Statement for the year ended March 31, 2019 (Contd.)

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and other intangibles (including advances for capital expenditure)	**(1,685)**	(1,300)
Inter corporate deposits placed	**(2,740)**	(1,815)
Inter corporate deposits redeemed	**2,015**	2,015
Proceeds from sale/disposal of fixed assets	**31**	52
Purchase of current investments in Mutual funds	**(11,939)**	(9,583)
Redemption proceeds of current investments in Mutual funds	**12,322**	6,002
Earmarked balances with bank	**(15)**	(8)
Dividend income from current investments	**339**	283
Interest received	**165**	397
NET CASH USED IN INVESTING ACTIVITIES (B)	**(1,507)**	(3,957)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividends paid (Including tax paid on dividends)	**(1,091)**	-
Finance costs	**(6)**	(2)
NET CASH USED IN FINANCING ACTIVITIES (C)	**(1,097)**	(2)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B +C)	**(387)**	(948)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**842**	1,790
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**455**	842

Notes forming part of the financial statements : 1 - 39

Notes:

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) statement of cash flow.

2 Figures in brackets are outflow / deduction.

3 Cash and cash equivalents comprises of

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Balances with Banks		
- Current Account	**517**	818
- Cheques, Drafts on hand	**-**	16
- Cash on hand	**9**	8
Cash and cash equivalents (Note 10)	**526**	842
Less: Bank overdraft (Note 39)	**(72)**	-
Cash and cash equivalent in cash flow statement	**455**	842

As per our Report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Date : April 24, 2019
Place : Mumbai

For and on behalf of the Board
Puneet Chhatwal
Chairman
DIN : 07624616

Mehernosh Kapadia
Vice Chairman
DIN : 00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

Statement of Changes in Equity for the year ended March 31, 2019

₹ (in Lakhs)

A. Equity Share Capital

Balance as at April 01, 2017	Changes in equity share capital during the period	Balance as at March 31, 2018
1740	-	1740
Balance as at April 01, 2018	**Changes in equity share capital during the period**	**Balance as at March 31, 2019**
1740	**-**	**1740**

B. Other equity

₹ (in Lakhs)

Particulars	Reserves and Surplus			Total Equity
	Securities Premium Account	General Reserve	Retained Earnings	
Balance as at April 1, 2017	10,388	1,560	10,233	22,181
Profit for the year	-	-	2,170	2,170
Other Comprehensive Income	-	-	67	67
	-	-	2,237	2,237
Balance as at March 31, 2018	**10,388**	**1,560**	**12,470**	**24,418**
Balance as at April 1, 2018	10,388	1,560	12,470	24,418
Profit for the year	-	-	1,963	1,963
Dividend	-	-	(905)	(905)
Tax on dividend	-	-	(186)	(186)
Other Comprehensive Income	-	-	59	59
	-	-	931	931
Balance as at March 31, 2019	**10,388**	**1,560**	**13,401**	**25,349**

Notes forming part of the financial statements : 1 - 39

As per our Report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Date : April 24, 2019
Place : Mumbai

For and on behalf of the Board
Puneet Chhatwal
Chairman
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Mehernosh Kapadia
Vice Chairman
DIN : 00050530

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

Notes to the Financial Statements for the year ended March 31, 2019

Note 1 : Corporate Information

Taj SATS Air Catering Limited (the "Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company is jointly promoted by The Indian Hotels Company Ltd. ("IHCL") and SATS Ltd. where IHCL owns 51% and SATS owns 49% of the Company's shares.

The Company provides in-flight catering services, institutional catering of food and beverages and other allied services to airlines and various other institutions, corporate houses, hospitals, cafeterias, etc. The Company has manufacturing/production facilities at various locations including Mumbai, Delhi, Kolkata, Bangalore, Amritsar and Goa.

The Company has its registered office at Mandlik House, Mandlik Road, Mumbai -400 001.

This Financial Statements for the year ended March 31, 2019 was reviewed by its Audit Committee and authorized for issue by the Company's Board of Directors on April 26, 2019.

Note 2 : Significant Accounting Policies

(a) Statement of compliance:

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rul e s , 2015 with effect from April 1, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013("The Act").

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value 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 goods and 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. All assets and liabilities are classified as current and non-current as per Company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date. All amounts disclosed in the financial statements and notes to accounts have been rounded off to the nearest lakhs, unless otherwise stated.

(c) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosure of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful life of property, plant and equipment and intangible assets, impairment of goodwill testing and contingencies and commitments.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

- **Useful life of property, plant and equipment and intangible assets:** The carrying value of property, plant andequipment and intangible asset is calculated on the basis of estimates of depreciation periods derived from the expected technical and useful life of the asset concerned, and residual values. The expected technical and useful life of the asset concerned and its estimated residual value may change under the influence of technological developments, market circumstances and changes in the use of the asset.
- **Impairment of Goodwill:** For goodwill an annual impairment test is carried out to identify if there are any changes or events that could lead to an impairment of the goodwill. Determining whether goodwill is impaired requires an estimation of the value-in-use and the cash-generating units to which the goodwill has been allocated. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.
- **Contingencies and Commitments:** In the normal course of business, claims and disputes may arise from litigations and other claims against the Company. The management assesses the claims and court cases instituted against it on the basis of facts and seeks legal advice. The Company is also involved in disputes as claiming party. In both the cases this involves subjective elements and projected outcomes. However, it is not possible to obtain certainty about the final outcome and any negotiations on claims and disputes. 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. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, such liabilities are disclosed in the notes as contingent liabilities but are not provided for in the financial statements. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **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 or 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.
- **Gross versus net presentation:**

  When the Company sells goods or services as principal, revenue and related costs are reported on a gross basis in revenue and operating cost. If the C sells goods or services as an agent, revenue and related costs are recorded in revenue on a net basis, representing the margin earned.

  Whether the Company is principal or agent, depends on whether the control of goods or services is transferred to customers, and it has the ability to direct the use of the devices or obtain benefits from the devices or service. Below is the key criteria to determine whether the Company is acting as a principal:

  - The Company has the primary responsibility for providing the goods or services to the customer or for fulfilling the order, for example by being responsible for the acceptability of the products or services ordered or purchased by the customer;

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

- The Company has inventory risk before or after the customer order, during shipping or on return; and
- The Company has latitude in establishing prices, either directly or indirectly, for example by providing additional goods or services.

(d) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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.

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is charged to the statement of profit or loss so as to write off 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. The estimated useful lives, residual values and depreciation method are reviewed at Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of depreciation on buildings on leased properties, it is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of Assets	Estimated Useful Life
Building	30 years
Plant and Equipment	15 to 20 years
Furniture and Fixtures	15 years
Data processing equipment	6 years
Office equipment	12-15 years
Vehicles	8 - 16 years

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

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, less any recognized impairment loss.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(e) Intangible Assets:

Intangible assets, comprising software licenses are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Any expenses on software for support and maintenance payable annually are charged to the Statement of Profit and Loss.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset to increase the future benefits/functioning capabilities from/ of the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Intangible assets are amortised on a straight line basis over the estimated useful lives. The amortisation period and the amortisation method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or loss arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The capitalised cost of SAP software (including licenses) is amortised over ten years from the date of capitalisation (six years remaining as on the balance sheet date) on a straight line basis considering its estimated useful life and the cost of other software licenses is amortised over six years from the date of capitalisation (one to three years remaining from the balance sheet date) on a straight line basis considering its estimated useful life.

Business rights which represent the rights to construct, manage and operate flight catering kitchen in accordance with the agreement entered with the airport authority, are stated at cost of acquisition, less accumulated amortisation. The cost of business rights is amortised over the period of 15 years (four years remaining as on the balance sheet date) during which period the benefits are expected to accrue to the Company as per agreement.

(f) Goodwill:

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating unit (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash generating unit to which the goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the others assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(g) Impairment of tangible and intangible assets other than goodwill:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, and whenever there is an indication that the assets may be impaired.

At each Balance sheet date, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

(h) Operating leases:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

(i) Inventories:

Stock of food and beverages, stores and operating supplies are carried at the lower of cost (computed on a continuous weighted average basis) and net realisable value. Cost include the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(j) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present (legal or constructive) obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and circumstances surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows determined using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

(k) Revenue recognition:

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts. In respect of expired contracts under renewal, revenue is recognised based on the erstwhile contract/ understanding with the contracting parties.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate unit of account is based on the relative fair value of each unit. If the fair value of the delivered items is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered items.

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' that replaces Ind AS 18 'Revenue Recognition'. It introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the Cumulative effect method permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended March 31, 2019 only (i.e. the initial application period). This method also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at April 1, 2018 ('transition date') in equity and the comparative information continues to be reported under Ind AS 18. The impact of the adoption of the standard on the financial statements is not material.

Income from operations:

Food and Beverages: Revenue from sale of food and beverages is recognised at the transaction price that is allocated to the performance obligation, which is recognised on the completion of delivery of goods as per the contract/understanding with the customer.

Revenue from Air catering and allied services: Revenue from Air Catering and allied services includes revenue from handling services, hi-loader services, bonded warehouse, laundry income, and other services and the revenue has been recognised by reference to the time of service rendered.

Management and operating fees: Management fee earned by the company are long term contract with the Air Catering Unit (ACU). Under this contract, the company's performance obligation is to manage the operations of the Air Catering Unit at the given airport locations.

Management and operating fees is earned as a % of profit and are recognised in accordance with the terms of the contract based on underlying profit.

Other Income: Other income includes revenue from catering supplies/ bought out items which are recognised at the transaction price that is allocated to the performance obligation, which is recognised on the completion of delivery of goods as per the contract/understanding with the customer.

Dividend Income: Dividend income from mutual funds is recognised when the Company's right to receive the amount is established.

Interest income: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(l) Foreign currency transactions:

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

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. 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. Foreign currency denominated assets and liabilities are translated at the exchanges rates prevailing at the balance sheet date and exchange gain and losses arising on settlement and restatement are recognized in the Statement of Profit and loss.

(m) Government Grants:

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(n) Employee Benefits:

A) Defined contribution plan

i. Provident and Family pension Fund: The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12% of employee's a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employee's eligible salary). The contributions are made to the provident fund managed by the trust set up by a joint venture Company, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of profit and loss

In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss.

B) Defined benefit plan

i. Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment.

The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

ii. Superannuation

The Company has a defined contribution plan for certain category of employees, wherein it annually contributes a sum equivalent to a defined amount to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which the corresponding services are received from the employee.

iii. The Company also has separate unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognized immediately in the other comprehensive income and reflected immediately in retained earnings and will not be reclassified to profit and loss.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

iv. Provident Fund Trust

In respect of contribution to the trust set up by the Company, since the Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit plan. Any obligation in this respect is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

C) Other long-term employee benefits

i. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

ii. Other 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 service. The accruals for the employee entitlements such as salaries, bonuses, annual leave, leave travel allowances, represents amounts which the Company has a present obligation to pay as a result of the employee services and the obligation can be measured reliably. The accruals have been calculated as undiscounted amounts based on current salary levels as at the Balance Sheet date.

(o) 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 profit or 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:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current Tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

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 tax is recognised using the balance sheet approach. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arise from initial recognition of goodwill.

Deferred 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.

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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as a deferred tax asset, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Such asset is reviewed at each Balance Sheet date and MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(p) 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 instrument 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.

  i. 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.

  ii. 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 payment 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 part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

iii. 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 subsequently 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 continued involvement in the financial asset.

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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

Impairment of financial assets

Impairment loss 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 Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime impairment pattern at each Balance Sheet date, right from its initial recognition.

(q) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

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) Recent Accounting pronouncements

Standards issued, not yet effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 - Leases replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1st April 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company's operating leases primarily relate to real estate assets lease hold land in Delhi and Kolkata and solar power plant in Mumbai because all these assets satisfy the principle of identification and fixed minimum lease payments.

The Company proposes to adopt the above standard retrospectively, with the cumulative effect of being recognised on the date of initial application i.e. 1 April 2019 to the opening balance of retained earnings

Based on the information currently available, the Company estimates that it will recognise a right to use asset of approximately ₹ 432 Lakhs and a corresponding lease liability of approx. ₹ 1,413 lakhs with the cumulative effect of applying the standard by adjusting retained earnings net of taxes. There will be consequent reclassification in the cash flow categories in the statement of cash flows.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 3 : Property, Plant and Equipment

	Freehold Land (Refer Footnote (ii))	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Data processing equipment	Vehicles	Total
	₹ (in Lakhs)	₹ (in Lakhs)	₹ (in Lakhs)	₹ (in Lakhs)	₹ (in Lakhs)	₹ (in Lakhs)	₹ (in Lakhs)	₹ (in Lakhs)
Cost								
At April 1, 2017	351	4187	4369	143	30	133	2294	11507
Additions	-	98	852	18	17	27	321	1333
Disposals/ Transfer	-	-	67	11	-	-	2	80
Impairment loss*	-	342	160	12	1	1	-	516
At March 31, 2018	**351**	**3943**	**4994**	**138**	**46**	**159**	**2613**	**12244**
Additions	-	48	947	11	10	17	481	1514
Disposals/ Transfer	-	-	105	-	-	-	26	131
Impairment loss	-	-	-	-	-	-	-	-
At March 31, 2019	**351**	**3991**	**5836**	**149**	**56**	**176**	**3068**	**13627**
Depreciation								
At April 1, 2017	-	653	987	28	7	39	266	1980
Charge for the year	-	354	431	15	5	31	175	1011
Disposals	-	-	28	2	-	-	2	32
Impairment loss*	-	44	59	3	1	-	-	107
At March 31, 2018	**-**	**963**	**1331**	**38**	**11**	**70**	**439**	**2852**
Charge for the year	-	346	436	17	5	26	200	1030
Disposals	-	-	42	2	-	-	7	51
Impairment loss		-	-	-	-	-	-	-
At March 31, 2019	**-**	**1309**	**1725**	**53**	**16**	**96**	**632**	**3831**
Net block as at March 31, 2018	351	2980	3663	100	35	89	2174	9392
Net block as at March 31, 2019	**351**	**2682**	**4111**	**96**	**40**	**80**	**2436**	**9796**

Footnote:

(i) The Air Catering business was acquired on a slump sale basis from IHCL and its Affiliates on October 1, 2001. As a result, the Fixed assets were recorded as per the values assigned by the independent valuers.

(ii) In accordance with the Business Transfer Agreement entered with IHCL, the land located at Mumbai is to be conveyed in favour of the Company. However, the same is pending completion of certain legal formalities.

(iii) *During the previous year, the Company recognised a net impairment charge of ₹ 409 lakhs against property, plant and equipment, relating to Amritsar unit. The same is based on internal assessment of market conditions of existing market conditions for use of those property, plant and equipment.

(iv) There is a dispute on the land title based on the claim made by the Gram panchayat. The Company has filed an Appeal before the Joint Commissioner (Development), Mohali, Punjab The Jt. Commissioner Development granted "Stay" in the matter and hearings are in progress. However, due to transfer of the Jt. Commissioner and the new Jt. Commissioner is re-hearing the matter again. In respect of such dispute the Management has represented that the title deed for the aforesaid immovable property is in the name of the Company and it will be able to defend any counter claims to such property.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 4 : (a) Goodwill

Goodwill recorded at the time of acquisition of the Air Catering business represents excess of amount paid over the recorded value of the net assets acquired. On transition to Ind AS, the carrying amount of goodwill in the opening Ind AS balance sheet prepared as at April 01, 2015 was recorded at its carrying amount in accordance with the previous GAAP of ₹ 7,348 lakhs. The Company tests Goodwill for impairment atleast annually or more frequently if events or changes in circumstances indicate that it might be impaired. The goodwill has been allocated to Airline and Allied catering (which is considered as Cash Generating Unit). The Company estimated value in use based on future cashflows of this CGU using a 2% - 5% annual growth rate for periods subsequent to the forecast period of five years and discount rate of 10% - 11%. A sensitivity analysis of the computation to a combined change in key parameters (operating margins, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of this CGU would decrease below its carrying amount.

Note 4 : (b) Intangible Assets (Acquired)

₹ (in Lakhs)

	Software	Business Rights	Total
Cost			
At April 1, 2017	562	24	586
Adjustments	-	-	-
Additions	38	-	38
Disposals	-	-	-
At March 31, 2018	**600**	**24**	**624**
Adjustments	-	-	-
Additions	5	-	5
Disposals	-	-	-
At March 31, 2019	**605**	**24**	**629**
Amortisation			
At April 1, 2017	117	6	123
Adjustments	-	-	-
Charge for the year	63	3	66
Disposals			-
At March 31, 2018	**180**	**9**	**189**
Adjustments	-	-	-
Charge for the year	63	3	66
Disposals	-	-	-
At March 31, 2019	**243**	**12**	**255**
Net block as at March 31, 2018	420	15	435
Net block as at March 31, 2019	**362**	**12**	**374**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 5 : Other Financial Assets

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Unsecured, considered good		
a) Non Current		
Security deposit with public bodies and others	**536**	469
Earmarked deposits with Banks	**4**	14
Earmarked deposits includes NIL (as on March 31, 2019) and ₹14 lakhs (as on March 31, 2018) pledged with Airport Authority of India.		
	540	483
b) Current		
Security deposit with public bodies and others	**60**	2
Other receivables	**446**	995
Interest receivable		
Bank Deposits	**6**	6
Inter Corporate Deposits	**19**	1
Others	**3**	3
	28	10
Receivable from related parties	**99**	-
(* less than ₹ 50,000)		
	633	1007

Note 6 : Other Assets

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Unsecured, considered good		
a) Non Current		
Capital Advances	**221**	187.227
Prepaid Expenses	**116**	106
Export incentive receivable	**141**	118
	478	411
b) Current		
Prepaid Expenses	**62**	124
Indirect tax recoverable	**-**	1.920
Advance to Suppliers	**56**	50
Advance to Employees	**74**	49
	192	225

Note 7 : Inventories

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Food and Beverages	**233**	257
Stores and Operating Supplies	**248**	252
	481	**509**

Footnote:

(a) Inventories are valued at the lower of cost and net realisable value. Cost are determined using the weighted average method and includes purchase price and non-refundable taxes.

(b) The write down of inventories to net realisable value during the year amounted to ₹ 6 lakhs (as on March 31, 2018 ₹ 6 lakhs) and the same are included in food and beverage consumed.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 8 : Investments

	March 31, 2019		March 31, 2018	
	Holdings (unit) As at	₹ (in Lakhs)	Holdings (unit) As at	₹ (in Lakhs)
Investments carried at fair value through profit and loss				
TATA Money Market Fund Regular Plan - Daily Dividend	4,10,358.666	4,110	1,66,105.881	1,664
ABSL Floating rate Fund - STP - Daily Dividend	12,13,397.467	1,216	17,61,208.338	1,762
UTI Money Market - Institutional Plan - Daily dividend	2,04,254.458	2,082	2,27,249.975	2,280
Axis Liquid Fund - Daily Dividend (CFDDR)	35,727.008	358	1,52,412.096	1,525
Kotak Floater - Regular Plan - Daily dividend	-	-	90,720.5451	918
		7,766		8,149
TOTAL		**7,766**		**8,149**

Note 9 : Trade and other receivables

		March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
	Unsecured		
a)	Considered good	**6,917**	7,008
	Less: Allowance for doubtful trade receivables	**(126)**	(128)
		6,791	6,880
b)	Credit impaired	**2,898**	292
	Less : Allowance for credit impaired	**(2,898)**	(292)
		-	-
		6,791	6,880
	Footnote:		
i)	**Allowance for credit impaired**		
	Opening Balance	**420**	320
	Add: Allowance during the year	**2,604**	100
		3,024	420
	Less: Bad Debts written off against past provisions	**-**	-
	Less: Reversal of provision no longer required	**-**	-
	Closing Balance	**3,024**	420
ii)	**For related party balances Refer Note 29**		

Note 10 : Cash and Cash Equivalents

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Cash on hand	**9**	8
Cheques, Drafts on hands	**-**	16
Balances with bank in current account	**517**	818
	526	842

Note 11 : Other balances with banks

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Earmarked balances	**104**	89
Earmarked deposits includes ₹ 14 Lakh (as on March 31, 2019) and ₹ NIL (as on March 31, 2018) pledged with Airport Authority of India.		
	104	89

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 12 : Loans

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Unsecured, considered good		
Current		
Inter Corporate Deposit with related parties-		
-Taida Trading and Industries Limited	**25**	-
-PIEM Hotels Limited	**1,200**	-
-Roots Corporation Limited	**-**	500
	1,225	500

Footnotes:

1. Inter Corporate Deposits placed with PIEM Hotels Limited and Taida Trading and Industries Limited for a period of 90 days bearing interest @ 9% p.a during the year ended March 31, 2019.
2. Additional Inter Corporate Deposits of Rs. 1,000 lakhs bearing interest @ 8.5% p.a. placed with Roots Corporation Limited during the year. Total Inter Corporate Deposit of Rs. 1,500 lakhs including opening deposit redeemed during the year ended March 31, 2019.
3. During the year ended March 31, 2019, Inter Corporate Deposits were placed with Benaras Hotels Limited amounting to Rs. 300 lakhs @ 8.5% p.a and Rs.200 lakhs @ 9% p.a and the same were redeemed in the year ended March 31, 2019.

All the above deposits were placed towards working capital requirement pertaining to business activities.

Note 13 : Share Capital

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Authorised Share Capital		
2,50,00,000 equity shares of ₹ 10/- each with voting rights	**2,500**	2,500
	2,500	2,500
Issued Share Capital		
1,74,00,000 (March 31, 2018 - 1,74,00,000) equity shares of ₹ 10 /- each with voting rights	**1,740**	1,740
	1,740	1,740
Subscribed and Paid Up		
1,74,00,000 (March 31, 2018 - 1,74,00,000) equity shares of ₹ 10 /- each fully paid up with voting rights	**1,740**	1,740
	1,740	1,740

Footnotes:

(i) The Company has one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in the case of interim dividend.

(ii) **Reconciliation of number of equity shares**

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ (in Lakhs)	No. of shares	₹ (in Lakhs)
Balance at the beginning of the year	**17,400,000**	**1,740**	17,400,000	1,740
Add : Shares issue during the year	**-**	**-**	-	-
Balance at the end of the year	**17,400,000**	**1,740**	17,400,000	1,740

(iii) **Rights, preferences and restriction attaching to shares**

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholder in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(iv) **Shares held by the Joint Venturers**

	As at March 31, 2019		As at March 31, 2018	
Particulars	**No. of shares**	**% of Holding**	**No. of shares**	**% of Holding**
Indian Hotels Company Ltd. ("IHCL") (includes 3 (as at March 31, 2018 - 3) equity shares held by IHCL as beneficiary owner *	**8,874,000**	**51%**	8,874,000	51%
SATS Ltd. (includes 2 (as at March 31, 2018 - 2) equity shares held by SATS Ltd. as beneficiary owner.	**8,526,000**	**49%**	8,526,000	49%

* Out of the above, 7,600,000 and 1,224,000 equity shares of ₹ 10 each fully paid up have been allotted to Indian Hotels Company Ltd. for consideration other than cash during the financial year ended March 31, 2002 and March 31, 2003 respectively.

Note 14 : Other Equity

	March 31, 2019 ₹ **(in Lakhs)**	March 31, 2018 ₹ (in Lakhs)
Securities Premium Account	**10,388**	10,388
General Reserve	**1,560**	1,560
Retained Earnings		
Balance at the beginning of the year	**12,470**	10,233
Add: Profits for the year	**1,963**	2,170
Add: Remeasurements of post employment benefit obligation	**59**	67
Less: Dividends paid	**(905)**	-
Less: Tax on dividends	**(186)**	-
Closing Retained Earnings	**13,401**	12,470
Total Other Equity	**25,349**	24,418

Note 15 : Provisions

	March 31, 2019 ₹ **(in Lakhs)**	March 31, 2018 ₹ (in Lakhs)
a) Long term provisions		
Post-retirement pension	**8**	12
Compensated absences	**697**	145
	705	157
b) Short term provisions		
Compensated absences	**81**	808
Gratuity	**45**	53
Post-retirement pension	**-**	15
Other employee benefits	**1,689**	1,394
	1,815	2,270

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 16 : Deferred Tax Liabilities (Net)

		March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
(i)	**Income tax recognised in the Statement of Profit and Loss**		
	Current tax expense		
	(i) For the year	**1,557**	1,246
	(ii) Relating to previous year	**-**	-
	Deferred tax expense	**(898)**	33
	Income tax expene recognised in the Statement of Profit and Loss	**659**	1,279
(ii)	**Income tax recognised in OCI**		
	Deferred tax expense		
	Deferrred tax expense on measurements of defined benefit plans	**(32)**	(41)
	Income tax expene recognised in OCI	**(32)**	(41)
(b)	**The income tax expenses for the year reconciled to the accounting profit:**		
	Profit before tax from continuing operations:	**2,622**	3,449
	Income tax expenses calculated at 34.944% (previous year 34.608%)	**916**	1,194
	Effect of depreciation expense not deductible in determining taxable profit	**(19)**	(17)
	Effect of Corporate Social Responsibility expense not deductible in determining taxable profit	**8**	10
	Effect of Dividend Income that is exempt from taxation	**(118)**	(98)
	Effect on deferred tax balances due to the change in the income tax rate	**-**	153
	Others	**(128)**	92
		659	1,334
	Tax relating to previous year		(55)
	Less: MAT Credit	**-**	-
		659	1,279

(c)	**Particulars**	**Opening balance as at 1st April,2018** ₹ (in Lakhs)	**Recognised in profit or loss** ₹ (in Lakhs)	**Recognised in other comprehensive income** ₹ (in Lakhs)	**Closing balance as at 31st March,2019** ₹ (in Lakhs)
(i)	Property, plant and equipment and intangible assets	3,321	166	-	3,487
(ii)	Provision for employee benefits	(333)	(131)	-	(464)
(iii)	Provision for doubtful debts	(154)	(902)	-	(1,056)
		2,834	(867)	-	1,967
	Less: MAT Credit Entitlement	54			-
	Net Deferred Tax Liabilities	**2,780**			**1,967**

	Particulars	**Opening balance as at 1st April,2017** ₹ (in Lakhs)	**Recognised in profit or loss** ₹ (in Lakhs)	**Recognised in other comprehensive income** ₹ (in Lakhs)	**Closing balance as at 31st March,2018** ₹ (in Lakhs)
(i)	Property, plant and equipment and intangible assets	3,274	47	**-**	3,321
(ii)	Provision for employee benefits	(366)	33	**-**	(333)
(iii)	Provision for doubtful debts	(106)	(48)	**-**	(154)
(iv)	Others	-	-		-
		2,802	32	**-**	2,834
	Less: MAT Credit Entitlement	-			54
	Net Deferred Tax Liabilities	**2,802**			**2,780**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 16 : Deferred Tax Liabilities (Net) (Contd.)

(d) Major components of deferred tax assets/(liabilities) are as under:

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	**3,487**	3,322
Total (A)	**3,487**	3,322
Deferred Tax Assets:		
Provision for Employee Benefits	**464**	333
MAT Credit Entitlement	**-**	54
Provision for doubtful debts	**1,056**	155
Others	**-**	-
Total (B)	**1,520**	542
Net Deferred Tax Liabilities (A-B)	**1,967**	2,780

Note 17 : Trade Payables

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
(i) total outstanding dues of micro enterprises and small enterprises	**34**	181
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	**3,665**	3,209
	3,699	3,390

Footnotes:

(i) The amount due to Micro Enterprise and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been noted upon by the auditors.

(ii) The disclosures relating to Micro Enterprises and Small Enterprises are as under:

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	**34**	181
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	**-**	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	**-**	-
(d) The amount of interest due and payable for the year	**-**	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-

Note : 18 Other financial liabilities

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
a) Non current Financial liabilities		
Deposits from others - Unsecured	**145**	73
	145	73

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 18 : Other financial liabilities (Contd.)

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
b) Current financial liabilities		
Payables to Related Parties	**3**	23
Deposits from others - Unsecured	**18**	7
Creditors for capital expenditure	**67**	40
Employee related liabilities	**23**	58
Airport Authority of India levy (AAI)	**768**	786
Others	**1**	-
	880	914

There is no amount due and outstanding to be credited to Investor Education and protection fund.

Note 19 : Other Current Liabilities

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
*Advances collected from customers	**79**	358
Statutory dues	**242**	427
	321	785

* Refer Note 37 for disclosure in relation to Ind AS 115- “Revenue from contracts with customers”.

Note 20 : Revenue from Operations

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Sale of Food and beverages	**31,988**	29,992
Revenue from Air Catering and Allied Services	**7,632**	6,746
Management and operating fees	**45**	10
Service Export India Scheme Income	**65**	38
Others	**1,139**	1,003
Total	**40,869**	37,789

Note 21 : Other Income

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Interest Income on:		
Inter-corporate deposits	**124**	67
Deposits with banks	**9**	8
Others	**17**	12
	150	87
Interest on Income Tax Refunds	**34**	315
Dividend Income from Current Investments	**339**	283
Profit on disposal of property, plant and equipment (net)	**-**	5
Others	**391**	249
Total	**914**	939

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 22 : Food and Beverages Consumed

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Opening Stock	**257**	239
Add : Purchases	**12,095**	12,114
	12,352	12,353
Less : Closing Stock	**233**	257
Food and Beverages Consumed	**12,119**	12,096

Note 23 : Employee Benefit Expense and Payment to Contractors

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Salaries, Wages, Bonus etc.	**7,914**	7,399
Company's Contribution to Provident and Other Funds (Refer note (i))	**574**	568
Reimbursement of Expenses on Personnel Deputed to the Company	**115**	112
Payment to Contractors	**3,565**	3,439
Staff Welfare Expenses	**1,349**	1,210
Total	**13,517**	12,728

(i) The Company has recognised the following amounts under the head "Company's Contribution to Provident Fund and Other Funds":

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Provident Fund:		
To Regional Provident Fund (RPF)	**29**	21
To Indian Hotels Company Limited Employee Provident Fund Trust	**150**	144
Gratuity Fund	**160**	181
Company's Contribution to Family Pension Scheme	**195**	191
Employee Deposit Linked Insurance	**8**	7
Superannuation Fund	**32**	24
Total	**574**	568

(ii) Consequent to the acquisition of the Air Catering business from IHCL and its affiliates, the employees attached to the respective Air Catering Divisions of IHCL were transferred to the Company. Since a formal approval to establish the Provident Fund trust for Mumbai, Delhi and Amritsar location is still awaited from the PF Commissioner, the Fund continues to be administered by IHCL. Provident Fund for other locations i.e. Kolkata, Bangalore and Goa are administered by the respective Regional Provident Fund Commissioner "RPFC".

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 24 : Other operating and general expenses

		March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
(i)	**Operating expenses consist of the following :**		
	Catering Supplies	**1,547**	1,527
	Other Supplies	**373**	336
	Fuel, Power and Light	**3,134**	2,822
	Repairs to Buildings	**290**	253
	Repairs to Machinery	**308**	312
	Repairs to Others	**314**	323
	Linen and Uniform Washing and Laundry Expenses	**179**	163
	Travel Agents' Commission	**60**	104
	Other Operating Expenses	**1,453**	1,261
		7,658	7,101
(ii)	**General expenses consist of the following :**		
	Rent	**270**	272
	License Fees	**31**	33
	Rates and Taxes	**324**	191
	Insurance	**159**	162
	Advertising and Publicity	**69**	1
	Printing and Stationery	**130**	110
	Passage and Travelling	**177**	90
	Provision for Doubtful Debts	**2,604**	100
	Provision for Doubtful Advances	**-**	24
	Doubtful Advances written off	**-**	13
	Expenditure on Corporate Social Responsibility (Refer Footnote (ii))	**47**	29
	Professional Fees	**518**	442
	Outsourced Support Services	**11**	-
	Loss on sale of property, plant and equipment (net)	**8**	-
	Payment made to Statutory Auditors (Refer Footnote (i))	**42**	46
	Directors' Fees and Commission	**3**	4
	Operating / Management Fees Paid	**43**	44
	Other Expenses	**329**	284
		4,765	1,845
	Total	**12,423**	8,946

Footnotes:

		March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
(i)	Payment made to Auditors:		
	As statutory auditors	**38**	45
	As tax auditors	**4**	1
		42	46

(ii) During the year the Company has incurred ₹ 47 lakhs (March 31,2018 : ₹ 29 Lakhs) towards Corporate Social Responsibility expenditure.
(Refer Note 34)

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 25 : Contingent Liabilities (to the extent not provided for):

The Company is involved in the following appellate, judicial and arbitration proceeding matters arising in the course of conduct of the Company's businesses. In few of the proceedings in respect of matters under litigation are in early stages, and in other cases, the claims are indeterminate.

(a) On account of matters in dispute:

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, etc. which are in dispute, are as under:

₹ (in Lakhs)

Nature of tax	Amounts claimed			
	Taxes	Interest and penalty	Total	Paid under protest
Service tax				
March 31, 2019	**873**	**-**	**873**	**66**
March 31, 2018	873	-	873	-
Sales tax and State value added taxes				
March 31, 2019	**230**	155	**385**	**21**
March 31, 2018	283	315	598	5
Profession Tax				
March 31, 2019	**4**	**2**	**6**	**2**
March 31, 2018	4	2	6	2

(b) Others:

1. The license fees for permission for water pipeline over the land belonging to International Airport Private Limited has been enhanced by ₹ 9 Lakhs (As at March 31, 2018: ₹ 9 Lakhs) during the financial year 2008-09 which has been contested by the Company.
2. Management is generally unable to reasonably estimate a range of possible loss for proceedings related to labour disputes, including where:
   (i) plaintiffs/parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
   (ii) the proceedings are in early stages;
   (iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;
   (iv) there are significant factual issues to be resolved; and/or
   (v) There are novel legal issues presented.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 26 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 681 Lakhs (Previous year – ₹ 526 Lakhs).

Note 27 : Operating leases

Company has taken land on operating lease and has incurred total lease expense of ₹ 814 Lakhs and ₹ 753 Lakhs for the year ended March 31, 2019 and March 31, 2018 respectively, which has been debited to statement of Profit and Loss.

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

Particulars	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Not later than one year	**684**	626
Later than one year but not later than five years	**2,346**	2,829
Later than five years	**249**	449
Total	**3,279**	3,904
Paid during the year	**406**	360
Contingent Rent Paid during the year	**408**	393
Total	**814**	**753**

Note 28 : Employee Benefits:

(a) The Company has recognised the following expenses as under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries):

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Provident Fund	**179**	165
Gratuity Fund	**160**	181
Company's contribution to Pension Scheme	**195**	191
Employee Deposit Linked Insurance	**8**	7
Superannuation Fund	**32**	24
Total	**574**	568

(b) In light of the recent Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability along with interest amounting to ₹ 10 Lakh prospectively from date of judgement.

(c) The Company operates post retirement defined benefit plans as follows: -

Funded:

i. Post Retirement Gratuity

ii. Provident fund- managed through The Indian Hotels Company Limited Employee Provident Fund Trust

Unfunded:

iii. Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is unfunded.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 28 : Employee Benefits: (Contd.)

(d) The above defined benefit plans typically expose the Company to actuarial risks such as: investment risks, interest rate, longevity risk and salary risk.

Investment Risk The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan asset should be invested in equity securities to leverage the return generated by the Fund.

Interest Risk A decrease in the bond interest rate will increase the plan liability; however, this will partially offset by an increase in the return on the plan's debt investments

Longevity Risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(e) **Pension Scheme for Employees:**

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

(f) **Provident Fund:**

Provident fund related assets are controlled by a separate independent Trust (Indian Hotels Company Limited Employee Provident Fund Trust). These trusts maintain their assets at the group level and do not have assets identifiable specifically for the Company.

The Company contributed ₹ 150 lakhs (previous year ₹ 144 lakhs) towards the above trust and the scheme has been recognised in the statement of profit and loss.

(g) **Defined Benefit Plans – As per Actuarial Valuation on March 31, 2019: -**

(i) **Amount to be recognized in Balance Sheet and movement in net liability**

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Present Value of Funded Obligations		
31st March 2019	**3,246**	**-**
31st March 2018	3,295	-
Present Value of Unfunded Obligations		
31st March 2019	**-**	**8**
31st March 2018	-	26
Fair Value of Plan Assets		
31st March 2019	**(3,201)**	**-**
31st March 2018	(3,242)	-
Net (Asset) / Liability		
31st March 2019	**45**	**8**
31st March 2018	*53*	26

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 28 : Employee Benefits: (Contd.)

(ii) **Expenses recognized in the Statement of Profit & Loss**

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Current Service Cost		
Year Ended 31st March 2019	**167**	**1**
Year Ended 31st March 2018	177	1
Interest Cost		
Year Ended 31st March 2019	**(7)**	**1**
Year Ended 31st March 2018	*4*	2
Total Expense		
Year Ended 31st March 2019	**160**	**2**
Year Ended 31st March 2018	181	3

(iii) **Reconciliation of Defined Benefit Obligation**

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Opening Defined Benefit Obligation		
31st March 2019	**3,295**	**26**
31st March 2018	3,256	26
Current Service Cost		
31st March 2019	**167**	**1**
31st March 2018	177	1
Interest Cost		
31st March 2019	**231**	**1**
31st March 2018	211	*2*
Actuarial loss / (gain)		
31st March 2019	**(96)**	**-**
31st March 2018	(127)	(4)
Benefits Paid		
31st March 2019	**(352)**	**(20)**
31st March 2018	(222)	-
Closing Defined Benefit Obligation		
31st March 2019	**3,246**	**8**
31st March 2018	3,295	26

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 28 : Employee Benefits: (Contd.)

(iv) **Reconciliation of Fair Value of Plan Assets**

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Opening Fair Value of Plan Assets		
31st March 2019	**3,242**	**-**
31st March 2018	3,053	-
Interest on Plan Assets		
31st March 2019	**239**	**-**
31st March 2018	207	-
Actual return on Plan Assets less Interest on Plan Assets		
31st March 2019	**(5)**	**-**
31st March 2018	(22)	-
Contribution by Employer		
31st March 2019	**77**	**20**
31st March 2018	227	-
Benefits Paid		
31st March 2019	**(353)**	**(20)**
31st March 2018	(222)	-
Closing Fair Value of Plan Assets		
31st March 2019	**3,200**	**-**
31st March 2018	3,242	-

(v) **Description of Plan Assets (Managed by an Insurance Company)**

	Gratuity - Funded		**Pension – Unfunded**	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
Government of India Securities	**33%**	37%	**-**	-
Corporate Bonds	**54%**	33%	**-**	-
Equity	**0%**	14%	**-**	-
Money Market & Others	**13%**	16%	**-**	-
Grand Total	**100%**	100%	**-**	-

(vi) **Actuarial Assumptions**

	Gratuity - Funded		**Pension – Unfunded**	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
Discount rate (p.a.)	**7.55%**	7.60%	**7.55%**	7.60%
Salary Escalation Rate (p.a.)	**5.00%**	5.00%	**5.00%**	5.00%
Mortality rate *				
Mortality in service	**Table 1**	Table 1	**Table 1**	Table 1
Mortality in retirement	**NA**	NA	**Table 2**	Table 2

* Table 1 – Indian Assured Lives Mortality (2006-08) Ult table

Table 2 – UK Published PA (90) annuity rated down by 4 years

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 28 : Employee Benefits: (Contd.)

(vii) **Sensitivity Analysis:**

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	**March 31, 2019**	
	Discount Rate	**Salary Escalation Rate**
Impact of increase in 50 bps on DBO	-3.89%	4.23%
Impact of decrease in 50 bps on DBO	4.15%	-4.00%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(viii) **Amount recorded in Other Comprehensive Income**

Particulars	**March 31, 2019 ₹ (in Lakhs)**	March 31, 2018 ₹ (in Lakhs)
Remeasurements during the period due to		
Change in financial assumptions	**13**	(154)
Change in demographic assumptions	**(1)**	(9)
Experience adjustments	**(108)**	33
Experience adjustments on plan assets	**5**	22
Total	**(91)**	(108)

Footnote:

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Note 29 : Related Party Disclosures:

(a) The names of related parties of the Company are as under:

i. **Entities having joint control**

Name of the Company	**Country of Incorporation**
The Indian Hotels Company Limited (IHCL)	India
SATS Ltd.	Singapore

ii. **Key management Personnel**

Particulars	**Relation**
Sudeep Pal	Chief Financial Officer & Manager (w.e.f 1st Sep,2018)
Sanjeev Gujral	Manager (Upto 31st Aug,2018)
Neha Khanna	Company Secretary

iii. **Post-employment benefit plan:**

Taj SATS Air Catering Limited Staff Gratuity Trust

Taj SATS Air Catering Limited Superannuation Scheme

The Indian Hotels Company Limited Employee Provident Fund Trust

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 29 : Related Party Disclosures: (Contd.)

(b) Details of related party transactions during the year ended March 31, 2019 and outstanding balances as at March 31, 2019:

₹ (in Lakhs)

Particulars	Ventures (IHCL and SATS Ltd.)	Key Management Personnel	Others (IHCL Subsidiaries)	Others (IHCL's Venture - TMFK)	Post Retirement benefit plans
Operating fees	**-**	**-**	**-**	**45**	**-**
received/accrued	-	-	-	*10*	-
Purchase of goods	**-**	**-**	**-**	**-**	**-**
	0.31	-	-	*0.21*	-
Sale of goods	**6**	**-**	**6**	**0.39**	**-**
	8	-	*5*	*0.44*	-
Purchase of services	**75**	**-**	**9**	**4**	**-**
	62	-	0.31	-	-
Reimbursement of Deputed Staff Salary	**111**	**-**	**-**	**34**	**-**
	103	-	-	*22*	-
Sale of services	**1**	**-**	**-**	**2**	**-**
	6	-	-	*1*	-
Reimbursement of Salary	**99**	**-**	**-**	**-**	**-**
	62	-	-	-	-
Interest Received	**-**	-	**124**	-	-
	-	-	*67*	-	-
Deposit Placed	**-**	**-**	**1,225**	**-**	**-**
	-	-	*500*	-	-
Contributions to funds	-	-	-	-	**341.55**
	-	-	-	-	*348.23*
Remuneration Paid (See Footnote i)		**121**	**-**	**-**	**-**
	-	*130*	-	-	-
Balance outstanding at the end of the year					
Trade Payables					
31st March 2019	**2**	-	**0.78**	-	-
31st March 2018	*23*	-	-	-	-
Due from/(to) on Current A/c					
31st March 2019	**100**	**-**	**19**	**0.7**	**-**
31st March 2018	*65*	-	*1*	*24*	**-**
Deposits Receivable					
31st March 2019	**-**	**-**	**1,225**	-	-
31st March 2018	-	-	*500*	-	-

Remuneration paid to Key Management Personnel

Particulars	**March 31, 2019 ₹ (in Lakhs)**	March 31, 2018 ₹ (in Lakhs)
Sudeep Pal	**71**	65
Sanjeev Gujral	**37**	55
Neha Khanna	**13**	10
Total	**121**	130

Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole and long term incentive.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 29 : Related Party Disclosures: (Contd.)

(C) Statement of Material Transactions

₹ (in Lakhs)

Name of the Company	The Indian Hotels Company Ltd.	Taj Madras Kitchen Private Ltd.	Piem Hotels Ltd.	Skydeck Properties and Developers Private Ltd.	Roots Corporation Ltd.	United Hotels Ltd.	Post -retiremet benefit plans
Purchase of goods	-	-	-	-	-	-	-
	0.31	*0.21*	-	-	-	-	-
Sale of goods	**6**	**0.25**	-	-	-	**5**	-
	8	*0.09*	*1.12*	-	-	*4*	-
Purchase of services	**75**	**1**	**1**	-	**1**	-	-
	62	-	*0.21*	-	*0.18*	-	-
Reimbursement of Deputed Staff Salary	**111**	**34**	-	-	-	-	-
	103	22	-	-	-	-	-
Sale of services	**1**	**2**	-	-	-	-	-
	6	*1*	-	-	-	-	-
Reimbursement of Salary	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Interest on ICD received	-	-	**45**	-	**56**	-	-
	-	-	*8*	*0.35*	*59*	-	-
Operating fees received/ accrued	-	**45**	-	-	-	-	-
	-	*10*	-	-	-	-	-
Deposits Placed	-	-	**1,200**	-	-	-	-
	-	-	-	-	*500*	-	-
Contribution to funds	-	-	-	-	-	-	**341**
	-	-	-	-	-	-	**348**

₹ (in Lakhs)

Name of the Company	Taj GVK Hotels & Resorts Ltd.	SATS Ltd.	Benaras Hotels Ltd	Taida Trading & Industries	Oriental Hotels Ltd
Purchase of goods	-	-	-	-	-
	-	-	-	-	-
Sale of goods	**0.13**	-	**1**	-	-
	0.35	-	-	-	-
Purchase of services	**3**	-	-	-	**6**
	-	-	-	-	-
Reimbursement of Deputed Staff Salary	-	-	-	-	-
	-	-	-	-	-
Sale of services	-	-	-	-	-
	-	-	-	-	-
Reimbursement of Salary	-	**99**	-	-	-
	-	*62*	-	-	-
Interest on ICD received	-	-	**22**	-	-
	-	-	-	-	-
Operating fees received/accrued	-	-	-	-	-
	-	-	-	-	-
Deposits Placed	-	-	-	**25**	-
	-	-	-	-	-
Contribution to funds	-	-	-	-	-
	-	-	-	-	-

Figures in Italic relate to previous year

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 30 : Segment Information:

The Company is engaged in the business of airline and allied catering only. These, in the context of Indian Accounting Standard 108 (Ind AS 108) on segment reporting are considered to constitute single operating segment. The Company has its entire operations in India and hence entire revenue is generated in India, all the services are rendered to the customers in India and there are no assets which are situated outside India.

As the Company is engaged in a single operating segment, segment information is tabulated below:

Revenue from major products and services

The following is an analysis of the Company's revenue from operations from its major products and services.

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Sale of food and beverages	**31,988**	29,992
Handling services	**3,885**	3,413
Hi-Lift services	**2,847**	2,654
Total	**38,720**	36,059

Information about major customers

Included in revenue arising from operations of ₹40,869 Lakhs (2017-18: ₹ 37,789 Lakhs) (see Note 20) are revenues of approximately ₹21,424 Lakhs (2017-18: ₹ 20,947 Lakhs) which arose from sales to Company's four largest customers. No other single customers contributed 10% or more to the Company's revenue for the year ended 31st March 2019 and 31st March 2018.

Note 31 : Earnings per Share (EPS):

Earnings Per Share is calculated in accordance with Indian Accounting Standard 33 – 'Earnings Per Share' – (Ind AS-33) prescribed under Section 133 of the Companies Act, 2013.

Particulars	**March 31, 2019**	**March 31, 2018**
Profit after tax –(₹ Lakhs)	**1,963**	2,170
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS	**17,400,000**	17,400,000
Considered in calculation of Diluted EPS	**17,400,000**	17,400,000
Face Value per Ordinary Share (₹)	**10**	10
Earnings Per Share (₹):		
Basic	**11.28**	12.47
Diluted	**11.28**	12.47

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 32 : Financial Instruments

(a) Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

Fair Value Measurement:

₹ Lakhs

March 31, 2019	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	**526**	**526**
Other balances with bank	-	**104**	**104**
Investments	**7,766**	**-**	**7,766**
Loans	-	**1,225**	**1,225**
Trade Receivables	-	**6,791**	**6,791**
Other financial assets	-	**1,173**	**1,173**
Total	**7,766**	**9,819**	**17,585**
Financial liabilities:			
Trade Payables	-	**3,699**	**3,699**
Other financial liabilities	-	**1,025**	**1,025**
Total	-	**4,724**	**4,724**
March 31, 2018			
Financial assets:			
Cash and cash equivalents	-	842	842
Other balance with banks	-	89	89
Investments	8,149	-	8,149
Loans	-	500	500
Trade Receivable	-	6,880	6,880
Other financial assets	-	1,490	1,490
Total	**8,149**	**9,801**	**17,950**
Financial liabilities:			
Trade Payables	-	3,390	3,390
Other financial liabilities	-	987	987
Total	-	**4,377**	**4,377**

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- **Level 1** — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes mutual funds that have quoted price/ declared NAV.
- **Level 2** — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 32 : Financial Instruments (Contd.)

- **Level 3** — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

₹ (in Lakhs)

As of March 31, 2019:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	7,766	-	-	7,766
Total	**7,766**	**-**	**-**	**7,766**
As of March 31, 2018:	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Mutual fund units	8,149	-	-	8,149
Total	**8,149**	**-**	**-**	**8,149**

i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

ii) The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(b) Financial risk management:

The Company has exposure to the following risk arising from financial instruments:

i. **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

a. **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. However, Company does not have any exposure in foreign currency and hence it is not exposed to foreign currency exchange rate risk.

b. **Interest rate risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company does not have any long term borrowings at variable interest rates and hence is not exposed to interest rate risk.

ii. **Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits, loans and other financial assets. Intercorporate deposits are placed with Roots Corporation limited, subsidiary of Indian Hotels Ltd (The Controlling entity). None of the other financial instruments of the Group result in material concentration of credit risk.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 32 : Financial Instruments (Contd.)

(c) Capital Management:

The Company's objective for capital management is to maximise shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and borrowings – long-term and short-term.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹17,585/- Lakhs and ₹17,950/- Lakhs as of March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments.

Taj SATS's exposure to customers is diversified and customers contributing to more than 10% of outstanding accounts receivable and unbilled revenue are as given below.

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Customer count	**2**	2
Amount receivable	**5,731**	4,345

There is no other customer single customer contributing to more than 10% of the accounts receivable and unbilled revenue.

(d) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

All the financial liabilities of the Company will mature within one year from the date of the financial statements and the Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

(e) Fair value of financial assets and liabilities that are measured at amortised cost

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2019.

Financial assets	**Total carrying value ₹ (in Lakhs)**	**Total Fair value ₹ (in Lakhs)**
Trade receivables	**6,791**	**6,791**
Other balance with banks	**104**	**104**
Loans	**1,225**	**1,225**
Cash and Cash Equivalents	**526**	**526**
Other financial assets:		
- current	**633**	**633**
- non-current	**540**	**540**
Total	**9,819**	**9,819**

Financial liabilities	**Total carrying value ₹ (in Lakhs)**	**Total Fair value ₹ (in Lakhs)**
Trade payables	**3,699**	**3,699**
Other financial liabilities:		
- current	**880**	**880**
- non-current	**145**	**145**
Total	**4,724**	**4,724**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 32 : Financial Instruments (Contd.)

As at 31st March, 2018

Financial assets	**Total carrying value ₹ (in Lakhs)**	**Total Fair value ₹ (in Lakhs)**
Trade receivables	6,880	6,880
Other balance with banks	89	89
Loans	500	500
Cash and Cash Equivalents	842	842
Other financial assets:		
- current	1,007	1,007
- non-current	483	483
Total	**9,801**	**9,801**

As at 31st March, 2018

Financial liabilities	**Total carrying value ₹ (in Lakhs)**	**Total Fair value ₹ (in Lakhs)**
Trade payables	3,390	3,390
Other financial liabilities:		
- current	987	987
Total	**4,377**	**4,377**

Note 33 : Earnings in Foreign Exchange:

	March 31, 2019 ₹ (in Lakhs)	March 31, 2018 ₹ (in Lakhs)
Earnings in Foreign Exchange: (On accrual basis)	**10,374**	9,409

Earnings in foreign exchange represent amounts received/receivable by the Company from International Airlines, charters, diplomatic missions etc. in Indian Rupees out of their repatriable funds and include settlements made in foreign currency by the customers.

Note 34 : Corporate Social Responsibility:

The gross amount required to be spent by the Company during the year as per section 135 of the Companies Act, 2013 is ₹47 Lakhs (previous year ₹29 Lakhs). Against this sum, the Company has spent ₹47 Lakhs (previous year ₹29 Lakhs) on projects other than construction / acquisition of assets. The entire amount has been disbursed prior to the end of the financial year.

Note 35 : Other Information:

Information with regard to other matters, as required by Schedule III to the Act is either NIL or not applicable to the Company for the year.

Note 36 : Dividends:

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company.

On May 10, 2018 the Board of Directors of the Company have proposed a final dividend of ₹5.20 per share in respect of the year ended March 31, 2018, approved by shareholders at the Annual General Meeting and resulted in a cash outflow of ₹1,091 Lakhs, inclusive of dividend distribution tax of ₹186 Lakhs.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 37 : Ind AS 115 'Revenue from contracts with customers'

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' that replaces Ind AS 18 'Revenue Recognition'. It introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the modified retrospective applicationcumulative effect method permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended March 31, 2019 only (i.e. the initial application period). Modified retrospective applicationThis method also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at April 1, 2018 ('transition date') in equity and the comparative information continues to be reported under Ind AS 18. The impact of the adoption of the standard on the financial statements is not material.

Also the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months. (Also refer Credit Risk)

Prior to adoption of Ind AS 115, the Company's revenue was primarily comprised of Revenue from Airline catering, Revenue from allied services (Handling and hi-lifting services, laundry services, bonded warehousing services etc.), Management and Operating Fee and SEIS income. The recognition of these revenue streams is largely unchanged under Ind AS 115.

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and Loss:

Revenue from operations

Revenue from contract with customers		**March 31, 2019 ₹ (in Lakhs)**
a)	Sale of food and beverages	31,988
b)	Revenue from Air catering and Allied services.	7,632
c)	Management and operating fee	45
d)	Other Revenue	1,204
	Total Revenue from operations	**40,869**

Revenue based on products and services:

Revenue from contract with customers		**March 31, 2019 ₹ (in Lakhs)**
a)	Sale of food and beverages	31,988
b)	Income from handling services	3,885
c)	Income from hi-loader service	2,847
d)	Income from laundry services	526
e)	Income from bonded warehouse	343
f)	Income from Miscellaneous services	31
g)	Management and operating fee	45
h)	Service Export India Scheme	65
i)	Other Income	1,139
	Total Revenue	**40,869**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 37 : Ind AS 115 'Revenue from contracts with customers' (Contd.)

Contract Balances

Contract liability

The contract liability relates to the advance consideration received from customers before the related performance obligation is satisfied. Revenue is recognized once the performance obligation is over/ services delivered.

The related disclosures are as under:

	March 31, 2019 **₹ (in Lakhs)**	April 1, 2018 # ₹ (in Lakhs)
Advances collected from the customers *	**79**	358

The Company has adopted Ind AS 115 using the cumulative effect method with the effect of initially applying this standard be recognized at the date of the initial application (April 1, 2018).

* Considering the nature of the business, the advance collected are generally materialized as revenue within the same operating cycle.

Note 38 : Overdraft balance:

Overdraft in current account carries interest rate @ 12.25% p.a. as at March 31, 2019.

Note 39 : Prior year comparatives:

Prior year financial statements have been audited by a firm of Chartered Accountants other than B S R & Co. LLP. The figures for the previous year has been regrouped / rearranged as necessary to confirm to the current year's presentation.

Financial Statement caption	**Old Caption**	**New Caption**	**₹ in Lakhs**
Provisions	Other Employee benefits	Vendor Payables	55
Provisions	Compensated absences (Short term provision)	Compensated absences (Long term provision)	145
Other Financial liabilities	Deposits from others-Unsecured (Current)	Deposits from others-Unsecured (Non-Current)	73
Other operating and general expenses	Loss on sale of property, plant and equipment	Profit on sale of property, plant and equipment (Net)	4

As per our Report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Date : April 24, 2019
Place : Mumbai

For and on behalf of the Board
Puneet Chhatwal
Chairman
DIN : 07624616

Mehernosh Kapadia
Vice Chairman
DIN : 00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

INDEPENDENT AUDITOR'S REPORT

To The Members of TAJ ENTERPRISES LIMITED

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of TAJ ENTERPRISES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

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 accounting principles generally accepted in India:

(i) In the case of Balance Sheet, the state of affairs of the Ind AS Company as at March 31, 2019;

(ii) In the case of the Statement of Profit and Loss including other comprehensive income, of the profit for the period ended on that date;

(iii) In case of the Statement of Cash Flows, of the cash flows for the period ended on that date;

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together along with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

There are no Key Audit Matters to be reported.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the information other than the Ind AS Financial Statements and Auditor's Report thereon. The Other Information comprises the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report (collectively called as "Other Information") but does not include the Ind AS Financial Statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein; we are required to communicate the matters to those charged with governance.

Responsibility of Management 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), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

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.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are also responsible for overseeing the company's financial reporting process.

Auditor's responsibility on the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements 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 assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

(ii) As required by sub-section (3) of section 143 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;

INDEPENDENT AUDITOR'S REPORT (Contd.)

(c) The Balance Sheet, The Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows 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 Ind AS Financial Statements comply with the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the existence of the internal financial controls with reference to Ind AS Financial Statements, refer to our separate Report in Annexure B. Our report expresses an unmodified opinion on the existence of the Company's internal financial controls with reference to Ind AS Financial Statements; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year, therefore the provisions of Section 197 read with Schedule V of the Act is not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 in its Ind AS Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;

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

For Damji Merchant and Co.
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No.003741

Place: Mumbai
Date: April 25, 2019

Annexure A to the Independent Auditor's Report

Referred to in paragraph 7 of our Report of even date to the members of Taj Enterprises Limited on the Ind AS Financial Statements of the company for the year ended 31st March, 2019

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) In respect of the Fixed Assets :

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

b. The fixed assets of the Company have been physically verified by the management at reasonable intervals. According to the information and explanations given to us by the management, no material discrepancies have been noticed on such verification.

c. According to the information and explanations given to us and on the basis of examination of records of the Company, title deeds of immovable property are held in the name of the Company.

(ii) The Company has no inventories and therefore, question of its physical verification does not arise.

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

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments, provided any guarantees and security to its directors and any other entities in which the directors are interested and therefore question of complying with the provisions of section 185 and 186 of Companies Act, 2013 does not arise.

(v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.

(vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added tax, Goods and Services Tax, Cess and any other statutory dues, as applicable, with appropriate authorities in India. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable. Since there were no employees, the question of payment of dues on Provident Fund and Employees' State Insurance does not arise;

(b) According to the information and explanation given to us, there are no disputed dues on account of Income Tax, Sales tax, Service Tax, Duty of Customs or Duty of Excise, Value Added Tax and Goods and Services Tax.

(viii) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not availed of any loans from any financial institutions or bank or debenture holder.

(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, by its officers or employees nor the same has been noticed or reported during the course of our audit. We have also not been informed of any such instance by the Management.

Annexure A to the Independent Auditor's Report (Contd.)

(xiii) According to the records of the Company examined by us and as per the information and explanations given to us, all the transactions with the related party are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards-Refer Note No. 24.

(xv) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we have not reported on item nos. (ix), (xi), (xii), (xiv) and (xvi) of (CARO), 2016 as the same are not applicable to the company.

For Damji Merchant and Company
Chartered Accountants
Firm's Registration Number: 102082W

Damji Merchant
Partner
Membership Number: 003741

Place: Mumbai
Date: April 25, 2019

Annexure B to the Independent Auditor's Report

Referred to in paragraph 7(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Ind AS Financial Statements of Taj Enterprises Limited.

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

In conjunction with our audit of the Ind AS Financial Statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Taj Enterprises Limited as of that date.

Opinion

In our opinion, the Company has, in all material respects, existence of internal financial controls with reference to Ind AS Financial Statements and such internal financial controls with reference to Ind AS Financial Statements were operating effectively as at March 31, 2019, 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.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 existence of Company's internal financial controls with reference to Ind AS Financial Statements 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 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 existence of internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the existence of the internal financial controls with reference to Ind AS Financial Statements and their operating effectiveness. Our audit of existence 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 Ind AS 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 existence of Company's internal financial controls with reference to Ind AS Financial Statements.

Annexure B to the Independent Auditor's Report (Contd.)

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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS 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.

For Damji Merchant and Co.
Chartered Accountants
Firm's Registration Number: 102082W

Damji Merchant
Partner
Membership Number: 003741

Place: Mumbai
Date: April 25, 2019

Balance Sheet as at March 31, 2019

(₹ in Thousands)

	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	**1,758**	1,770
Financial assets			
Investments	4	**720**	720
Loans	5	**-**	-
Other financial assets	6(a)	**20**	-
Advance income tax (Net)		**61**	45
Current assets			
Financial assets			
Cash and cash equivalents	8	**46**	584
Other balances with banks	9	**38,757**	37,322
Other financial assets	6(b)	**523**	507
Other current assets	7	**12**	-
TOTAL		**41,897**	**40,948**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	**5,000**	5,000
Other equity	11	**36,688**	35,810
Total equity		**41,688**	**40,810**
Liabilities			
Current liabilities			
Financial liabilities			
Trade Payable			
Total outstanding dues of micro and small enterprises		**-**	-
Total outstanding dues of creditors other than micro and small enterprises		**160**	-
Other financial liabilities	12	**45**	135
Other current liabilities	13	**4**	3
		209	**138**
TOTAL		**41,897**	**40,948**

The accompanying notes form an integral part of the financial statements (1 - 26)

As per our report of even date attached

For Damji Merchant and Co.
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No : 003741

For and on behalf of the Board

Ashok Binnani
Director
03326335

Beejal Desai
Director
03611725

Nabakumar Shome
Director
03605594

Place: Mumbai
Date: April 25, 2019

Statement of Profit and Loss for year ended 31st March, 2019

(₹ in Thousands)

	Note No.	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Income			
Other income	14	**2,488**	2,402
Total Income		**2,488**	**2,402**
Expenses			
Depreciation and amortisation expenses	3	**12**	14
Other expenses	15	**948**	715
Total Expenses		**960**	**729**
Profit Before Tax		**1,528**	1,673
Tax Expense	16		
- Current tax		**647**	619
- Taxes for earlier years		**2**	(10)
Total Tax Expense		**649**	**609**
Profit After Tax		**879**	**1,064**
Other Comprehensive Income		**-**	-
Total Comprehensive income for the period		**879**	**1,064**
Earnings Per Share:			
Basic and Diluted (On face value of equity share of ₹100/- each)	22	**17.58**	**21.28**

The accompanying notes form an integral part of the financial statements (1 - 26)

As per our report of even date attached
For Damji Merchant and Co.
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No : 003741

For and on behalf of the Board

Ashok Binnani	**Beejal Desai**	**Nabakumar Shome**
Director	Director	Director
03326335	03611725	03605594

Place: Mumbai
Date: April 25, 2019

Statement of Changes in Equity for the year ended March 31, 2019

		Reserves and Surplus	(₹ in Thousands)
	Equity Share Capital	Retained Earnings	Total
Balance as at April 1, 2017	**5,000**	**34,746**	**39,746**
Profit for the year	-	1,064	1,064
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	**1,064**	**1,064**
Balance as at March 31, 2018	**5,000**	**35,810**	**40,810**
Profit for the year	-	879	879
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	879	879
Balance as at March 31, 2019	**5,000**	**36,688**	**41,688**

As per our report of even date attached

The accompanying notes form an integral part of the financial statements (1 - 26)

As per our report of even date attached

For Damji Merchant and Co.
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No : 003741

For and on behalf of the Board

Ashok Binnani
Director
03326335

Beejal Desai
Director
03611725

Nabakumar Shome
Director
03605594

Place: Mumbai
Date: April 25, 2019

Statement of Cash Flow for the year ended 31st March, 2019

(₹ in Thousands)

		For the year ended 31st March 2019	For the year ended 31st March 2018
A)	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	**1,528**	1,673
	Adjustment for:		
	Depreciation	**12**	14
	Interest Income	**(2,488)**	(2,402)
	Operating Profit before Working Capital Changes (1)	**(948)**	**(715)**
	Increase/(Decrease) in Trade and Other Payables	**37**	(93)
	Changes in Working Capital (2)	**37**	**(93)**
	Cash generated/(used in) Operations (1+2)	**(911)**	**(808)**
	Direct Tax Paid	**(664)**	(605)
	Net Cash Flow from/(used in) Operating Activities (A)	**(1,575)**	**(1,413)**
B)	**Cash Flow from Investing Activities**		
	Interest Received	**2,472**	2,502
	Fixed Deposit made	**(1,435)**	(11,618)
	Inter Corporate Deposits Received	**-**	10,000
	Net Cash Flow from/(used in)Investing Activities (B)	**1,037**	**884**
C)	**Cash Flow from Financing Activities**		
	Interest Paid	**-**	-
	Net Cash Flow from/(used in) Financing Activities (C)	**-**	-
	Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	**(538)**	(529)
	Cash & Cash Equivalents as at the begining of the year	**584**	1,113
	Cash & Cash Equivalents as at the end of the year (Refer Note - 7)	**46**	**584**

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard-7 on "Statement of Cash Flows".
2. The previous year figures have been regrouped / rearranged wherever considered necessary.
3. Figures in bracket represents cash outflow.

As per our report of even date attached
For Damji Merchant and Co.
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No : 003741

For and on behalf of the Board

Ashok Binnani	**Beejal Desai**	**Nabakumar Shome**
Director	Director	Director
03326335	03611725	03605594

Place: Mumbai
Date: April 25, 2019

Notes to the Financial Statements for the year ended March 31, 2019

Note 1 : CORPORATE INFORMATION

Taj Enterprises Limited ("the Company"), is a public limited company incorporated in 1979 and has its registered office at Hotel Taj Palace, Sardar Patel Marg, New Delhi 110021, promoted by The Indian Hotels Company Limited ("IHCL") which holds controlling interest along with its other subsidiaries in the Company.

The Financial Statements were approved by the Board of Directors and authorised for issue on April 25, 2019.

Note 2 : SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis.

All income & expenditure having a material bearing on the financial statement is accounted for on accrual basis and provision is made for all known losses and liabilities.

c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of Property, Plant and Equipment at the balance sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, Plant and Equipment is tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Tax:** Provision for tax liabilities requires 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.

d) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is measured at the fair value of the consideration received or receivable.

Dividend income is recognized as and when the owner's right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest rate method.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

e) Property, Plant and Equipment

Property, Plant and Equipment is stated at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any.

All Property, Plant and Equipment is initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs.

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.

Depreciation is provided on the basis of written down value method as per their useful life as prescribed in Schedule II of the Companies Act, 2013.

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

f) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation/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.

g) Income Tax

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 profit or 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 expense is 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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

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.

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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit 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.

h) Earnings Per Share

Basic Earnings per share is 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares unless the effect of potential dilutive equity shares is anti-dilutive.

i) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, but their existence or otherwise would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent asset being a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company, is not recognized but disclosed in the financial statements.

j) Cash and Cash Equivalents (for the purpose of cash flow statements)

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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

k) **Financial Instruments**

Financial Assets:

Classification

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

Initial Recognition and measurement

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) 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.

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 and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in Subsidiaries (including Fellow Subsidiaries), Joint Ventures and Associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

The Company has elected to continue with the carrying value of its Investment in fellow subsidiary recognized as of April 1, 2015 (Ind AS transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

ii) Trade receivables.
The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities:

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables which are subsequently measured at amortised cost.

Derecognition

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

Offsetting of financial instruments

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

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 recognized at the proceeds received, net of direct issue costs.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

l) Recent accounting pronouncements:

i) New standard notified and adopted by the Company

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer

ii. Identification of the performance obligations in the contract

iii. Determination of the transaction price

iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments have any material effect on the Company's financial statements.

ii) New standard notified but not early adopted by the Company

i. New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

As the Company does not have any long-term lease contract as on date, the new standard is not expected to have any effect on the Company's financial statements.

ii. Other Amendments

a. Ministry of Corporate Affairs has issued additional guidance on Ind AS 12 – Income Taxes pertaining to "accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities". This notification is not expected to have any material impact on the Company's financial statements.

b. Other than (a) above, there are certain other modifications notified in the existing accounting standards on miscellaneous issues which is applicable with effect from 1st April 2019. None of these standards are applicable to the Company.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 3 : Property, Plant and Equipment

(₹ in Thousands)

	Land (Freehold)	Buildings	Total Assets
Cost			
At April 1, 2017	1,692	129	1,821
Additions	-	-	-
Disposals	-	-	-
At March 31, 2018	**1,692**	**129**	**1,821**
Additions	-	-	-
Disposals	-	-	-
At March 31, 2019	**1,692**	**129**	**1,821**
Depreciation			
At April 1, 2017	-	37	37
Charge for the Year	-	14	14
Disposals	-	-	-
At March 31, 2018	**-**	**51**	**51**
Charge for the year	-	12	12
Disposals	-	-	-
At March 31, 2019	**-**	**63**	**63**
Net Block			
At April 1, 2017	**1,692**	**92**	**1,784**
At March 31, 2018	**1,692**	**78**	**1,770**
At March 31, 2019	**1,692**	**66**	**1,758**

Note 4 : Investments

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
Non-current Investment		
Fully Paid Unquoted Equity Investment		
Inditravel Limited (Fellow Subsidiary Company)	**720**	720
72,000 (Previous years 72,000) Equity Shares of ₹ 10/- each fully paid up		
Total	**720**	**720**
Notes:		
Aggregate amount of Investments		
a) Unquoted	**720**	720
b) Quoted	**-**	-
Market Value of Quoted Investments	**-**	-
c) Aggregate amount of impairment in value of investments	**-**	-

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 5 : Loan

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
Non Current Loans		
(Unsecured, considered good unless stated otherwise)		
Loan Receivables with others - Credit impaired		
Private Club Consultants	**1,000**	1,000
Less: Allowance for credit impaired	**(1,000)**	(1,000)
Total	**-**	-

Note 6 : Other Financial Assets

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
(a) Non Current Financial Assets		
Deposits with Public Bodies and Others at amortised costs		
Public Bodies and Others	**20**	-
Total	**20**	-
(b) Current Financial Assets		
Interest Receivable	**523**	507
Total	**523**	**507**

Note 7 : Other Assets

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
Other Current Assets		
Advance to Suppliers	**12**	-
Total	**12**	-

Note 8 : Cash and Cash Equivalents

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
Balances with bank in current account	**46**	584
Total	**46**	**584**

Note 9 : Other Balances with Banks

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
Call and Short-term deposit accounts	**38,757**	37,322
Total	**38,757**	**37,322**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 10 : Equity Share Capital

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
Authorised Share Capital		
1,00,000 (Previous Years 1,00,000) Equity Shares of ₹ 100/- each	**10,000**	10,000
	10,000	**10,000**
Issued, Subscribed and Fully Paid Up Share Capital		
50,000 (Previous Years 50,000) Equity Shares of ₹ 100/- each, fully paid up	**5,000**	5,000
Total	**5,000**	**5,000**

Footnotes:

Rights and Restrictions attaching to Equity Shares:

The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 100/-. Each holder of equity shares is entitled to one vote per share. In the event of Liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

Details of Shareholders holding more than 5 percent shares of the total number of equity shares

	As at 31st March 2019		As at 31st March 2018	
Name of the Shareholders	**No. of Shares**	**%**	No. of Shares	%
The Indian Hotels Company Limited	**22,298**	**44.6%**	22,298	44.6%
Piem Hotels Limited	**10,548**	**21.1%**	10,548	21.1%
Inditravel Limited	**12,450**	**24.9%**	12,450	24.9%
Mr. Jagat Singh	**3,000**	**6.0%**	3,000	6.0%

Equity Shares held by the Holding Company and by Subsidiaries of the Holding Company

	As at 31st March 2019	As at 31st March 2018
	No. of Shares	No. of Shares
The Indian Hotels Company Limited (Holding Company)	**22,298**	22,298
Piem Hotels Limited (Fellow Subsidiary Company)	**10,548**	10,548
Inditravel Limited (Fellow Subsidiary Company)	**12,450**	12,450
TOTAL	**45,296**	**45,296**

Reconciliation of Issued, Subscribed and Fully Paid up Equity Share Capital

	As at 31st March 2019	As at 31st March 2018
	No. of Shares	No. of Shares
Number of Equity Shares at the beginning of the year	**50,000**	50,000
Number of Equity Shares at the end of the year	**50,000**	50,000

Note 11 : Other Equity

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
Reserves & Surplus		
Retained Earnings		
Opening Balance as reported earlier	**35,809**	34,746
Add:- Current year Profits	**879**	1,064
Closing Balance	**36,688**	**35,810**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 12 : Other Current Financial Liabilities

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
Other liabilities	45	135
Total	**45**	**135**

Note 13 : Other Current Liabilities

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
Statutory dues	4	3
Total	**4**	**3**

Note 14 : Other Income

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
Interest Income from Financial assets at amortised cost		
Inter Corporate Deposit	-	41
Deposits with Bank	2,488	2,361
Total	**2,488**	**2,402**

Note 15 : Other Expenses

(₹ in Thousands)

	As at 31st March 2019	As at 31st March 2018
Security Services	822	621
Listing Fees	21	-
Legal & Professional Fees	69	31
Printing & Stationery	4	5
Bank Charges	2	2
Statutory Audit	30	40
Taxation Matters	-	15
Miscellaneous Expenses	-	1
TOTAL	**948**	**715**

Note 16 : Reconciliation between Tax Expense and Accounting Profit

A) Income Tax recognised in Profit or loss:

(₹ in Thousands)

	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Current Tax		
In respect of the current year	647	619
In repect of earlier years	2	(10)
Total tax expense recognised in the current year	**649**	**609**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

B) Reconciliation of tax expense with the effective tax

(₹ in Thousands)

	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Profit before tax (a)	**1,528**	1,673
Income tax rate as applicable (b)	**26.00%**	25.75%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**397**	431
Permanent tax differences due to:		
Effect of income that is exempt from taxation (Dividend income)	**-**	-
Effect of expenses that are not deductible in determining taxable profit	**250**	188
Tax expense for Current Year	**647**	**619**
Prior year taxes as shown above	**2**	(10)
Income tax expense recognised in Profit or loss	**649**	**609**

Note 17 : Financial Instruments by category
The carrying value and fair value of instruments by categories as on March 31,2019

(₹ in Thousands)

	Amortised cost	**Fair Value through Profit or Loss**	**Fair Value through OCI**	**Total Carrying Value**	**Total Fair value**
Financial assets:					
Loans-Non-Current (Net of Provsion) (Refer Note 4)	-	-	-	-	-
Other financial assets-Non-Current (Net of Provision) (Refer Note 5(a))	20	-	-	20	20
Cash and Cash Equivalents (Refer Note 7)	46	-	-	46	46
Other Balances with Banks (Refer Note 8)	38,757	-	-	38,757	38,757
Other financial assets-Current (Refer Note 5(b))	523	-	-	523	523
Total - Financial Assets	**39,346**	-	-	**39,346**	**39,346**
Financial liabilities:					
Trade Payable (including creditor for capital goods)	160	-	-	160	160
Other financial liabilities (Refer Note 11)	45	-	-	45	45
Total - Financial Liabilities	**205**	-	-	**205**	**205**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The carrying value and fair value of instruments by categories as on March 31,2018

(₹ in Thousands)

	Amortised cost	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair value
Financial assets:					
Loans-Non-Current (Net of Provsion) (Refer Note 4)	-	-	-	-	-
Other financial assets-Non-Current (Net of Provision) (Refer Note 5(a))	-	-	-	-	-
Cash and Cash Equivalents (Refer Note 6)	584	-	-	584	584
Other Balances with Banks (Refer Note 7)	37,322	-	-	37,322	37,322
Other financial assets-Current (Refer Note 5(b))	507	-	-	507	507
Total - Financial Assets	**38,413**	-	-	**38,413**	**38,413**
Financial liabilities:					
Trade Payable (including creditor for capital goods)	-	-	-	-	-
Other financial liabilities (Refer Note 11)	135	-	-	135	135
Total - Financial Liabilities	**135**	-	-	**135**	**135**

The Carrying amount of Investment in Subsidiary is treated as Deemed Cost thus it does not need to be classified as FVTPL/ FVTOCI/ Amortised Cost.

Note 18 : The accounts have been prepared on the basis that the Company will continue as a going concern despite the fact that the Company has not been into operations for the last ninteen years.

Note 19 : Contingent Liabilities and Commitments:
(to the extent not provided for)

a) **Contingent Liabilities:**
The Company does not have any contingent liability.

b) **Commitments:**
Estimated amount of contracts remaining to be executed on Capital Account and not provided for is Nil (P.Y. Nil).

Note 20 : Segment Reporting:
As the Company is not carrying any operations, there are no reportable segments, as required by Ind AS- 108 "Operating Segments".

Note 21 : The Company does not have any employee on its payroll during the period under report.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 22 : Earnings Per Share (EPS)

		For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Profit After Tax (₹ in Thousands)	A	**879**	1,064
Weighted average number of Equity Shares	B	**50,000**	50,000
Earnings Per Share - Basic and Diluted (₹)	A/B	**17.58**	21.28
Face Value per Equity Share (₹)		**100**	100

Note 23 : The Company has not received any information from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the MSMED Act) and hence disclosure, if any, relating to amounts unpaid as at the year-end together with interest paid / payable under the MSMED Act, have not been given.

Note 24 : Related Party Disclosures:

a) The names of the Related Parties of the Company are as under:

Holding Company

- The Indian Hotels Company Limited

Significant Shareholder and also Fellow Subsidiary Company

- Inditravel Limited
- PIEM Hotels Limited

b) The details of transactions with related parties are as follows:

(₹ in Thousands)

	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
The Indian Hotels Company Limited		
- Reimbursements Paid	**513**	844

Note 25 : Financial Risk Management Objectives and Policies

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risk applicable to Company is equity price risk.

Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities, including deposits with banks and inter-corporate deposits. Credit risk from balances with banks and inter-corporate deposits are managed by the Company's respective department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 26 : Capital Management

The Company's objectives when managing capital are to:

a) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

b) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, if any.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net Debt (total borrowings net of cash and cash equivalents)

divided by

Total 'Equity' (as shown in the Balance Sheet).

The Company does not have any debt and thus Debt to Equity ratio is Nil.

As per our report of even date attached

For Damji Merchant and Co.
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No : 003741

Place: Mumbai
Date: April 25, 2019

For and on behalf of the Board

Ashok Binnani	**Beejal Desai**	**Nabakumar Shome**
Director	Director	Director
03326335	03611725	03605594

Independent Auditor's Report

To the Members of Taj Trade And Transport Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Taj Trade And Transport Company Limited ('the Company'), which comprise the Balance sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement Of Changes In Equity and the Statement of Cash Flows and for the year ended on that date , and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards Rules , 2015, as amended , ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income , changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statement in accordance with the Standards of Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the Standalone Financial Statements section or our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting

Independent Auditor's Report (Contd.)

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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

(i) the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 25 to the Standalone 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 are no amounts that are 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 Chandrashekar Iyer & Co
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Partner
Membership No.47723

Mumbai, April 15, 2019

Annexure 'A' To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements section of our report to the Members of Taj Trade and Transport Company Limited of even date)

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 Taj Trade And Transport Company Limited ("the Company") as of 31st March 2019 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 Board of Directors of the Company 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 of the Company.

Meaning of Internal Financial Controls over Financial Reporting

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

Annexure 'A' To The Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us , the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019 , 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 Chandrashekar Iyer & Co
Chartered Accountants
Firm Registration No.: 114260W

(Chandrashekhar Iyer)
Partner
Membership No.:47723

Mumbai, April 15, 2019

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 Taj Trade and Transport Company Limited of even date)

i. In respect of the Company's fixed assets:

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

   b. During the year the Company had physically verified the fixed assets once and the material discrepancies had been suitably dealt with in the accounts. In our opinion the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets.

   c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has no immoveable property. Accordingly, sub clause (c) of clause (i) of paragraph 3 of the said order are not applicable.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records have been adequately provided for in the books of accounts.

iii. According to the information and explanations given to us, 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. Accordingly, sub-clauses (a) , (b) and (c) of clause (iii) of paragraph 3 of the said order are not applicable.

iv. According to the information and explanations given to us , the company has neither made any loans and investments. Accordingly, clause (iv) of paragraph 3 of the said order are not applicable.

v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Act and the rules framed there under are applicable.

vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities of the Company.

vii. a. The Company is generally regular in depositing with appropriate authorities applicable undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, goods and service tax (GST),custom duty, excise duty, and any other statutory dues applicable to it though there has been a slight delay in a few cases.

   b. According to the information and explanations given to us and on basis of examination of records, no undisputed amounts payable in respect of provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, goods and service tax (GST), customs duty, excise duty were outstanding, as at March 31, 2019 for a period of more than six months from the date they became payable.

Annexure 'B' To The Independent Auditor's Report (Contd.)

c. According to the records of the Company there are no dues of sales tax/Value added tax,goods & service tax, income-tax, customs duty and excise duty which have not been deposited on account of any dispute except the following :

Name of the Statue	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Kolkata Sales tax	Sales Tax	5,37,108/-	1994-95	West Bengal Appellate Authority
Maharashtra Sales Tax	Lease Tax	35,42,060/-	1998-99 to 2000-01	Sales Tax Appellate Tribunal (Mumbai)
Income Tax Act, 1961	Income Tax	9,42,450/-	AY 2012-13	Dy. Commissioner of Income Tax, Mumbai

viii. According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders or Government and accordingly clause viii of paragraph 3 of the said order is not applicable.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanations given to no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Accordingly clause (xi) of paragraph 3 of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties during the year are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For Chandrashekar Iyer & Co
Chartered Accountants
Firm Registration No.: 114260W

(Chandrashekhar Iyer)
Partner
Membership No.:47723

Mumbai, April 15, 2019

Balance Sheet as at March 31, 2019

	Note	March 31, 2019 ₹	March 31, 2018 ₹
Assets			
Non-current assets			
Property, plant and equipment	3	2,36,17,873	2,12,41,260
Capital work-in-progress	3	8,82,500	9,93,956
Other Intangible assets	4	1,87,927	1,83,193
		2,46,88,300	2,24,18,409
Financial assets			
Investments	5	1,94,44,221	1,94,44,221
Loans	6	84,436	2,28,629
Income Tax Asset (Net)		2,01,28,481	1,77,80,342
Other financial assets	7	-	14,72,977
Total non-current assets		6,43,45,438	6,13,44,578
Current assets			
Inventories	9	3,02,04,279	7,32,62,456
Financial assets			
Investments	8	3,98,49,517	4,98,66,159
Trade receivables	10	38,80,321	12,33,583
Cash and cash equivalents	11	1,39,28,553	1,83,52,756
Bank balances other than cash and cash equivalents	12	4,14,19,488	3,65,27,789
Loans	6	65,18,696	88,88,240
Other current assets	13	3,65,100	4,53,645
Total current assets		13,61,65,954	18,85,84,628
Total Assets		20,05,11,392	24,99,29,206
Equity and Liabilities			
Equity			
Equity share capital	14	3,46,82,250	3,46,82,250
Other equity	15	10,31,17,092	11,04,37,434
Total equity		13,77,99,342	14,51,19,684
Liabilities			
Non-current liabilities			
Provisions	16	42,34,464	36,28,244
Total non current liabilities		42,34,464	36,28,244
Current Liabilities			
Financial liabilities			
Trade payables	17	4,33,53,932	8,76,23,015
Other current liabilities	18	1,48,76,767	1,31,55,739
Provisions	16	2,46,887	4,02,524
Total current liabilities		5,84,77,586	10,11,81,278
Total Equity and Liabilities		20,05,11,392	24,99,29,206
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements from 1 to 40

As per our report attached
For Chandrashekar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Place : Mumbai
Dated : April 15, 2019

Statement of Profit and Loss for year ended 31st March, 2019

	Note	March 31, 2019 ₹	March 31, 2018 ₹
Income			
Revenue from operations	19	**17,56,62,147**	15,13,39,084
Other income	20	**84,11,098**	61,64,928
Total Income		**18,40,73,245**	15,75,04,012
Expenses			
Material Purchased	21	**5,45,23,621**	9,61,24,668
Changes in Inventories	22	**4,86,31,471**	(75,67,704)
Employee benefit expenses	23	**3,40,78,226**	2,90,14,578
Depreciation and amortisation expense		**37,58,656**	34,43,785
Other expenses	24	**4,80,51,784**	3,36,70,082
Total Expenses		**18,90,43,758**	15,46,85,409
Profit/ (Loss) before exceptional items and tax		**(49,70,513)**	28,18,603
Exceptional items		**-**	-
Profit/ (Loss) before tax		**(49,70,513)**	28,18,603
Tax expense			
Current tax		**-**	2,68,500
MAT Credit utilised		**-**	(2,68,500)
Deferred tax		**-**	
Total		**-**	-
Profit/ (Loss) after tax		**(49,70,513)**	28,18,603
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**(23,49,829)**	(9,84,459)
		(23,49,829)	(9,84,459)
Total comprehensive Income for the period		**(73,20,342)**	18,34,144
Profit/ (Loss) for the period attributable to:			
Owners of the Company		**(49,70,513)**	28,18,603
Total Comprehensive Income for the period attributable to			
Owners of the Company		**(73,20,342)**	18,34,144
Earnings per share:			
Basic - (₹)		**(1.43)**	0.81
Diluted - (₹)		**(1.43)**	0.81
Face value per equity share - (₹)		**10**	10
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements from 1 to 40

As per our report attached
For Chandrashekar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place : Mumbai
Dated : April 15, 2019

For and on behalf of the Board

Faisal Momen	**Nabakumar Shome**
Director	Director
DIN : 00064878	DIN : 03605594

Cash Flow Statement for the year ended March 31, 2019

	March 31, 2019 ₹	March 31, 2018 ₹
Cash Flow From Operating Activities		
Net Profit Before Tax	**(49,70,513)**	30,87,103
Adjustments For :		
Depreciation and Amortisation	**37,58,656**	33,88,743
Provision for Doubtful Debts and Advances	**-**	-
Loss/(profit) on sale of assets	**(30,525)**	(1,07,350)
Dividend Income	**(26,33,961)**	(21,35,340)
Interest Income	**(32,72,127)**	(27,58,221)
Provision for Contingencies	**-**	-
Provision for devaluation of stock	**(55,73,294)**	(5,10,187)
Provision for Employee Benefits	**(23,49,829)**	(9,84,459)
	(1,01,01,080)	(31,06,814)
Cash Operating Profit before working capital changes	**(1,50,71,592)**	(19,711)
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**4,86,31,471**	(75,67,704)
Trade Receivables	**(26,46,738)**	1,24,667
Short-term loans and advances	**23,73,384**	86,69,841
Loans and advances	**1,44,193**	(6,67,447)
Other Current Assets	**88,545**	3,77,093
Other Non-Current Assets	**14,72,977**	6,46,384
	5,00,63,832	15,82,834
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**(4,42,69,083)**	87,60,154
Short term provisions	**(1,55,637)**	6,569
Long-term Provisions	**6,06,220**	11,12,750
Other Liabilities	**17,21,028**	-5,68,097
	(4,20,97,472)	93,11,376
Cash Generated from Operating Activities	**(71,05,233)**	1,08,74,499
Direct Taxes (Paid)/ Refunded	**(23,48,138)**	(32,29,853)
Net Cash Generated From Operating Activities (A)	**(94,53,373)**	76,44,646

Cash Flow Statement for the year ended March 31, 2019 *(Contd.)*

	March 31, 2019 ₹	March 31, 2018 ₹
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	**(60,70,199)**	(14,41,833)
Purchase of intangible assets	**(69,804)**	(1,04,280)
Sale of Property, Plant and Equipment	**30,525**	1,41,937
Capital Work in Progress	**1,11,456**	(18,84,374)
Purchase of current Investments	**1,00,16,642**	(21,32,336)
Interest Received	**29,69,120**	27,58,221
Dividend Received	**29,33,129**	20,49,457
Bank Balances not considered as Cash and Cash Equivalents	**(48,91,699)**	(4,088)
Net Cash Generated/(Used) In Investing Activities (B)	**50,29,170**	(6,17,296)
Cash Flow From Financing Activities		
Dividend paid (Including tax on dividend)	**-**	(41,74,286)
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	(41,74,286)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(44,24,203)**	28,53,064
Cash and Cash Equivalents - Opening (Refer Note 11)	**1,83,52,756**	1,54,99,692
Cash and Cash Equivalents - Closing (Refer Note 11)	**1,39,28,553**	1,83,52,756

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements from 1 to 40

As per our report attached	For and on behalf of the Board
For Chandrashekar Iyer & Co.	
Chartered Accountants	

Chandrashekhar Iyer	**Faisal Momen**	**Nabakumar Shome**
Partner	Director	Director
Membership No. 47723	DIN : 00064878	DIN : 03605594
Firm Registration No. 114260W		

Place : Mumbai

Dated : April 15, 2019

Notes to the Financial Statements for the year ended March 31, 2019

Note 1: Corporate Information

Taj Trade and Transport co ltd is incorporated and domiciled in India and has its registered office at Mandlik House, Mandlik Road, Colaba, Mumbai 400 001. The Company is primarily engaged in the business of Retailing Merchandise under the brand name of Taj Khazana.

Note 2: Statement of significant accounting policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

(b) Standards Issued but not yet effective

Ind AS 116 – Leases

Ind AS 116 – Leases – As per the announcement of The Ministry of Corporate Affairs ("MCA"), Ind AS 116 is likely to be effective for accounting periods beginning on or after 1st April 2019. The Company will adopt the standard on April 1, 2019 as and when the notification will be issued by MCA.

(c) Basis of preparation and presentation:

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

(d) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **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 there the tax charge in the statement of profit or loss.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Provision for tax liabilities require judgements on the interpretation of tax law, 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.

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- **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.
- **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.
- All assets and liabilities are classified into current and non-current generally on the criteria of realisation /settlement within twelve months period from the Balance sheet date.

(d) Revenue recognition:

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer.

Revenue from operations

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes sale of goods and services.

Revenue from sale of goods is recognised net of trade discount, returns and indirect taxes on transfer of significant risks and rewards of ownership to the buyer (which generally coincides with the delivery of goods to the customers).

Rendering of services is recognised net off indirect taxes and is recognised in the period in which services have been rendered. These contracts are generally short term in nature.

Interest:

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend:

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

(e) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes all expenditure incidental to acquisition and installation.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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 assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that it's estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful life
Leasehold Improvements	05 years
Plant & Machinery / Office Equipment	15 years
Furniture & Fixtures	15 years
Electrical fittings	10 years
Computers	6 years

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

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

(f) Intangible Assets:

Intangible assets include cost of acquired software and Licences. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. The estimated useful life used for amortising intangible assets are as under:

Nature of Assets	Useful life adopted
Software and Licences	6 years

(g) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

(h) Foreign Currency Translation :

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 or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.[1]

(i) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell

(j) Inventories:

Traded goods and consumables are valued at lower of cost and net realisable value. Cost of traded goods is arrived on the basis of specific identification method. In the case of stocks of beauty salons, the same is valued under FIFO method.

(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 profit or 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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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 except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit 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) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(m) Employee Benefits

(i) Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees’ salary (currently 12% of employees’ salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(ii) Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

(iii) Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

(iv) Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

(n) Cash and Cash Equivalent (for the purpose of cash flow statements):

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.

(o) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no 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 / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(q) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the decision-maker who are responsible for allocating resources and assessing performance of the operating segments and have been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets/liabilities”.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(r) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

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.

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 and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Investment in equity – others is carried at lower of cost or fair value

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset 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:
  (a) The Company has transferred substantially all the risks and rewards of the asset, or
  (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

<u>Impairment of financial assets</u>

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

   The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

   The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

<u>Classification</u>

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

<u>Initial recognition and measurement</u>

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

<u>Financial liabilities at fair value through profit or loss</u>

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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated 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 the Statement of Profit and Loss. 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 and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

De-recognition

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 de-recognition 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.

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

	Improvements to Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles *	Total	Capital Work in Progress
	₹	₹	₹	₹	₹	₹	₹
Cost							
At April 1, 2017	48,85,114	76,24,731	1,76,72,824	-	1,200	3,01,83,869	14,51,274
Additions	6,41,884	15,64,033	14,79,170	98,438	-	37,83,525	18,84,374
Disposals/ Transfer	-	15,000	78,849	-	-	93,849	23,41,692
At March 31, 2018	**55,26,998**	**91,73,764**	**1,90,73,145**	**98,438**	**1,200**	**3,38,73,545**	**9,93,956**
Additions	3,54,454	6,29,607	49,51,888	1,34,250	-	60,70,199	13,68,644
Disposals/ Transfer	-	4,25,679	14,110	-	-	4,39,789	14,80,100
At March 31, 2019	**58,81,452**	**93,77,692**	**2,40,10,923**	**2,32,688**	**1,200**	**3,95,03,955**	**8,82,500**
Depreciation							
At April 1, 2017	36,47,935	25,76,994	30,77,875	-	-	93,02,804	
Charge for the year	5,55,606	12,80,522	15,46,851	5,763	-	33,88,743	
Disposals	-	15,000	44,261	-	-	59,261	
At March 31, 2018	**42,03,541**	**38,42,516**	**45,80,465**	**5,763**	**-**	**1,26,32,285**	
Charge for the year	6,22,422	12,81,919	17,65,073	24,172	-	36,93,586	
Disposals	-	4,25,679	14,110	-	-	4,39,789	
At March 31, 2019	**48,25,963**	**46,98,756**	**63,31,428**	**29,935**	**-**	**1,58,86,082**	
Net Block							
At March 31, 2018	13,23,457	53,31,248	1,44,92,680	92,675	1,200	2,12,41,260	9,93,956
At March 31, 2019	**10,55,489**	**46,78,936**	**1,76,79,495**	**2,02,753**	**1,200**	**2,36,17,873**	**8,82,500**

Footnotes :

1 * Cars & Vehicles including Leased Cars upto March 31, 2003 costing ₹ 49,39,770/- (Previous Year ₹ 49,39,770/-), WDV ₹ 1,200/- (Previous Year ₹ 49,39,770/-), WDV ₹ 1,200/- (Previous Year ₹ 1,200/-) have been held for disposal and valued at WDV or Net Realisable Value whichever is lower. Refer to note number 30 to notes to accounts.

2 For Capital Commitments Refer Note 25.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 4 : Intangible Assets (Acquired)

	Software ₹	Goodwill ₹	Total ₹
Cost			
At April 1, 2017	2,76,965	1,05,74,151	1,08,51,116
Additions	1,59,322	-	1,59,322
Disposals	-	-	-
At March 31, 2018	**4,36,287**	**1,05,74,151**	**1,10,10,438**
Additions	69,804	-	69,804
Disposals	-	-	-
At March 31, 2019	**5,06,091**	**1,05,74,151**	**1,10,80,242**
Amortisation			
At April 1, 2017	1,98,052	1,05,74,151	1,07,72,203
Charge for the year	55,042	-	55,042
Disposals	-	-	-
At March 31, 2018	**2,53,094**	**1,05,74,151**	**1,08,27,245**
Charge for the year	65,070	-	65,070
Disposals	-	-	-
At March 31, 2019	**3,18,164**	**1,05,74,151**	**1,08,92,315**
Net Block			
At March 31, 2018	1,83,193	-	1,83,193
At March 31, 2019	**1,87,927**	**-**	**1,87,927**

Note 5 : Investments

	March 31, 2019		March 31, 2018	
	Holdings As at	₹	Holdings As at	₹
Non Current Investments				
Fully Paid Quoted Equity Instruments				
Investments in Associate of Holding Companies (At Cost)				
Oriental Hotels Limited shares of Rs.1 each fully paid	**16,64,090**	**1,86,08,480**	16,64,090	1,86,08,480
	16,64,090	**1,86,08,480**	16,64,090	1,86,08,480
Fully Paid Unquoted Equity Instruments				
Investments in Subsidiary and Associates of Holding Companies (At Cost)				
Inditravel Limited shares of Rs.10 each fully paid	**72,001**	**7,20,750**	72,001	7,20,750
Taida Trading and Industries Limited shares of Rs. 100 each fully paid	**680**	**68,000**	680	68,000
	72,681	**7,88,750**	72,681	7,88,750

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 5 : Investments (Contd.)

	March 31, 2019		March 31, 2018	
	Holdings As at	₹	Holdings As at	₹
Other Investments (Cost or Fair value whichever is lower)				
Bombay Mercantile Co-op Bank Ltd	**333**	**9,990**	333	9,990
Saraswat Co-op Bank Ltd	**1,000**	**10,000**	1,000	10,000
	1,333	**19,990**	1,333	19,990
Total Investment in Equity instruments		**1,94,17,220**		1,94,17,220
Investment in Others				
National Saving Certificate *		**95,000**		95,000
		95,000		95,000
Total Non-current Investments - Gross		**1,95,12,220**		1,95,12,220
Less : Provision for Diminution in value of Investments **		**(67,999)**		(67,999)
Total Non-current Investments - Net		**1,94,44,221**		1,94,44,221

Footnotes :

1) Aggregate value of cost of Quoted Investments	**1,86,08,480**	1,86,08,480
2) Aggregate market value of Quoted Investments	**6,95,58,962**	6,95,58,962
3) Aggregate value of Unquoted Investments	**9,03,740**	9,03,740
4) Aggregate amount of provision for diminution in value of investments	**(67,999)**	(67,999)

5) * Security Deposit for VAT

6) ** Provision for diminution in value has been made on the basis of book value of the shares of the respective companies as per last audited Balance Sheet.

Note 6 : Loans

	March 31, 2019 ₹	March 31, 2018 ₹
A) Non Current		
(Unsecured, considered good unless stated otherwise)		
Loans and advances to Employees	**56,436**	172,673
Security Deposit	**28,000**	55,956
	84,436	228,629

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 6 : Loans (Contd.)

	March 31, 2019 ₹	March 31, 2018 ₹
B) Current		
(Unsecured, considered good unless stated otherwise)		
Related Parties (Refer Note no. 39)		
Considered Good	**2,23,419**	1,82,014
Considered Doubtful	**23,194**	4,70,324
	2,46,613	6,52,338
Less: provision for doubtful advances (Related Parties)	**23,194**	4,70,324
	2,23,419	1,82,014
Interest Receivable	**13,95,277**	10,92,270
Others	**49,00,000**	76,13,956
	65,18,696	88,88,240

Note 7 : Other Financial Assets

	March 31, 2019 ₹	March 31, 2018 ₹
A) Non Current		
(Unsecured, considered good unless stated otherwise)		
Deposits with Banks (Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin money/Pledged deposits classified as Non - current)	**-**	14,69,137
Interest receivable	**-**	3,840
	-	14,72,977

Note 8 : Investments

	March 31, 2019		March 31, 2018	
	Holdings As at	₹	Holdings As at	₹
Current Investments				
Investments in Mutual Fund Units (Quoted)				
ICICI Prudential Mutual Fund	**-**	**-**	3,69,071	3,69,54,847
Birla Sun Life Cash Plus	**-**	**-**	123,789	1,23,98,383
JPMorgan India	**-**	**-**	5,11,204	5,12,929
Tata Mutual Fund	**13,534**	**3,98,49,517**	-	-
TOTAL		**3,98,49,517**		4,98,66,159
1) Aggregate amount of cost of quoted Investments		**3,98,49,517**		4,98,66,159
2) Aggregate market value of quoted Investments		**3,98,49,517**		4,98,66,159

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 9 : Inventories (At lower of cost and net realisable value)

	March 31, 2019 ₹	March 31, 2018 ₹
Stock in Trade *	**3,06,29,560**	7,92,61,031
Less: Provision for Devaluation of Stock	**4,25,281**	59,98,575
	3,02,04,279	7,32,62,456

* Stock in Trade is valued at lower of Cost & Market Value

Note 10 : Trade receivables

	March 31, 2019 ₹	March 31, 2018 ₹
Unsecured Considered good	**38,80,321**	12,33,583
(For Related Party balances refer note no. 39)	**38,80,321**	12,33,583

Note 11 : Cash and Cash Equivalents

	March 31, 2019 ₹	March 31, 2018 ₹
Cash on hand	**3,62,556**	4,21,093
Balances with bank in current account	**33,15,800**	82,62,789
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**1,02,50,197**	96,68,874
	1,39,28,553	1,83,52,756

Note 12 : Bank Balances Other than Cash and Cash Equivalents

	March 31, 2019 ₹	March 31, 2018 ₹
Other Balances with banks		
Call and Short-term deposit accounts (Of which Rs.6,18,449 (Previous year Rs.6,18,449) is held as security against Bank Guarantee)	**4,00,19,488**	3,65,27,789
Long Term Bank Deposit held as security against Bank guarantee	**14,00,000**	14,69,137
	4,14,19,488	3,79,96,926
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current (Refer Note 7)	**-**	14,69,137
	4,14,19,488	3,65,27,789

Note 13 : Other Assets

	March 31, 2019 ₹	March 31, 2018 ₹
Current		
Prepaid Expenses	**3,65,100**	4,53,645
	3,65,100	4,53,645

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 14 : Equity Share Capital

	March 31, 2019 ₹	March 31, 2018 ₹
Authorised Share Capital		
Equity Shares		
40,00,000 (Previous Year 40,00,000) Equity Shares of Rs. 10 each	**4,00,00,000**	4,00,00,000
	4,00,00,000	4,00,00,000
Issued Share Capital		
Equity Shares		
34,68,225 (Previous Year 34,68,225) Equity Shares of Rs. 10 each fully paid.	**3,46,82,250**	3,46,82,250
	3,46,82,250	3,46,82,250

Footnotes:

	March 31, 2019		March 31, 2018	
	No. of shares	**₹**	No. of shares	₹
As at the beginning of the year	**34,68,225**	**3,46,82,250**	34,68,225	3,46,82,250
Add : Issued during the year	**-**	**-**	-	-
As at the end of the year	**34,68,225**	**3,46,82,250**	34,68,225	3,46,82,250

(ii) Shareholders holding more than 5% shares in the Company :

	March 31, 2019		March 31, 2018	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Equity shares of ₹ 10 each fully paid				
The Indian Hotels Company Limited	**12,54,000**	**36.16%**	12,54,000	36.16%
TIFCO Holdings Limited	**3,62,999**	**10.47%**	3,62,999	10.47%
Inditravel Limited	**5,50,766**	**15.88%**	5,50,766	15.88%
Piem Hotels Limited	**8,86,500**	**25.56%**	8,86,500	25.56%

(iii) Shares in the entity held by the holding company/ ultimate holding company or by its subsidiaries and associates.

	March 31, 2019		March 31, 2018	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Name of the Company				
Equity shares of ₹ 10 each fully paid				
Shares held by Ultimate Holding Company				
The Indian Hotels Company Limited	**12,54,000**	**36.16%**	12,54,000	36.16%
	12,54,000	**36.16%**	12,54,000	36.16%
Shares held by Subsidiaries of Ultimate Holding Company				
TIFCO Holdings Limited	**3,62,999**	**10.47%**	3,62,999	10.47%
Inditravel Limited	**5,50,766**	**15.88%**	5,50,766	15.88%
Piem Hotels Limited	**8,86,500**	**25.56%**	8,86,500	25.56%
Northern India Hotels Limited	**49,998**	**1.44%**	49,998	1.44%
	18,50,263	**53.35%**	18,50,263	53.35%
Shares held by Associates of Ultimate Holding Company				
Oriental Hotels Limited	**1,00,500**	**2.90%**	1,00,500	2.90%
	1,00,500	**2.90%**	1,00,500	2.90%

(iv) The company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

(v) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 15: Statement of Changes in Equity

₹

Particulars	Equity Share Capital Subscribed	Other Equity				Total
		Reserves and Surplus				
		Securities Premium Account	General Reserve	Other reserves	Retained Earnings	
Balance as at March 31, 2017	3,46,82,250	2,81,25,000	4,68,66,523	28,17,750	3,49,68,303	**14,74,59,826**
Profit/(Loss) for the year ended March 31, 2018	-	-	-	-	28,18,603	28,18,603
Other Comprehensive Income for the year ended March 31, 2018, net of taxes, (excluding actuarial gain/ losses, given below)	-	-	-	-	-	-
Remeasurements of post employment benefit obligation, net of tax	-	-	-	-	(9,84,459)	(9,84,459)
Total Comprehensive Income for the year ended March 31, 2018	**-**	**-**	**-**	**-**	**18,34,144**	**18,34,144**
Dividends	-	-	-	-	(34,68,225)	(34,68,225)
Tax on Dividend	-	-	-	-	(7,06,061)	(7,06,061)
Balance as at March 31, 2018	**3,46,82,250**	**2,81,25,000**	**4,68,66,523**	**28,17,750**	**3,26,28,161**	**14,51,19,684**
Profit/(Loss) for the year ended March 31, 2019	-	-	-	-	(49,70,513)	(49,70,513)
Other Comprehensive Income for the year ended March 31, 2019, net of taxes, (excluding actuarial gain/ losses, given below)	-	-	-	-	-	-
Remeasurements of post employment benefit obligation, net of tax	-	-	-	-	(23,49,829)	(23,49,829)
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**-**	**-**	**(73,20,342)**	**(73,20,342)**
Dividends	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-
Balance as at March 31, 2019	**3,46,82,250**	**2,81,25,000**	**4,68,66,523**	**28,17,750**	**2,53,07,819**	**13,77,99,342**

Note 16 : Provisions

	March 31, 2019 ₹	March 31, 2018 ₹
A) Non- Current		
Employee Benefit Obligation		
Leave Encashment	**12,94,024**	14,75,558
Gratuity	**2,940,440**	21,52,686
	42,34,464	36,28,244
B) Current		
Employee Benefit Obligation		
Leave Encashment	**2,46,887**	4,02,524
Gratuity	**-**	-
	2,46,887	4,02,524

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 17: Trade Payables

	March 31, 2019 ₹	March 31, 2018 ₹
Micro, Small and Medium Enterprises - (Refer Note 37)	**-**	-
Others	**4,10,57,030**	8,43,89,666
Accrued expenses and others	**22,96,902**	32,33,349
	4,33,53,932	8,76,23,015

Note 18 : Other current Liabilities

	March 31, 2019 ₹	March 31, 2018 ₹
A) Current		
Statutory dues	**1,17,46,749**	1,18,13,756
Related Parties	**19,82,989**	1,81,503
Others		
Provision for Contingencies	**11,17,046**	11,17,046
Others	**29,983**	43,434
	1,48,76,767	1,31,55,739

Note 19: Revenue from Operations

	March 31, 2019 ₹	March 31, 2018 ₹
Sale of Goods	**14,82,38,677**	13,29,26,886
Sale of Services	**2,74,23,470**	1,84,12,198
TOTAL	**17,56,62,147**	15,13,39,084

Note 20 : Other Income

	March 31, 2019 ₹	March 31, 2018 ₹
Interest Income from financial assets at amortised cost		
Deposits with banks (Tax deducted at source Rs.3,17,378/- (Previous Year Rs.2,59,976/-)	**32,72,127**	27,58,221
Total	**32,72,127**	27,58,221
Dividend received on Investment carried at cost		
Dividend Income - Non-Current (Trade)		-
Dividend Income - Non-Current (Non Trade)	**1,750**	3,000
Dividend Income - Current Investment	**26,32,211**	21,32,340
Profit on sale of assets (Net)	**30,525**	1,07,350
Exchange Gain (Net)	**1,16,941**	92,483
Others	**23,57,544**	10,71,534
TOTAL	**84,11,098**	61,64,928

Note 21 : Materials Purchased

	March 31, 2019 ₹	March 31, 2018 ₹
Purchase of stock in trade - Trading	**5,45,23,621**	9,61,24,668
Total Material purchased	**5,45,23,621**	9,61,24,668

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 22 : Changes in Inventories

	March 31, 2019 ₹	March 31, 2018 ₹
(i) Trading		
Opening Stock	**7,92,61,031**	7,16,93,327
Closing Stock	**3,06,29,560**	7,92,61,031
TOTAL	**4,86,31,471**	(75,67,704)

Note 23 : Employee Benefit Expenses

	March 31, 2019 ₹	March 31, 2018 ₹
Salaries, Wages, Bonus etc.	**2,21,21,716**	2,05,41,180
Company's Contribution to Provident and Other Funds	**39,48,279**	18,81,334
Reimbursement of Expenses on Personnel Deputed to the Company	**40,85,282**	33,52,643
Staff Welfare Expenses	**39,22,949**	32,39,421
TOTAL	**3,40,78,226**	2,90,14,578

Note 24 : Other expenses

	March 31, 2019 ₹	March 31, 2018 ₹
Other expenses consist of the following :		
Electricity	**30,52,526**	10,25,775
Repairs to Machinery	**4,03,027**	3,93,768
Repairs - Others	**7,88,118**	4,30,414
Commission to others	**2,491**	40,334
Rent	**2,06,74,782**	1,92,78,121
Rates and Taxes	**25,48,055**	3,66,367
Insurance	**11,95,656**	11,00,386
Busniess Promotion Expenses	**12,81,312**	11,12,324
Travelling and Conveyance Expenses	**26,29,769**	18,34,323
Credit Cards Charges	**26,08,581**	24,33,781
Legal and Professional Charges	**86,77,719**	16,88,991
Payment made to Statutory Auditors (Refer Footnote (i))	**5,01,630**	4,98,375
Miscellaneous Expenses	**36,88,118**	34,67,123
TOTAL	**4,80,51,784**	3,36,70,082

Footnote:

(i) Payment made to Statutory Auditors:

	March 31, 2019 ₹	March 31, 2018 ₹
As auditors	**3,45,000**	3,45,000
As tax auditors	**86,250**	86,250
For out-of pocket expenses	**70,380**	67,125
	5,01,630	4,98,375

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 25 : **Contingent Liabilities:**

Contingent liabilities and commitments (to the extent not provided for)

Particulars	March 31, 2019 ₹	March 31, 2018 ₹
Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
(i) Sales tax demand under appeal	-	1,52,69,448
(ii) Income tax demand under appeal	**9,42,450**	9,42,450
	9,42,450	1,62,11,898
(b) Other money for which the company is contingently liable		
Employee Related Matters	**69,26,220**	85,49,920
(c) Guarantees given by banks on behalf of the company	**5,44,090**	5,44,090
	74,70,310	90,94,010
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	**9,30,000**	3,97,859
	93,42,760	2,57,03,767

The management believes that the outcome of the proceedings will not have an adverse effect on the company's financial position and results of the operation.

Note 26 : Ind AS 115 'Revenue from Contracts with Customers'

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended 31st March 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1st April 2018 ('transition date') in equity and the impact on such transition date is not material.

Also the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months.

Prior to adoption of Ind AS 115, the Company's revenue was primarily comprised of Revenue from sale of goods and services. The recognition of these revenue streams is largely unchanged by Ind AS 115.

Ind AS 115 - Disclosure format

Note No.	Particulars	31 March 2019 ₹	31 March 2018 ₹
CONTRACT IND WITH CUSTOMERS			
1	Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Revenue from operations		
	Revenue from contract with customers		
	a) Sale goods	**14,82,38,676**	13,29,26,886
	b) Sale of services	**2,74,23,470**	1,84,12,198
	Total Revenue from operations	**17,56,62,146**	15,13,39,084

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 26 : Ind AS 115 'Revenue from Contracts with Customers' (Contd.)

2 Disaggregate Revenue

The following table presents Company's revenue disaggregated by type of revenue stream

	31 March 2019 ₹	31 March 2018 ₹
Revenue based on product and services		
Revenue from contract with customers		
a) Sale of goods	**14,82,38,676**	13,29,26,886
b) Sale of services	**2,74,23,470**	1,84,12,198

3 The Company derives its revenue from the transfer of goods and services at a point of time in its major service lines.

4 Contract balances

Advance Collections, deposits from customer

Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/Banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services.

	31 March 2019 ₹	31 March 2018 ₹
At April	**-**	-
At March	**-**	-

Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to ₹ NIL (P.Y. ₹ NIL).

Note 27 : The Company is carrying slow-moving/non-moving inventory of ₹ 4,25,281(P.Y. ₹ 52,48,125) which is more than one year old in its books. An amount of ₹ 4,25,281(P.Y. ₹ 52,48,125) is being carried forward as provision for obsolescence against this stock.

Note 28 : The Company is carrying forward a provision of ₹ Nil (P.Y ₹ 7,50,450) on account of shortages/damages in the consignment stocks.

Note 29 : The Company has Goods on Approval arrangement with suppliers in ordinary course of business. The value of such stock, at cost, which has been excluded from the Balance sheet amounts to ₹ 19,38,52,292 (P.Y. ₹ 13,57,01,073).

Note 30 : Assets held for disposal:

Particulars	**Original Cost (₹)**	**Book Value (₹)**	**Book Value of Previous Year (₹)**
Cars & Vehicles	49,39,770 (P.Y. 49,39,770)	1,200	1,200

The estimated realisation value of the above assets is higher than the present book value.

Note 31 : Employee Benefits.

Applicable Disclosures as per Ind AS-19:

The Company has calculated the various benefits to employees as under:

(A) **Defined contribution plans**

The company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and other funds(net of recoveries)".

Particulars	**March 31,2019 (₹)**	March 31, 2018 (₹)
Provident fund	**9,87,620**	10,80,217

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 31 : Employee Benefits (Contd.)

(B) **Defined benefit plans**

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Funded

(C) **Defined benefit plans – as per actuarial valuation on March 31, 2019: -**

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

		31 March 2019 ₹	31 March 2018 ₹
(i)	**Amount to be recognised in Balance Sheet and movement in net liability**		
	Present Value of Funded obligation	**94,41,624**	76,50,835
	Fair Value of Plan Assets	**64,79,944**	54,98,149
	Net (Assets) / Liability	**29,61,680**	21,52,686
(ii)	**Expense recognised in Statement of Profit & Loss**		
	Current service cost	**4,68,198**	4,58,933
	Interest cost	**1,43,653**	61,006
	Total	**6,11,851**	5,19,939
(iii)	**Expense recognised in Other Comprehensive Income**		
	Remeasurements due to:		
	Changes in financial assumptions	**(6,03,277)**	6,38,508
	Experience adjustments	**27,00,097**	3,08,247
	Actual return on plan assets less interest on plan assets	**87,133**	37,704
	Adjustment to recognise the effect of asset ceiling		
	Total	**21,83,953**	9,84,459
(iv)	**Reconciliation of Defined Benefit Obligation :**		
	Opening Defined Benefit Obligation	**76,50,835**	69,56,276
	Current service cost	**4,68,198**	4,58,933
	Interest cost	**5,31,269**	4,43,871
	Remeasurements due to actuarial loss/ (gain) arising from		
	Changes in financial assumptions	**(6,03,277)**	6,38,508
	Experience adjustments	**27,00,097**	3,08,247
	Benefits Paid	**(14,53,374)**	(11,55,000)
	Closing Defined Benefit Obligation	**92,93,748**	76,50,835
(v)	**Reconciliation of Fair Value of Plan Assets**		
	Opening of Fair Value of Plan Assets	**54,98,149**	58,70,582
	Interest on plan assets	**3,69,616**	3,82,865
	Remeasurements due to:		
	Actual return on plan assets less interest on plan assets	**(87,133)**	(37,704)
	Contribution by Employer	**21,52,686**	437,406
	Benefits Paid	**(14,53,374)**	(11,55,000)
	Closing of Fair Value of Plan Assets	**64,79,944**	54,98,149

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 31 : Employee Benefits (Contd.)

		March 31, 2019	March 31, 2018
(vi)	**Acturial Assumptions**		
	Discount rate(p.a.) in %	**7.55%**	7.55%
	Salary Escalation rate (p.a.) in %	**8%**	9%
	Pension Escalation Rate (p.a.) in %	**-**	-
	Annual Increase in healthcare costs (p.a.)	**-**	-
	Mortality table(LIC)	**-**	-

(vii) Disaggregation of Plan Assets

	₹				₹			
	March 31, 2019				March 31, 2018			
	Quoted	**Unquoted**	**Total**	**%**	Quoted	Unquoted	Total	%
Government Debt Instruments			**-**	**0%**	21,43,861		21,43,861	33%
Insurer managed funds		**64,79,944**	**64,79,944**	**100%**		12,54,003	12,54,003	19%
Cash and cash equivalents			**-**	**0%**		8,20,314	8,20,314	13%
Investment funds			**-**	**0%**		12,79,971	12,79,971	20%
Others		**-**	**-**	**0%**		-	-	0%
Total	**-**	**64,79,944**	**64,79,944**	**100%**	21,43,861	33,54,288	54,98,149	85%

(viii) Sensitivity Analysis

	March 31,2019	
	Discount rate (%)	**Salary Escalation rate** (%)
Impact of increase in 50 bps on DBO	**-2.99%**	3.12%
Impact of decrease in 50 bps on DBO	**3.15%**	-2.99%

(ix) Any other additional disclosure given in the report

Mortality Table *

Mortality in service	Table 1
	Table 1
Mortality in retirement	NA
	NA

* Table 1 - Indian Assured Lives Mortality (2006-08) Ult table

Estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 32 : Current, Deferred tax (asset)/Liability:

Deferred tax Asset on unabsorbed depreciation, business loss and others has been recognised to the extent of deferred tax liability.

Income Tax relating to continuing operations

Income Tax expenses recognised in the statement of Profit and loss a/c:

	March 31, 2019 ₹	March 31, 2018 ₹
Current Tax		
In respect of the current year	-	268,500
In respect of earlier years		
MAT Credit	-	(268,500)
	-	-
Deferred Tax		
In respect of the current year	-	-
MAT Credit	-	-
Other items	-	-
	-	-
Total tax expense recognised in the current year relating to continuing operation	-	-

Reconciliation of tax expense with the effective tax

	March 31, 2019 ₹	March 31, 2018 ₹
Profit before tax from continuing operation (a)	**(4,970,513)**	2,862,036
Income tax rate as applicable (b)	**26.00%**	25.75%
Calculated Taxes based on above, without any adjustments for deduction [(a) x (b)] - **(c)**	**(1,292,333)**	736,973
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	**(683,595)**	(549,850)
Permanent disallowances	**111,406**	296,768
Others (Difference due to change in rate of tax)	-	4,698
Deferred tax liability not reversed since deferred tax assets not created due to no probable certainty in earlier years	-	(488,589)
Deferred tax assets not created due to no probable certainty	**1,864,522**	-
Deferred tax assets reversed due to no probable certainty	-	-
Total (d)	**1,292,333**	(736,973)
Tax for current year (c+d)	-	-
Prior year taxes as shown above	-	-
Income tax expense recognised in profit or loss (relating to continuing operations)	-	-

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 33 : Additional information

Sr. No.	Particulars	March 31, 2019 ₹	March 31, 2018 ₹
(i)	Value of imports on CIF basis :- Trading Goods	**Nil**	**Nil**
(ii)	Expenditure in Foreign Currency –		
	- Passage and Travelling	-	-
	- Professional Fees	-	-
(iii)	Earnings in foreign exchange		
	(a) Value of sales at shops including value of goods sold on consignment basis and settled in foreign currency or through foreign based credit card agencies (As certified by the management and not verified by the auditors)	**5,98,37,537**	5,99,32,156
	(b) Export – F.O.B. value	**4,19,491**	9,62,700

Note 34 : Details of opening stock, purchases, sales and closing stock of traded items for the year ended March 31,2019

Particulars	Opening Stock (₹)	Purchases (₹)	Sale (₹)	Closing Stock (₹)
Crafts and wall coverings	**83,37,347**	**77,77,351**	**1,83,74,956**	**56,68,283**
Previous year	1,68,75,809	15,95,053	1,80,97,864	83,37,347
Costume Jewellery	**2,99,22,229**	**8,84,043**	**2,65,31,110**	**68,16,027**
Previous year	70,33,461	4,64,71,516	2,80,91,108	2,99,22,229
Fabric/ Garments/ Leather	**53,14,306**	**1,55,94,017**	**2,57,89,166**	**28,92,929**
Previous year	81,26,428	1,29,90,626	2,33,59,264	53,14,306
Saree and stoles	**2,44,10,467**	**27,79,806**	**3,89,35,678**	**85,47,106**
Previous year	3,06,52,202	95,76,802	3,31,85,578	2,44,10,467
Assorted	**1,12,76,683**	**2,74,88,404**	**3,86,07,766**	**67,05,215**
Previous year	90,05,427	2,54,90,671	3,01,93,172	1,12,76,683
Total	**7,92,61,031**	**5,45,23,621**	**14,82,38,676**	**3,06,29,560**
Previous year	7,16,93,327	9,61,24,668	13,29,26,886	7,92,61,031

Note:

The particulars of sales, purchase, opening and closing stock given above represent broad categories, consisting of individual items that very in nature and price and quantity. Current year’s figures are therefore not comparable with those of the previous year.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 35 : Earnings per share

		March 31, 2019 (₹)	March 31, 2018 (₹)
A	Numerator used for calculating basic and diluted Earnings per share Profit/(Loss)after Taxation	**(49,70,513)**	28,62,036
B	Weighted average number of shares used as denominator for calculating basic and diluted Earnings per share	**34,68,225**	34,68,225
C	Nominal value per share (Rs.)	**10**	10
D	Basic and diluted earnings per share (Rs.)	**(1.43)**	0.81

Note 36 : The details of provisions as required by the provisions of Accounting Ind AS 37 "Provision, Contingent Liabilities and Contingent Assets are as under;

Nature of Provision	Leave Encashment and Gratuity (₹)
Opening Balance	**40,30,768**
Additional provisioning	19,45,502
Benefits paid during the year	14,94,919
Closing Balance	**44,81,351**

Note 37 : Amounts due to Micro, Small and Medium Enterprises:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act,2006" has been determined to the extend such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

		March 31 2019 (₹)	March 31 2018 (₹)
(a)	Principal amount due thereon remaining unpaid to any supplier at end of each accounting year.	-	-
(b)	Interest due there on remaining unpaid to supplier as at end of each accounting year.	-	-
(c)	The amount of interest paid in terms of Section 16 of Micro , Small and Medium Enterprises Development Act , 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(f)	The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above paid to the small enterprise, for the purpose of are actually disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 38 : There is no separate reportable segment, as the company is predominantly engaged in only one segment i.e. Retail outlets (Khazana). Therefore, the provisions of Ind AS – 108 issued by the Institute of Chartered Accountants of India, pertaining to segment reporting, is not applicable. There is only one geographical segment in which the company operates i.e. India.

Note 39 : Related Party Disclosure under AS – 18, issued by the Institute of Chartered Accountants of India

(a) Name of related parties are as under :

A. Holding Company	The Indian Hotels Company Limited
B. Subsidiaries of Holding Company	Taj SATS Air Catering Limited
	KTC Hotels Limited
	United Hotels Limited
	Roots Corporation Limited
	Piem Hotels Limited
	Inditravel Limited
	Northern India Hotels Limited
	Taj Enterprises Limited
	Benares Hotels Limited
	Luthria & Lalchandani Hotel & Properties Pvt. Ltd.
	Skydeck Properties and Developers Private Limited
	Sheena Investments Private Limited
	ELEL Hotels & Investments Limited
	Taj International Hotels (H.K) Limited
	IHOCO BV
	St. James Court Hotels Limited
	Taj International Hotels Limited
	PIEM International Hotels (H.K) Limited
	BAHC 5 (Pte Ltd)
	United Overseas Holdings Inc.
C. Joint Ventures of Holding Company	Taj Kerala Hotels & Resorts Limited
	Taj Safaris Limited
	Kaveri Retreat & Resorts Limited
	Taj Madras Flight Kitchen Pvt Ltd
	Taj Karnataka Hotels & Resorts Ltd
	Taj GVK Hotels & Resorts Ltd
	TAL Hotels & Resorts Ltd
	IHMS Hotels (SA) (proprietary) Ltd

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 39 : Related Party Disclosure under AS – 18, issued by the Institute of Chartered Accountants of India (Contd.)

(b) The details of related parties' transactions during the year and outstanding balances as at 31st March 2019 are as follows:

	Holding Company		Subsidiaries of Holding	
	March 31, 2019 (₹)	March 31, 2018 (₹)	**March 31, 2019 (₹)**	March 31, 2018 (₹)
Deputed Staff cost	**39,30,019**	18,20,326	**-**	18,65,958
Operating / License fees paid	**1,92,53,188**	1,52,40,433	-	-
Dividend received	-	-	-	-
Sale of Inventory	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Other operating Income	-	-	-	-
Dividend Paid	**-**	16,16,999	**-**	5,50,766
Purchase of services	**1,02,11,413**	45,00,258	-	-
Current account dues	**(1,86,544)**	-	**6,99,994**	21,014

	Associates of Holding		Joint Ventures	
	March 31, 2019 (₹)	March 31, 2018 (₹)	**March 31, 2019 (₹)**	March 31, 2018 (₹)
Operating / License fees paid	**10,80,000**	10,96,835	**2,22,349**	2,50,017
Dividend received	-	-	-	-
Dividend Paid	**-**	10,36,998	-	-
Purchase of services	**1,39,016**	2,28,038	**12,000**	13,000
Current account dues	**2,35,570**	(41,414)	**97,711**	52,232

(c) Statement of material transactions

	March 31, 2019 (₹)	March 31, 2018 (₹)
Holding Company		
The Indian Hotels Company Ltd		
Dividend paid	**-**	16,16,999
Lease Rentals for Hotel/Factory Premises	**1,92,53,188**	1,52,40,433
Reimbursement of Deputed Staff Salary	**39,30,019**	18,20,326
Reimbursement of Fuel, Power, Light Etc.	**28,12,530**	20,26,597
Reimbursement of Laundry expenses	**2,87,698**	2,41,956
Reimbursement of Other expenses	**71,11,185**	22,31,725
Sale of Inventory	**-**	-
Sale of Fixed Assets	**-**	**-**
Other Operating Income	**-**	**-**
Current account dues	**(1,86,544)**	(51,146)
Subsidiaries of Holding Company		
Piem Hotels Limited		
Dividend paid	**-**	8,86,500
Lease Rentals for Hotel/Factory Premises	**-**	-
Reimbursement of Deputed Staff Salary	**-**	-
Reimbursement of Fuel, Power, Light Etc.	**-**	-

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 39 : Related Party Disclosure under AS – 18, issued by the Institute of Chartered Accountants of India (Contd.)

	March 31, 2019 (₹)	March 31, 2018 (₹)
Reimbursement of Laundry expenses	**-**	-
Reimbursement of Other expenses	**-**	-
Sale of Inventory	**-**	-
Sale of Fixed Assets	**-**	-
Current account dues	**-**	-
Inditravel Limited		
Dividend Income - Non-Current Investment	**-**	-
Dividend paid	**-**	5,50,766
Reimbursement of Deputed Staff Salary	**-**	18,65,958
Current account dues	**(11,00,006)**	21,014
St. James Courts Hotels Limited		
Current account dues	**-**	(1,85,903)
Northern India Hotels Limited		
Dividend paid	**-**	49,998
Associates of Holding Company		
Oriental Hotels Ltd		
Lease Rentals for Hotel/Factory Premises	**10,80,000**	10,96,835
Dividend Income - Non-Current Investment	**-**	-
Dividend paid	**-**	1,00,500
Reimbursement of Laundry expenses	**1,04,028**	1,44,681
Reimbursement of Other expenses	**34,988**	83,357
Current account dues	**2,35,570**	1,40,089
Joint Ventures		
Kaveri Retreat & Resorts Limited- Corporate		
Lease Rentals for Hotel/Factory Premises	**2,22,349**	2,50,017
Reimbursement of Laundry expenses	**-**	13,000
Reimbursement of Other expenses	**12,000**	56,439
Current account dues	**97,711**	52,232

Note 40 : Figures of the previous year have been regrouped/ rearranged wherever necessary so as to make them comparable with those of the current year.

Signatures to Notes 1 to 40.

For Chandrashekar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place : Mumbai
Dated : April 15, 2019

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Independent Auditor's Report

To the Members of United Hotels Limited

1. Report on the Ind AS financial statements

Opinion

We have audited the accompanying Ind AS financial statements of United Hotels Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "Ind AS financial statements").

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 Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act with the Companies (Indian Accounting Standards)Rules,2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit (including Other Comprehensive Income), its Cash Flows and Changes in Equity for the year ended on that date.

2. Basis for opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India(ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

3. Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

4. Auditor's Responsibility for the Audit of the Ind AS financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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.

Independent Auditor's Report (Contd.)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2016, (the Order) issued by the Central Government of India in terms of section 143(11) of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure A‟ a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

Independent Auditor's Report (Contd.)

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 our knowledge and belief were necessary for the purpose of our audit.

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by the 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 referred to in section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of written representations received from the directors as on 31st March 2019 and taken on record by Board of Directors, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 31 to the 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;

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M. No.083436

Place : New Delhi
Date : 18th April, 2019

Annexure 'A' to the Independent Auditor's Report

"Annexure A" of our Independent Auditor's report of even date on the Ind AS financial statements as at and for the year ended 31st March 2019 of United Hotels Limited

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

   b) A substantial part of the Fixed assets has been physically verified by the management during the year and there is regular programme of verification 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) According to the information and explanations, and the records provided to us, the company does not have immovable property, hence no comment is required under paragraph 3(i)(c) of the Order.

2. Inventory has been physically verified during the year by the management and no material discrepancies were noticed. In our opinion, the frequency of verification is reasonable.

3. The company in earlier years had given an inter-corporate deposit (ICD) to a related party covered under Ind AS 24. The terms and conditions of ICD are not prejudicial to the interests of the Company; repayment of principal and interest has been stipulated and as at the end there is no overdue amount.

4. As per information and explanations given to us and records examined, the provisions of section 185 and 186 of the Act to the extent applicable have been complied with in respect of investments and loans.

5. According to the information and explanations given to us and records examined, the Company has not accepted any deposits that are covered by paragraph 3(v) of the Order.

6. According to the information and explanations given to us, maintenance of the cost records under section 148(1) of the Companies Act, 2013 is not applicable to the Company.

7. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees‟ state insurance, income-tax, sales-tax, service tax, goods and services tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable.

   b) According to the information and explanations given to us and the records of the Company examined by us, there are no pending dispute in respect of income tax or sales tax or service tax or goods and service tax or duty of customs or duty of excise or value added tax, except as mentioned below:

Nature of the statute	Nature of dues	Period to which the amount relates	Amount (Rs.)	Forum where dispute is pending
The Income tax,1961	Income Tax	A.Y. 1998-99	99,18,571	Hon'ble High Court of Delhi(appeal filed by the department against Order in the favour of the company)
		A.Y. 2012-13	10,55,280	ITAT, New Delhi (appeals filed by the department against Orders in the favour of the company)
		A.Y 2013-14	52,59,856	
		A.Y 2014-15	62,22,860	

8. As per information and explanations furnished to us and on verification of the records produced, the Company has not availed any loans or borrowings to a financial institution/bank/government . The Company has not issued any debentures. Hence, no comment is required under the paragraph 3(vii) of the Order.

Annexure 'A' to the Independent Auditor's Report (Contd.)

9. As per information and explanations given to us and as per verification of the records produced before us, the Company does not have any term loans or raised money by way of initial public offer or further public offer (including debt instruments), hence no comment is required under paragraph 3 (ix) of the Order.

10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the management.

11. As per information and explanations furnished to us and on examination of the records produced, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act, read with Schedule V of the Act.

12. The Company is not a Nidhi Company, hence, no comment is required under paragraph 3 (xii) of the Order.

13. As per information and explanations furnished to us and on examination of the records produced, the transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.

14. As per information and explanations furnished to us and on verification of the records produced, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence, no comment is required under paragraph 3(xiv) of the Order.

15. As per information and explanations furnished to us and on verification of the records produced, the Company has not entered into any non-cash transactions referred to in section 192 of the Act with directors or person connected with him during the year. Hence, no comment is required under paragraph 3(xv) of the Order.

16. As per information and explanations furnished to us and on verification of the records produced, we are of the opinion that the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M. No.083436

Place : New Delhi
Date : 18th April, 2019

Annexure 'B' to the Independent Auditor's Report

"Annexure B" to the Independent Auditor's report of even date on the Ind AS Financial Statements as at and for the year ended 31st March 2019 of United Hotels Limited

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 United Hotels Limited ("the Company") as of March 31, 2019 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 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.

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 preparation of financial statements in accordance with generally 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.

Annexure 'B' to the Independent Auditor's Report (Contd.)

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 generally in most aspects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the 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 R K Khanna & Co.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M. No.083436

Place : New Delhi
Date : 18th April, 2019

Balance Sheet as at March 31, 2019

	Note	**March 31, 2019 ₹ in Lakhs**	March 31, 2018 ₹ in Lakhs
Assets			
Non-current Assets			
Property, Plant and Equipment	3	**943.22**	966.76
Intangible Assets	4	**15.24**	20.94
		958.46	987.70
Financial Assets			
Investments	5	**155.93**	155.05
Other Financial Assets	6	**17.67**	15.64
Deferred Tax Assets(Net)	7	**168.75**	143.57
Advance Income Tax (Net)	8	**114.28**	99.02
Other Non Current Assets	14	**149.32**	91.36
		605.96	504.65
Current Assets			
Inventories	9	**50.85**	61.72
Financial Assets			
Trade Receivables	10	**189.77**	119.84
Cash and Cash Equivalents	11(a)	**1,562.47**	1,199.42
Other Balances with Banks	11(b)	**-**	-
Loans	12	**500.00**	500.00
Other Financial Assets	13	**75.51**	59.47
Other Current Assets	14	**73.03**	57.09
		2,451.62	1,997.54
Total		**4,016.03**	3,489.89
Equity and Liabilities			
Equity			
Equity Share Capital	15	**840.00**	840.00
Other Equity	16	**1,847.26**	1,618.05
Total Equity		**2,687.26**	2,458.05
Non-current Liabilities			
Provisions	20	**91.86**	65.49
		91.86	65.49
Current Liabilities			
Financial Liabilities			
Trade Payables			
Total outstanding dues of micro,small and medium enterprises	17	**0.76**	0.73
Total outstanding dues of creditors other than micro,small and medium enterprises	17	**202.34**	65.81
Other Financial Liabilities	18	**383.86**	340.19
Other Current Liabilities	19	**116.25**	126.54
Provisions	20	**533.71**	433.06
		1,236.91	966.34
Total		**4,016.03**	3,489.89
Summary of significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1-36		

For and on behalf of the Board

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Rajinder Kumar
Director
DIN 00053878

Satyajeet Krishnan
Director
DIN 07491453

P.K. Bhatia
Company Secretary

Vipin Bali
Partner
M. No.083436
Date :
Place : New Delhi

Statement of Profit and Loss for the Period ended March 31, 2019

	Note	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Income			
Room, Restaurants, Banquets and Income from Operations	21	**4,318.02**	4,034.84
Other Income	22	**153.04**	101.53
Total Income		**4,471.06**	4,136.37
Expenses			
Food and Beverages Consumed	23	**482.32**	440.58
Employee Benefits Expense and Payment to Contractors	24	**1,280.15**	1,012.06
Depreciation and amortisation expenses	3&4	**133.78**	134.49
Other Operating and General Expenses	25	**2,129.33**	2,347.89
Total Expenses		**4,025.57**	3,935.03
Profit before Tax		**445.49**	201.35
Tax Expenses:			
Current Tax		**171.00**	125.00
Short/(excess) of earlier years		**(18.99)**	(33.38)
Deferred Tax		**(44.62)**	(66.53)
Total Taxes		**107.39**	25.09
Profit after Tax for the year		**338.10**	176.26
Other comprehensive income, net of tax			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**(11.78)**	(29.77)
Change in fair value of equity instruments designated irrevocably as FVTOCI		**0.88**	153.91
Less:- Income tax expenses		**3.28**	-
		(7.62)	124.14
Item that will be reclassified subsequently to profit and loss		**-**	-
Other Comprehensive Income for the period, net of tax		**(7.62)**	124.14
Total Comprehensive Income for the period		**330.47**	300.40
Earnings Per Equity Share:			
Basic and Diluted	26	**4.02**	2.10
Summary of significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1-36		

For and on behalf of the Board

As per our report of even date attached
For R K Khanna & Co.
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Rajinder Kumar
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DIN 07491453

P.K. Bhatia
Company Secretary

Vipin Bali
Partner
M. No.083436
Date :
Place : New Delhi

Statement of Changes in Equity as at March 31, 2019

	Equity Share Capital Subscribed	Reserves and Surplus				Equity Instruments through OCI	Total
		Capital Reserve	General Reserve	Other reserves	Retained Earnings		
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Balance as at 1st April, 2017	840.00	11.41	1,551.75	-	479.51	(623.91)	2,258.75
Profit for the year ended March 31, 2018					176.26		176.26
Other Comprehensive Income for the year ended March 31, 2018, net of taxes, (excluding actuarial gain/ losses, given below)						153.91	153.91
Remeasurements of post employment benefit obligation, net of tax					(29.77)		(29.77)
Total Comprehensive Income for the year ended March 31, 2018	**-**	**-**	**-**	**-**	**146.49**	**153.91**	**300.40**
Add/ Less:							
Dividends				-	(84.00)		(84.00)
Tax on Dividend				-	(17.10)		(17.10)
Balance as at March 31, 2018	**840.00**	**11.41**	**1,551.75**	**-**	**524.90**	**(470.00)**	**2,458.05**
Profit for the Period ended Mar 31, 2019					338.10		338.10
Other Comprehensive Income for the Period ended Mar 31, 2019, net of taxes, (excluding actuarial gain/ losses, given below)						0.88	0.88
Remeasurements of post employment benefit obligation, net of tax					(8.51)		(8.51)
Total Comprehensive Income for the Period ended March 31, 2019	**-**	**-**	**-**	**-**	**329.59**	**0.88**	**330.47**
Add/ Less:							
Dividends				-	(84.00)		(84.00)
Tax on Dividend				-	(17.27)		(17.27)
Balance as at March 31, 2019	**840.00**	**11.41**	**1,551.75**	**-**	**753.22**	**(469.12)**	**2,687.26**

For and on behalf of the Board

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Rajinder Kumar
Director
DIN 00053878

Satyajeet Krishnan
Director
DIN 07491453

P.K. Bhatia
Company Secretary

Vipin Bali
Partner
M. No.083436
Date :
Place : New Delhi

Cash Flow Statement for the Period ended March 31, 2019

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Cash Flow From Operating Activities		
Profit Before Tax	**445.49**	201.37
Adjustments For:		
Depreciation	**133.78**	134.49
Loss/(Profit) on sale of Assets	**-**	4.64
Provision for Doubtful Debts	**(0.34)**	0.25
Interest Income	**(150.64)**	(99.29)
Accrual of SEIS Income	**(48.44)**	(36.48)
Provision for Employee Benefits	**27.01**	10.16
	(38.63)	13.78
Cash Operating Profit before working capital changes	**406.86**	215.15
Adjustments for Increase/(decrease) in operating assets/liabilities		
Trade,Other Receivables and Advances	**(105.76)**	49.49
Inventories	**10.88**	(11.77)
Trade and Other Payables	**266.76**	124.12
	171.88	161.85
Cash Generated from Operating Activities	**578.73**	377.00
Direct Taxes Paid (paid)/refund	**(151.00)**	(142.86)
Net Cash Generated From Operating Activities	**427.73**	234.14
Cash Flow From Investing Activities		
Purchase of Fixed Assets,including capital advances	**(114.05)**	(171.35)
Sale of Fixed Assets	**-**	0.05
Interest Received	**150.64**	99.29
Inter Corporate Deposits placed with Benaras Hotels Ltd.	**-**	(500.00)
Inter Corporate Deposits repaid by Taj Air Ltd.	**-**	175.00
Net Cash Used In Investing Activities	**36.58**	(397.01)
Cash Flow from Financing Activities		
Dividend Paid (Including tax on dividend)	**(101.27)**	(101.10)
Net Cash Used In Financing Activities	**(101.27)**	(101.10)
Net Increase / (Decrease) in Cash and Cash Equivalents	**363.05**	(263.97)
Cash and Cash Equivalents- Opening-1st April	**1,199.42**	1,463.39
Cash and Cash Equivalents-closing -31st March	**1,562.47**	1,199.42

For and on behalf of the Board

As per our report of even date attached
For R K Khanna & Co.
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FRN 000033N

Rajinder Kumar
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Director
DIN 07491453

P.K. Bhatia
Company Secretary

Vipin Bali
Partner
M. No.083436
Date :
Place : New Delhi

Notes to Financial Statements for period ended March 31, 2019

Note 1. Corporate Information

United Hotels Limited ("UHL" or the "Company"), is a public limited company incorporated in 1950 and has its registered office at Vivanta by Taj – Ambassador, Sujan Singh Park, New Delhi – 110 003. The Company is primarily engaged in the business of Hoteliering and other allied services. The Indian Hotels Company Limited owned 55% of the equity capital of the company and is the holding company.

Note 2. Significant Accounting Policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements. The Company has adopted all issued Indian Accounting Standards (Ind AS), as applicable.

(b) Basis of preparation and presentation:

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

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **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 there the tax charge in the statement of profit or loss.

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

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.

- **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 unfavorable 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.

- **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 ad 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 is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Revenue from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other Allied services: In relation to the, laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

Membership Fees: Membership fee income majorly consists of Spa Membership fees Income is earned when the customer enrols for membership programs. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

Interest:

Interest income is accrued on a time proportion basis using the effective interest rate method.

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

(e) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund authorities.

ii. Gratuity Fund

The Company has defined benefit plan for post-retirement benefit in the form Gratuity which is administered through LIC for all employees in hotel payroll. The company's contribution to Defined Benefit Plan is charged to the statement of profit and loss as paid. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date.

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

iv. Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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 taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(O) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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 assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off 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. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Assets costing less than ₹ 5000	4 years

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

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

(g) Intangible Assets:

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets is as under:

Class of Assets	Estimated Useful Life
Software and Licences	6 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

(h) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

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.

(i) Foreign currency translation:

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 or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(j) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

(k) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(l) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

(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 profit or 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 except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit 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.

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

(n) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(o) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(p) Cash and Cash Equivalent (for the purpose of cash flow statements):

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.

(q) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no 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.

(r) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

(s) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets/liabilities”.

(t) Financial Instruments:

Financial Assets:

<u>Classification</u>

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

<u>Initial Recognition and measurement:</u>

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

<u>Debt instruments at amortised cost</u>

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.

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 and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset 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:
    (a) The Company has transferred substantially all the risks and rewards of the asset, or

    (b) 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.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated 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 the Statement of Profit and Loss. 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 and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

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

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

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

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.

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Standards issued but not yet effective

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

Ind AS 116 Leases: It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company's operating leases mainly relate to real estate assets such as Land, Land & Building and fully fitted hotel properties which are on long term lease ranging from 15 to 99 years.

The Company has completed its preliminary evaluation of the possible impact of Ind AS 116 and will adopt the standard using the 'Modified Retrospective Method' based on the principles in Ind AS 116. Accordingly, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings i.e 1 April 2019, consequently, comparatives for the year ended 31st March, 2018 will not be retrospectively adjusted.

The Company is currently evaluating the impact this standard will have on the standalone financial statement. The Company expect this adoption will result in a material increase in the assets and liabilities and is likely to have a significant impact on the standalone financial statements.

Other Amendments on the existing standard but note effective

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

a) income tax consequences in case of dividends;

b) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;

c) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

d) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;

The above amendments will come into force from April 1, 2019. The company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 3 : Property, Plant and Equipment

	Plant & Equipment ₹ in Lakhs	Furniture and Fixtures ₹ in Lakhs	Office Equipments ₹ in Lakhs	Total ₹ in Lakhs	Capital Work in Progress ₹ in Lakhs
Gross Block at Cost					
At April 1, 2017	912.04	225.10	49.50	1,186.64	
Additions	144.54	7.22	18.71	170.47	
Disposals	11.72			11.72	
Transfer					
At Mar 31, 2018	**1,044.86**	**232.32**	**68.21**	**1,345.39**	**-**
At April 1, 2018	1,044.86	232.32	68.21	1,345.39	-
Additions	89.31	2.78	12.45	104.54	104.54
Disposals				-	
Transfer					104.54
At March 31, 2019	**1,134.17**	**235.10**	**80.65**	**1,449.93**	**-**
Depreciation					
At April 1, 2017	174.95	64.37	18.07	257.39	
Charge for the Period	94.23	23.74	10.30	128.27	
Disposals	7.03		-	7.03	
At Mar 31, 2018	**262.15**	**88.11**	**28.37**	**378.63**	**-**
Depreciation					
At April 1, 2018	262.15	88.11	28.37	378.63	
Charge for the Period	95.56	21.15	11.36	128.08	
Disposals				-	
At March 31, 2019	**357.71**	**109.26**	**39.73**	**506.71**	**-**
Net Block					
At Mar 31, 2018	782.71	144.21	39.84	966.76	-
At March 31, 2019	**776.46**	**125.84**	**40.93**	**943.22**	**-**

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 4 : Intangible Assets

	Software ₹ in Lakhs
Gross Block at Cost	
At April 1, 2017	38.43
Additions	-
Disposals	-
At March 31, 2018	**38.43**
At April 1, 2018	38.43
Additions	-
Disposals	-
At March 31, 2019	**38.43**
Depreciation	
At April 1, 2017	11.26
Charge for the Period	6.23
Disposals	-
At March 31, 2018	**17.49**
At April 1, 2018	17.49
Charge for the Period	5.70
Disposals	-
At March 31, 2019	**23.19**
Net Block	
At March 31, 2018	**20.94**
At March 31, 2019	**15.24**

Footnotes :

Software includes Customer Reservation System and other licensed software.

Note 5 : Investment at fair value through OCI (Fully paid)

	Face Value	Holding as at 31.03.2019 (nos.)	₹ in Lakhs	Holding as at 31.03.2018 (nos.)	₹ in Lakhs
Fully Paid Unquoted Equity Instruments					
Taj Air Limited	10/-	**62,50,000**	**155.00**	62,50,000	154.38
Fully Paid Quoted Equity Investments					
Graviss Hospitality Limited	2/-	**4,500**	**0.93**	4,500	0.68
TOTAL			**155.93**		155.05
Notes:-					
Aggregate of Unquoted Investments - Gross	Cost		**625.00**		625.00
Aggregate of Quoted Investments - Gross	Cost		**0.05**		0.05
	Market Value		**0.93**		0.68

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 6 : Other Financial Assets

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Non Current		
Deposits with Public Bodies and Others		
with related parties	-	-
with Public Bodies and Others	8.35	6.32
	8.35	6.32
Deposits with Banks	9.32	9.32
(Term deposit with banks maturing after 12 months from the Balance Sheet date and pledged with Sales Tax Authorities)		
Total	17.67	15.64

Note 7 : Deferred Tax Assets(Net)

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Deferred Tax Assets:		
Provision for doubtful debts	5.07	5.12
Provision for Employee Benefits	19.94	14.40
Provision for Contingencies	146.05	117.10
Provision for Revision in Minimum Wages	45.85	33.50
	216.92	170.12
Deferred Tax Liabilities:		
Depreciation on Property, Plant & Equipment and Intangible Assets	48.16	49.27
Total	168.75	120.85
Unused Tax Credit (MAT Credit Entitlement)	-	22.72
Total	168.75	143.57

Note 8 : Advance Income Tax (Net)

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Advance Income Tax Paid (net)	114.28	99.02
Total	114.28	99.02

Note 9 : Inventories (At lower of cost or net realisable value)

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Food and Beverages	41.69	53.58
Stores and Operating Supplies	9.16	8.14
Total	50.85	61.72

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 10 : Trade Receivables

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Outstanding over six months from the date they were due for payment:		
Considered good	**6.45**	8.09
Credit impaired	**18.24**	18.57
Which have significant increase in credit risk	**-**	-
	24.69	26.66
Others:		
Considered good	**183.31**	111.75
Which have significant increase in credit risk	**-**	-
	208.00	138.41
Less: Provision for trade receivables credit impaired	**18.24**	18.57
Total	**189.77**	119.84

Allowance for doubtful debts

Particulars	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Opening Balance	**18.57**	18.32
Add:- Allowance for the year	**3.32**	6.06
	21.90	24.38
Bad debts written off	**(2.75)**	(4.48)
Reversal of allowance	**(0.91)**	(1.32)
Total	**18.24**	18.57

Note 11(a) : Cash and Cash equivalents

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Cash on Hand	**2.04**	1.50
Term deposits with Banks having maturity of less than 3 months	**1,150.00**	1,050.00
Balance with bank in current accounts	**410.43**	147.92
TOTAL	**1,562.47**	1,199.42

Note 11(b) : Bank Balances other than Cash and Cash Equivalent

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Call and short term deposit - maturing after 12 months	**9.32**	9.32
Less : Term deposit with bank maturing after 12 months from the Balance Sheet data and other earmarked / margin money / pledged deposits classfied as non-current	**9.32**	9.32
TOTAL	**-**	-

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 12 : Loans

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Current		
(Unsecured, considered good unless stated otherwise)		
Related Parties		
Benaras Hotels Limited	**500.00**	500.00
Total	**500.00**	500.00

Note 13 : Other Financial Assets

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Current		
Deposit with public bodies and others	**2.94**	2.39
Other Advances		
Considered good	**24.16**	20.56
Considered doubtful	**-**	-
	24.16	20.56
Interest Receivable		
Related Parties	**3.66**	1.22
Others	**22.90**	20.05
	26.56	21.27
On Current Account dues :		
Related Parties	**4.51**	3.48
Others	**17.34**	11.78
	21.85	15.25
Total	**75.51**	59.47

Note 14: Other Non Financial Assets

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Non Current		
Capital Advances	**13.90**	4.38
Export Incentive (SEIS) Receivable	**135.42**	86.98
	149.32	91.36
Current		
Prepaid Expenses	**55.13**	50.87
Advance to Suppliers	**15.36**	4.86
Advance to Employees	**2.53**	1.37
Others	**-**	-
	73.03	57.09

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 15 : Equity Share Capital

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Authorised Share capital		
Equity Shares		
1,00,00,000 Equity Shares (Previous Year 1,00,00,000 equity shares of ` 10/-each)	**1,000.00**	1,000.00
	1,000.00	1,000.00
Issued, Subscribed and Paid up		
Equity Shares		
84,00,000 Fully Paid-Up Equity Shares (Previous Year 84,00,000 Fully Paid Equity Shares of ` 10/- each)	**840.00**	840.00
	840.00	840.00

a) **Reconciliation of Equity Shares outstanding at the beginning and at the end of the period.**

	March 31, 2019		March 31, 2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
As at the beginning of the Year	84,00,000	840.00	84,00,000	840.00
Add:- Shares Issued during the year	-		-	-
As at the end of the year	**84,00,000**	**840.00**	84,00,000	840.00

b) **Shareholders holding more than 25% Equity Shares in the Company**

	March 31, 2019		March 31, 2018	
Shareholder	No. of Shares	% holding	No. of Shares	% holding
The Indian Hotels Co. Ltd.(Holding Company)	46,20,000	55.00%	25,18,320	29.98%
TIFCO Holdings Ltd.-a subsidiary of The Indian Hotels Co. Ltd.	0	0.00%	21,01,680	25.02%
(Shares held by Holding Company along with subsidiaries)				
TOTAL	**46,20,000**	**55.00%**	46,20,000	55.00%

The Indian Hotels Company Limited is the Holding of the Company

c) **Shareholders holding more than 5% Equity Shares in the Company**

	March 31, 2019		March 31, 2018	
Shareholder	No. of Shares	% holding	No. of Shares	% holding
Mr. Rajinder Kumar	6,51,840	7.76%	6,51,840	7.76%
Mr. Narinder Kumar	7,86,240	9.36%	7,86,240	9.36%
Mrs.Veena Khanna	6,51,840	7.76%	6,51,840	7.76%
Mr. Pawan Pershad	6,51,840	7.76%	6,51,840	7.76%
Mr. Virender Kumar	6,51,840	7.76%	6,51,840	7.76%
TOTAL	**33,93,600**	**40.40%**	33,93,600	40.40%

d) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the apporval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 16: Other Equity

	March 31, 2019	March 31, 2018
	₹ in Lakhs	₹ in Lakhs
Capital Reserve		
Opening and Closing Balance	**11.41**	11.41
General Reserve		
Opening Balance	**1,551.75**	1,551.75
Add: Transferred from Surplus in Statement of Profit and Loss	**-**	-
Closing Balance	**1,551.75**	1,551.75
Retained Earnings		
Opening Balance	**524.90**	479.51
Add:-Net Profit for the current year	**338.10**	176.26
Less:-Dividend Paid	**84.00**	84.00
Less:-Tax on Dividend	**17.27**	17.10
Less:-Transfer to General Reserves	**-**	-
Less: Ind AS- OCI Movements - Net Defined Benefit Plans	**11.78**	29.77
Less: Ind AS- OCI Movements - Tax on Net Defined Benefit Plans	**(3.28)**	-
Closing Balance	**753.22**	524.90
Other Reserves		
FVOCI - Equity Instruments		
Opening Balance	**(470.00)**	(623.91)
Add: Change in fair value of equity instruments designated irrevocably as FVTOCI	**0.88**	153.91
Closing Balance	**(469.11)**	(470.00)
TOTAL	**1,847.26**	1,618.05

Note 17 : Trade Payables

	March 31, 2019	March 31, 2018
	₹ in Lakhs	₹ in Lakhs
Total outstanding dues of micro and small enterprises	**0.76**	0.73
Total outstanding dues of creditors other than micro and small enterprises	**190.22**	40.85
Accured expenses and others	**12.12**	24.96
Total	**203.10**	66.54

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

The amount due to Micro and Small Enterprises as defined in the “The Micro,Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information collected by Management. Disclosure are relating to Micro and Small Enterprises are as under:-

		March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
(a)	The principal amount remaining unpaid to suppliers as at the end of accounting year	**0.76**	0.73
(b)	The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year.		
(d)	The amount of interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(e)	The amount of interest accured during the year and remaining unpaid at the end of accounting year	-	-
(f)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total		**0.76**	0.73

Note 18 : Other Current Financial Liabilities

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Current		
On Current Account dues :		
Holding Company	**24.30**	17.76
Fellow Subsidiaries	-	-
Others	**0.79**	0.70
	25.09	18.46
Deposit from others	**27.66**	34.78
Creditors for Capital goods & services	**12.86**	28.59
Unclaimed share application money	**0.06**	0.06
Employee Related Liabilities	**310.16**	254.41
Other Liabilities	**8.04**	3.90
Total	**383.86**	340.19

Note 19 : Other Current Liabilities

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Current		
Advance collected from Customers	**43.82**	59.34
Statutory Dues	**72.44**	67.21
Total	**116.25**	126.54

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 20 : Provisions

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Long Term Provisions		
Employee Benefit Obligation (Non-current)		
Compensated absences	**62.98**	44.20
Gratuity	**28.88**	21.29
	91.86	65.49
Short Term Provisions		
Employee Benefit Obligation (Current)		
Compensated absences	**8.71**	8.06
Provisions - Others		
Provision for Contingencies*	**525.00**	425.00
Total	**533.71**	433.06

*For	Opening Balance ₹ in Lakhs	Addition / (Deletion) ₹ in Lakhs	Closing Balance ₹ in Lakhs
Legal and Statutory matters	425.00	100.00	525.00

Note 21 : Rooms, Restaurants, Banquets and Income from Operations

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Rooms Income	**1,926.47**	1,833.10
Food, Restaurants and Banquet Income	**2,080.44**	1,969.70
Shop Rental	**77.50**	65.54
Others	**233.62**	166.49
TOTAL	**4,318.02**	4,034.84

Note 22 : Other Income

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Interest Income		
Inter-corporate deposits	**54.22**	13.16
Deposits with banks	**67.71**	84.47
Interest on Income Tax Refunds	**28.71**	1.65
	150.64	99.29
Profit on Sale of Fixed Assets	**-**	-
Others	**2.40**	2.24
TOTAL	**153.04**	101.53

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 23 : Food and Beverages Consumed

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Food and Beverages Consumed		
Opening Stock	**61.72**	49.96
Add:- Purchases *	**471.44**	452.35
	533.17	502.30
Less:- Closing Stock	**50.85**	61.72
Food and Beverages Consumed	**482.32**	440.58

*** Purchase cost of Food and Beverages is after adjusting sale of empties**

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Sale of Empties	**2.92**	2.83

Note 24 : Employee Benefits Expense and Payment to Contractors

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Salaries, Wages, Bonus etc.	**680.12**	571.69
Company's Contribution to Provident and Other Funds	**30.74**	25.91
Reimbursement of Expenses on Personnel Deputed to the Company	**245.45**	215.06
Payment to Contractors	**74.82**	67.69
Staff Welfare Expenses	**249.03**	131.70
Total	**1,280.15**	1,012.06

i **The Company has recognised the following amount under the head "Company's Contribution to Provident Fund and Other Funds"**

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Provident Fund	**39.42**	29.70
Gratuity Fund	**(8.69)**	(3.79)
Total	**30.74**	25.91

ii **Managerial Remuneration**

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Salaries, HRA, LTA, Medical & others	**91.04**	82.38
Contribution of Provident Fund and Other Funds	**5.80**	5.27
Total	**96.84**	87.64

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 25 : Other Operating and General Expenses

i Operating Expenses consist of the following

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Linen and Room Supplies	**54.30**	58.62
Catering Supplies	**46.97**	39.07
Other Supplies	**2.04**	3.09
Fuel, Power & Light	**288.40**	271.38
Repairs to Buildings	**103.63**	364.99
Repairs to Machinery	**136.41**	121.65
Repairs to Others	**28.34**	22.05
Linen and Uniform Washing and Laundry Expenses	**60.84**	49.56
Payment to Orchestra Staff and Artistes and Others	**97.18**	106.11
Guest Transportation	**7.05**	4.30
Travel Agent's Commission	**67.75**	47.11
Credit/Debit Card Commission	**33.36**	35.28
Other Operating Expenses	**111.14**	81.03
Total	**1,037.41**	1,204.23

ii General Expenses consist of the following:

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Rent	**17.21**	15.84
Lease & License Fees	**165.07**	164.13
Rates & Taxes	**189.32**	165.21
Insurance	**9.40**	8.19
Advertising & Publicity	**227.79**	206.54
Printing & Stationery	**17.45**	16.21
Passage & Traveling	**6.48**	1.19
Bad Debts written off	**2.42**	4.73
Professional Fees	**71.69**	25.56
Support Services	**17.27**	15.36
Expenditure on Corporate Social Responsibility	**8.41**	12.16
Loss on Sale of Fixed Assets	**-**	4.64
Operating/Management Fees	**214.59**	201.26
Central Reservation System/Customer Information System	**85.84**	80.50
Other Expenses	**56.92**	220.12
Payment Made to statutory Auditors	**2.04**	2.03
TOTAL	**1,091.91**	1,143.66
GRAND TOTAL (i+ii)	**2,129.33**	2,347.89

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Footnotes:

(i) **Expenses recovered from other parties :-**

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Fuel, Power and Light	**4.14**	5.10
Rent	**1.00**	0.78
TOTAL	**5.14**	5.87

(ii) **Payment Made to Statutory Auditors :-**

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
As Auditors	**1.65**	1.65
As Tax Auditors	**0.35**	0.35
Tax on above (Net of Credit availed)	**0.04**	0.03
TOTAL	**2.04**	2.03

Note 26: Earning Per Equity share

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Profit after Tax	**338.10**	176.26
No. of Equity Shares	**84,00,000**	84,00,000
Basic and Diluted	**4.02**	2.10

Note 27: Employee Benefits

The company has taken group gratuity scheme with Life Insurance Corporation (LIC Ultimate (94-96)) and annual contributions are made to the fund administrated by Life Insurance Corporation. Every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service or retirement , whichever is earlier. The benefit vests after five years of continuous service.

Relevant information is disclosed below :-

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
(i) **Amount to be recognised in Balance Sheet and movement in net liability**		
Present Value of Funded obligation	**141.31**	122.36
Fair Value of Plan Assets	**112.43**	101.08
Net (Assets) / Liability	**28.88**	21.29
(ii) **Expense recognised in Statement of Profit & Loss**		
Current service cost	**8.95**	5.75
Past service cost	**(3.49)**	
Interest cost	**(2.17)**	(0.85)
Expected return on plan assets (Gains)/ losses on settlement		
Total	**3.29**	4.89

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 27: Employee Benefits (Contd.)

		March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
(iii)	**Expense recognised in Other Comprehensive Income**		
	Opening amount recognized in OCI outside P&L account	**35.51**	5.74
	Remeasurements due to:		
	Changes in financial assumptions	**-**	24.48
	Changes in demographic assumptions	**(0.05)**	(0.39)
	Experience adjustments	**5.83**	6.48
	Actual return on plan assets less interest on plan assets	**6.01**	(0.80)
	Adjustment to recognise the effect of asset ceiling		-
	Total	**47.29**	35.51
(iv)	**Reconciliation of Defined Benefit Obligation :**		
	Opening Defined Benefit Obligation	**122.36**	90.18
	Additions due to acquisitions		
	Current service cost	**8.95**	5.75
	Past service cost	**(3.49)**	
	Interest cost	**8.49**	6.26
	Contribution by plan participants		
	Remeasurements due to actuarial loss/ (gain) arising from		
	Changes in financial assumptions	**-**	24.48
	Changes in demographic assumptions	**(0.05)**	(0.39)
	Experience adjustments	**5.83**	6.48
	Actual return on plan assets less interest on plan assets		
	Adjustment to recognise the effect of asset ceiling		
	Benefits Paid	**(0.77)**	(10.40)
	Liabilities assumed/ (settled)*		
	Liabilities extinguished on Settlements		
	FCTR-Defined Benefit Obligation		
	Closing Defined Benefit Obligation	**141.31**	122.36
(v)	**Reconciliation of Fair Value of Plan Assets**		
	Opening of Fair Value of Plan Assets	**101.08**	97.87
	Employer contributions	**7.48**	5.68
	Interest on plan assets	**10.66**	7.12
	Remeasurements due to:		
	Actual return on plan assets less interest on plan assets	**(6.01)**	0.80
	Contribution by Employer		
	Contribution by plan participants		
	Benefits Paid	**(0.77)**	(10.40)
	Assets acquired/ (settled)*		
	Assets distributed on Settlements		
	FCTR		
	Closing of Fair Value of Plan Assets	**112.43**	101.08
	Expected Employer's contribution next year		

* On account of business combination or intra group transfer

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 27: Employee Benefits (Contd.)

		March 31, 2019	March 31, 2018
(vi)	**Acturial Assumptions**		
	Discount rate(p.a.) in %	**7.6%**	7.6%
	Salary Escalation rate (p.a.) in %	**6.0%**	6.0%

(vii)	**Disaggregation of Plan Assets**	**March 31, 2019**		**March 31, 2018**	
		Unquoted	**%**	**Unquoted**	**%**
		₹ in Lakhs		**₹ in Lakhs**	
	Name of the fund				
	LIC Ultimate policy	**112.43**	**100%**	101.08	100%
	Total	**112.43**		101.08	

(viii)	Sensitivity Analysis	**March 31, 2019**		**March 31, 2018**	
	Particulars	**Discount rate**	**Salary Escalation rate**	**Discount rate**	**Salary Escalation rate**
	Retiring Gratuity Benefit Plan	**7.6%**	**6.0%**	7.6%	6.0%
	Impact of increase in 50 bps on DBO	**-4.57%**	**4.98%**	-4.05%	4.38%
	Impact of decrease in 50 bps on DBO	**4.93%**	**-4.66%**	4.34%	-4.13%

Note 28 : The Company has taken vehicles under cancellable operating lease and immovable properties on non-cancellable operating lease. These leases have varying terms, escalation clauses and renewal rights. The total lease rent paid on the same is included under Rent and license fees forming part of other expenses.

(i) Details of minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount.

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Not Later than one year	**162.00**	162.00
Later than one year but not later than five years	**858.00**	846.00
Later than Five years	**174.00**	348.00
Total	**1,194.00**	1,356.00

(ii) **A) Expenses recognised in the Statement of Profit and Loss**

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Minimum Lease Payments	**165.07**	167.77
Contingent rents (state basis)	**-**	-
Total	**165.07**	167.77
B) Details regarding Operating Lease-Immovable Properties		
Not later than one year	**162.00**	162.00
Later than one year but not later than five years	**858.00**	846.00
Later than five years	**174.00**	348.00
	1,194.00	1,356.00

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 29 : Capital Commitments

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for.	**89.47**	37.95

Note 30 : Under schedule III of Companies Act, 2013 quantitatives details are not required to disclose.

Note 31 : Contingent Liabilities

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
1- Property Tax	**1,112.52**	1,027.09
2- Income Tax	**224.56**	181.02

1- The property tax demand for various years aggregating to ₹1935.87 Lakhs had been raised in respect of the hotel up to 31st March, 2019 under the NDMC Bye Laws 2009. While admitted tax was paid for each year, the demand raised post 2010 till 31st March 2015 was under challenge along with NDMC Bye Laws 2009. The Hon'ble Supreme Court vide its Order dated 22nd January, 2019 has declared the NDMC Bye Laws, pursuant to which the property tax demand for all these years was raised, as ultra vires the NDMC Act and hence quashed. The Company has, however, decided to continue with a provision of ₹ 525 lakhs provided in the books up to 31st March, 2019 as the assessment of property tax post 2010 consequent to the quashing of the NDMC Bye Laws 2009 is yet to be finalized.

2- In respect of income tax matters, appeals have been filed by the Income Tax Dept against Orders in favour of the company; summary given below:

Year to which demand relates	Amount involved ₹ in Lakhs	Forum where dispute is pending
A.Y.-1998-99	**99.19**	Hon'ble High Court of Delhi
A.Y.-2014-15	**62.22**	ITAT, Delhi
A.Y.-2013-14	**52.59**	
A.Y.-2012-13	**10.55**	

Note 32 : Income Tax Disclosures (Ind AS 12)

(a) Income Tax recognised in Profit or loss:

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Current Tax		
In respect of the current year	**171.00**	125.00
In repect of earlier years	**(18.99)**	(33.38)
	152.01	**91.62**
Deferred Tax		
In respect of the current year	**(44.62)**	(66.53)
	(44.62)	(66.53)
Total tax expense recognised in the current year relating to continuing operations	**107.39**	**25.09**

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 32 : Income Tax Disclosures (Ind AS 12) (Contd.)

(b) Reconciliation of tax expense with the effective tax

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Profit before tax from continuing operations (a)	**445.49**	201.35
Income tax rate as applicable (b)	**27.82%**	27.55%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**123.93**	55.48
Permanent tax differences due to:		
Corporate social responsibility expenditure	**0.65**	3.33
On account of bonus disallowance	**1.00**	0.90
Others	**(0.34)**	(1.24)
Effect on deferred tax balances due to change in cess rate from 3% to 4% (effective from 1st April 2018)	**1.13**	-
	126.38	58.47
Prior year taxes as shown above	**(18.99)**	(33.38)
Income tax expense recognised in profit or loss (relating to continuing operations)	**107.39**	**25.09**
	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs

(c) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs	March 31, 2017 ₹ in Lakhs
Deferred Tax assets	**216.92**	192.84	126.58
Deferred Tax liabilities	**(48.16)**	(49.27)	(49.54)
Total	**168.75**	**143.57**	**77.05**

(d) Reconciliation of Deferred Tax Asset and Deferred Tax Liability

2018-19	**Opening Balance** ₹ in Lakhs	Recognised in profit or loss ₹ in Lakhs	**Closing balance** ₹ in Lakhs
Deferred tax (liabilities)/ assets in relation to:			
Property. Plant & equipment and Intangible Assets	(49.27)	1.11	(48.16)
Provision for Employee Benefits	14.40	5.54	19.94
Provision for Revision in Minimum Wages	33.50	12.35	45.85
Provision for Doubtful Debts	5.12	(0.04)	5.07
MAT Credit Entitlement	22.72	(22.72)	-
Provision for Contingencies	117.10	28.95	146.05
Total	143.57	25.18	168.75
Capital Gain	-	-	-
Total Deferred Tax Assets	**143.57**	**25.18**	**168.75**

2017-18	**Opening Balance** ₹ in Lakhs	Recognised in profit or loss ₹ in Lakhs	**Closing balance** ₹ in Lakhs
Deferred tax (liabilities)/ assets in relation to:			
Property. Plant & equipment and Intangible Assets	(49.54)	0.26	(49.27)
Provision for Employee Benefits	9.27	5.14	14.40
Provision for Revision in Minimum Wages	-	33.50	33.50
Provision for Doubtful Debts	5.05	0.07	5.12
MAT Credit Entitlement	22.72	-	22.72
Provision for Contingencies	89.55	27.55	117.10
Total Deferred Tax Assets	77.05	66.53	143.57

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 33 : Financial Instruments (Ind AS 109)

(a) **Financial Assets & Liabilities**

	FVOCI	Amortised cost	31/03/2019 Total	FVOCI	Amortised cost	31/03/2018 Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Financial assets:						
Investments	-	-	-	-	-	-
Equity Investment						
- External Companies	0.93	-	0.93	0.68	-	0.68
Trade Receivables	-	189.77	189.77	-	119.84	119.84
Cash and cash equivalents	-	1,562.47	1,562.47	-	1,199.93	1,199.93
Loans	-	500.00	500.00	-	500.00	500.00
Other financial assets*	-	93.18	93.18	-	74.61	74.61
Total - Financial Assets	**0.93**	**2,345.42**	**2,346.35**	**0.68**	**1,894.37**	**1,895.04**
Financial liabilities:						
Trade Payables including capital creditors	-	306.00	306.00	-	188.10	188.10
Other financial liabilities	**-**	**280.95**	**280.95**	**-**	**218.60**	**218.60**
Total - Financial Liabilities	**-**	**586.96**	**586.96**	**-**	**406.70**	**406.70**

(b) Fair value of Financial instruments on a recurring basis:

As of March 31, 2019:	Level 1 ₹ in Lakhs	Level 2 ₹ in Lakhs	Level 3 ₹ in Lakhs	Total ₹ in Lakhs
Financial assets:				
Equity shares				
Listed equity investment				
- Graviss Hospitality Limited	0.93	-	-	0.93
Unquoted equity investment				
- Taj Air Limited	155	-	-	155
Total	**155.93**	**-**	**-**	**155.93**

As of March 31, 2018:	Level 1 ₹ in Lakhs	Level 2 ₹ in Lakhs	Level 3 ₹ in Lakhs	Total ₹ in Lakhs
Financial assets:				
Equity shares				
Listed equity investment				
- Graviss Hospitality Limited	0.68	-	-	0.68
Unquoted equity investment				
- Taj Air Limited	154.38	-	-	154.38
Total	**155.05**	**-**	**-**	**155.05**

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 33 : Financial Instruments (Ind AS 109) (Contd.)

(c) **Contractual maturity of financial liabilities:**

March 31, 2019	**Due in 1st year ₹ in Lakhs**
Non-derivative financial liabilities:	
Trade and other payables	306.00
Other financial liabilities	280.95
Total	**586.96**

March 31, 2018	**Due in 1st year ₹ in Lakhs**
Non-derivative financial liabilities:	
Trade and other payables	188.10
Other financial liabilities	218.60
Total	**406.70**

Note 34 : Ind AS 115 'Revenue from Contracts with Customers'

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended 31st March 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1st April 2018 ('transition date') in equity and the impact on such transition date is not material.

Also the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months. (Also refer Credit Risk)

Prior to adoption of Ind AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations The recognition of these revenue streams is largely unchanged by Ind AS 115.

	CONTRACT WITH CUSTOMERS	**March 31, 2019 ₹ in Lakhs**	March 31, 2018 ₹ in Lakhs
1	Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Revenue from operations		
	Revenue from contract with customers		
	a) Room Revenue, Food & Beverages and Banquets	**4,006.91**	3,802.81
	b) Other revenue from contract with customers	**(185.18)**	(130.02)
		3,821.73	3,672.79
	Other operating revenue		
	a) Export Incentive	**(48.44)**	(36.48)
	b) Other revenue	**-**	-
		(48.44)	(36.48)
	Total Revenue from operations	**3,773.29**	**3,636.31**

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 34 : Ind AS 115 'Revenue from Contracts with Customers' (Contd.)

		March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
2	**Disaggregate Revenue :** The following table presents Company's revenue disaggregated by type of revenue stream		
	Revenue based on product and services		
	Revenue from contract with customers		
	a) Room Revenue	**1,926.47**	1,833.10
	b) Food & Beverages and Banquets	**2,080.44**	1,969.70
	c) Other revenue from contract with customers	**262.68**	195.56
	Other Operating Revenue		
	a) Export Incentives	**(48.44)**	(36.48)
	b) Other revenue	**-**	-

3 The Company derives its revenue from the transfer of goods and services at a point of time in its major service lines

4 **Contract balances**

Advance Collections, deposits from customer

Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/Banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage /provision of banquet services.

	March 31, 2019	March 31, 2018
At April	**(128.54)**	(75.24)
At March	**(96.35)**	(128.54)

Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to ₹ 128.54/-

Note 35 : Related Party disclosures

a) The names of Related Parties of the Company are as under

(i) **Company having Significant Influence**
Tata Sons Private Ltd.
(including subsidiaries and JV of an entity)

(ii) **Holding Company**
The Indian Hotels Company Ltd.

(iii) **Fellow Subsidiaries Company**
Domestic :-
KTC Hotels Limited
Roots Corporation Limited
Piem Hotels Limited
Taj Trade and Transport Company Limited
Inditravel Limited
Northern India Hotels Limited
Taj Enterprises Limited
Benaras Hotels Limited
Luthria & Lalchandani Hotels & Properties Pvt. Ltd.
Skydeck Properties and Developers Private Limited
Sheena Investments Private Limited
ELEL Hotels & Investments Limited
International :-
Taj International Hotels (H.K.) Limited
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited
PIEM International Hotels (H.K.) Limited
BAHC 5 Pte Ltd.
United Overseas Holding Inc.

(iv) **Associates & Joint Ventures of Holding Company**
Domestic :-
Taida Trading & Industries Ltd.
Oriental Hotels Ltd.
Taj Madurai Ltd.
Taj Sats Air Catering Limited
Taj Madras Flight Kitchen Private Limited
Taj Karnataka Hotels and Resorts Limited
Taj Kerala Hotels and Resorts Limited
Kaveri Retreats & Resorts Limited
Taj GVK Hotels & Resorts Limited
Taj Safaris Limited
International :-
TAL Lanka Hotels PLC
Lanka Island Resorts Ltd.
BJETS Pte. Ltd. (Singapore)
TAL Hotels & Resorts Limited
IHMS Hotels (SA) (Proprietary) Limited

(v) **Key Management Personnel**

Mr. Rajinder Kumar	Working Director
Mr. Virinder Kumar	Working Director
Mr.Narinder Kumar	Working Director

(vi) **Firms/ companies in which key Management personnel are interested**
New Delhi Hotels Limited
Digvijay Finances Pvt. Ltd.
United Finances & Agencies Pvt. Ltd.

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

Note 35 : Related Party disclosures (Contd.)

(b) Details of related party transaction during the period ended 31.03.2019 and outstanding balances as at 31.03.2019

Particulars	Company having Significant Influence ₹ in Lakhs	Holding Company ₹ in Lakhs	Key Management Personnel ₹ in Lakhs	Fellow Subsidiaries ₹ in Lakhs	Associates & Joint Ventures of Holding Co. ₹ in Lakhs	Key Management Personnel interested ₹ in Lakhs
Dividend Paid	-	25.18	20.90	21.02	-	3.02
Operating Fees Paid / Provided	-	210.34	-	-	-	-
Advertisement/CRS & CIS Paid / Provided	-	168.27	-	-	-	-
Purchase of goods & Services	28.10	60.80	-	-	-	-
Sale of goods & Services	40.17	-	-	-	-	0.73
Directors Remuneration	-	-	91.04	-	-	-
Trade Receivables	3.01	-	-	-	-	-
Trade Payables	-		-	-	-	-
Receivable Due on Current A/c	-	-	-	0.66	-	-
Payable Due on Current A/c	-	24.30	-	0.39	-	-
ICD Placed	-	-	-	500.00	-	-
Interest Recoverable	-	-	-	3.66	-	-

(c) Statement of Material Transactions

Particulars	**March 31, 2019** **₹ in Lakhs**	March 31, 2018 ₹ in Lakhs
Company having Significant Influence		
Tata Consultancy Services		
Purchase of goods & services	**28.10**	24.18
Trade Payable	**1.67**	-
Sale of goods & services	**40.17**	29.41
Trade Receivable	**3.01**	7.83
Holding Company		
The Indian Hotels Company Limited		
Operating/Licence Fee Paid	**210.34**	197.60
Advertisement/Brand Cost/CRS/CIS Paid	**168.27**	158.08
Purchase of goods & services	**60.80**	61.31
Payable due on current account	**24.30**	17.76
Dividend Paid	**25.18**	25.18
Remuneration to Key Management Personnel		
Mr. Rajinder Kumar		
Remuneration	**32.22**	30.63
Dividend Paid	**6.52**	6.52

Notes to Financial Statements for period ended March 31, 2019 (Contd.)

(c) Statement of Material Transactions (Contd.)

	March 31, 2019 ₹ in Lakhs	March 31, 2018 ₹ in Lakhs
Mr. Virinder Kumar		
Remuneration	**30.66**	29.54
Dividend Paid	**6.52**	6.52
Mr.Narinder Kumar		
Remuneration	**28.17**	27.47
Dividend Paid	**7.86**	7.86
Fellow Subsidiaries		
TIFCO Holdings Ltd		
Dividend Paid	**21.02**	21.02
PIEM Hotels Limited		
Payable due on current account	**0.39**	-
Banaras Hotels Limited		
Receivable due on current account	**0.66**	3.48
ICD Placed	**500.00**	500.00
Interest Recoverable	**3.66**	1.22
Interest earned on ICD placed	**50.56**	
Associates/Joint Ventures		
Taj Sats Air Catering Limited		
Payable due on current account	**-**	0.14
Key Management Personnel interested		
New Delhi Hotels Ltd.		
Sale of goods & Services	**0.73**	0.73
Dividend Paid	**3.02**	3.02

Note 36 : Figures of the previous year have been regrouped / recast wherever necessary.

For and on behalf of the Board

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Rajinder Kumar
Director
DIN 00053878

Satyajeet Krishnan
Director
DIN 07491453

P.K. Bhatia
Company Secretary

Vipin Bali
Partner
M.No.083436
Date :
Place : New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of **Skydeck Properties & Developers Private Limited**

Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the financial statements of **Skydeck Properties & Developers Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the* Ind AS *Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS 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 Management and Those Charged with Governance for 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS 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 auditors' 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of 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 financial statements comply with the Indian 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 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

    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.

(h) As required by Section 197(16) of the Act, we report that the remuneration paid by the company to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

Ramanarayanan J

Partner

Membership No. 220369

Place: Mumbai
Date: April 22, 2019

Annexure - A to the Independent Auditor's Report – 31 March 2019

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Skydeck Properties & Developers Private Limited ("the Company") on the Indian Accounting Standards (Ind AS) financial statements as of and for the year ended 31 March 2019.

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, *except for few delays*, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax(GST) which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) Based on our audit procedures and as per the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule 5 to the Companies Act, 2013

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

Annexure - A to the Independent Auditor's Report – 31 March 2019 (Contd.)

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

Ramanarayanan J

Partner

Membership No. 220369

Place: Mumbai
Date: April 22, 2019

Annexure - B to the Independent Auditor's Report – 31 March 2019

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

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 **Skydeck Properties & Developers Private Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure - B to the Independent Auditor's Report – 31 March 2019 (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

Ramanarayanan J

Partner

Membership No. 220369

Place: Mumbai
Date: April 22, 2019

Balance Sheet as at March 31, 2019

	Note	**March 31, 2019 ₹ Lakhs**	March 31, 2018 ₹ Lakhs
Assets			
Non-current assets			
Financial assets			
Investments	3	**52,861.00**	52,861.00
Advance income tax (net)		**2.56**	2.32
		52,863.56	52,863.32
Current assets			
Cash and cash equivalents	4	**60.92**	68.00
Other financial assets	5	**0.05**	-
		60.97	68.00
Total		**52,924.53**	52,931.32
Equity and liabilities			
Equity			
Equity share capital	6	**89,303.22**	89,303.22
Other equity	7	**(44,362.51)**	(44,358.87)
Total equity		**44,940.71**	44,944.35
Current Liabilities			
Financial liabilities			
Trade payables	8		
Total outstanding dues of micro and small enterprises		**-**	-
Total outstanding dues of creditors other than micro and small enterprises		**2.43**	1.79
Other financial liabilities	9	**7,981.13**	7,985.02
Other current liabilities	10	**0.26**	0.16
		7,983.82	7,986.97
Total		**52,924.53**	52,931.32
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 22, 2019

Rashna Kararia
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2019

	Note	Year ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Income			
Other income	11	**2.94**	-
Total Income		**2.94**	-
Expenses			
Finance costs	12	**-**	5,091.11
Other operating and general expenses	13	**6.58**	2.94
Total Expenses		**6.58**	5,094.05
Profit/ (Loss) before exceptional items and tax		**(3.64)**	(5,094.05)
Exceptional items		**-**	-
Profit/ (Loss) before tax		**(3.64)**	(5,094.05)
Tax expenses		**-**	-
Total		**-**	-
Profit/ (Loss) after tax		**(3.64)**	(5,094.05)
Other comprehensive income, net of tax			
Other comprehensive income for the year		**-**	-
Total comprehensive Income for the year		**(3.64)**	(5,094.05)
Earnings per share:	14		
Basic - (₹)		**(0.00)**	(1.44)
Diluted - (₹)		**(0.00)**	(1.44)
Face value per ordinary share - (₹)		**10.00**	10.00
Summary of Significant Accounting Policies			
The accompanying notes form an integral part of the Financial Statements			

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: April 22, 2019

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

Statement of Changes in Equity as at March 31, 2019

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Other Equity		
		Retained Earnings	Other Reserve	Total
Balance as at April 1, 2018	9.83	(38,875.89)	-	(38,875.89)
Profit for the year ended March 31, 2018	-	(5,094.05)	-	(5,094.05)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the year ended March 31, 2018	-	(5,094.05)	-	(5,094.05)
Add : Issue of Share Capital	89,293.39	-	-	-
Less : Share issue expenses	-	-	(388.93)	(388.93)
Balance as at March 31, 2018	**89,303.22**	**(43,969.94)**	**(388.93)**	**(44,358.87)**
Profit for the year ended March 31, 2019	-	(3.64)	-	(3.64)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the year ended March 31, 2019	-	(3.64)	-	(3.64)
Balance as at March 31, 2019	**89,303.22**	**(43,973.58)**	**(388.93)**	**(44,362.51)**

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

For and on behalf of the Board

Ramanarayanan J
Partner
Membership No.220369

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 22, 2019

Rashna Kararia
Company Secretary

Cash Flow Statement for the year ended March 31, 2019

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Cash Flow From Operating Activities		
Profit Before Tax	**(3.64)**	(5,094.05)
Adjustments For :		
Interest Income	**(2.94)**	-
Finance Costs	**-**	5,091.11
	(2.94)	5,091.11
Cash Operating Profit before working capital changes	**(6.58)**	(2.94)
Adjustments for (increase)/ decrease in operating assets:		
Other Current Assets	**-**	-
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**(3.15)**	4.40
	(3.15)	4.40
Cash Generated from Operating Activities	**(9.73)**	1.46
Direct Taxes (Paid)/ Refunded	**(0.24)**	-
Net Cash Generated From Operating Activities (A)	**(9.97)**	1.46
Cash Flow From Investing Activities		
Interest Received	**2.89**	-
Bank Balances not considered as Cash and Cash Equivalents	**-**	-
Net Cash Generated/(Used) In Investing Activities (B)	**2.89**	-
Cash Flow From Financing Activities		
Proceeds from short term borrowings	**-**	735.00
Short-term loans repaid	**-**	(735.00)
Proceeds from Issue of Equity Shares	**-**	89,293.39
Share issue expenses	**-**	(388.93)
Interest on term loan	**-**	(13,811.80)
Interest on ICD borrowed	**-**	(36.62)
Repayment of long-term borrowings	**-**	(75,000.00)
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	56.04
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(7.08)**	57.50
Cash and Cash Equivalents - Opening	**68.00**	10.50
Cash and Cash Equivalents - Closing	**60.92**	68.00

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

For and on behalf of the Board

Ramanarayanan J
Partner
Membership No.220369

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 22, 2019

Rashna Kararia
Company Secretary

Notes to the Financial Statements for the year ended March 31, 2019

1. Background

Skydeck Properties and Developers Private limited ("Skydeck" or the "Company"), a private limited company was incorporated on May 13, 1998. The Company is primarily engaged in construction activities and providing Management Consultancy.

2. Significant accounting policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013, on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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:

- **Impairment of investments** The Company reviews its carrying value of investment in subsidiaries carried at cost less impairment (if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **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 or 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.

c) Revenue recognition

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

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

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

d) Taxes on income

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 profit or 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 except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

e) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

f) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

g) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no 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.

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

i) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Subsequent Measurement:

Debt instruments

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.

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 and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset 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:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) 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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated 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 the Statement of Profit and Loss. 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 and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

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

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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 interest-bearing loans and borrowings.

Derecognition

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

Offsetting of financial instruments

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

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

j) Recent accounting pronouncements

a) **New standard notified and adopted by the Company**

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer
ii. Identification of the performance obligations in the contract
iii. Determination of the transaction price
iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards had been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments have any material effect on the Company's financial statements.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

b) **New standard notified but no early adopted by the company**

i. New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

As the Company does not have any long-term lease contract as on date, the new standard is not expected to have any effect on the Company's financial statements.

ii. Other Amendments

a. Ministry of Corporate Affairs has issued additional guidance on Ind AS 12 – Income Taxes pertaining to "accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities". This notification is not expected to have any material impact on the Company's financial statements.

b. Other than (a) above, there are certain other modifications notified in the existing accounting standards on miscellaneous issues which is applicable with effect from 1st April 2019. None of these standards are applicable to the Company.

Note 3 : Investments

		March 31, 2019		March 31, 2018	
	Face Value	**Holdings no. of Shares**	**₹ Lakhs**	Holding no. of Shares	₹ Lakhs
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Companies (At Cost)					
Sheena Investments Private Limited	10.00	**1,000,000**	**23,200.00**	1,000,000	23,200.00
ELEL Hotels and Investments Limited	10.00	**1,309,896**	**29,660.95**	1,309,896	29,660.95
Luthria and Lalchandani Hotels and Properties Private Limited	100.00	**50**	**0.05**	50	0.05
Total Investments			**52,861.00**		52,861.00

Note 4 : Cash and Cash Equivalents

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Balances with bank in current account	**0.92**	68.00
Balances with bank in call and short-term deposit accounts (Original maturity less than 3 months)	**60.00**	-
	60.92	68.00

Note 5 : Other Financial Assets

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Interest receivable		
Bank Deposits	**0.05**	-
	0.05	-

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 6 : Share Capital		
Authorised Share Capital		
Equity Shares		
90,01,00,000 (Previous year - 90,01,00,000) Equity Shares of ₹ 10/- each	**90,010.00**	90,010.00
	90,010.00	90,010.00
Issued Share Capital		
89,30,32,160 (Previous year - 89,30,32,160) Equity Shares of ₹ 10/- each	**89,303.22**	89,303.22
	89,303.22	89,303.22
Subscribed and Paid Up		
89,30,32,160 (Previous year - 89,30,32,160) Equity Shares of ₹ 10/- each, Fully Paid	**89,303.22**	89,303.22
	89,303.22	89,303.22

Footnotes:

i) Reconciliation of the shares outstanding at the beginning and at the end of the year.

	March 31, 2019		March 31, 2018	
	No. of Shares	**₹ Lakhs**	No. of Shares	₹ Lakhs
As at the beginning of the year	**89,30,32,160**	**89,303.22**	98,288	9.83
Add : Issued during the year	**-**	**-**	89,29,33,872	89,293.39
As at the end of the year	**89,30,32,160**	**89,303.22**	89,30,32,160	89,303.22

During the previous year, the Company had allotted 89,29,33,872 Equity Shares of face value of ₹ 10 each, at par, for cash aggregating to ₹ 892.93 lakhs on a “rights” basis to the existing shareholders of the Company. The net issue proceeds have been utilised towards the repayment of the existing debt in the Company. Refer Note 15

ii) Shares held by Holding Company.

	No. of Shares March 31, 2019	No. of Shares March 31, 2018
Holding Company		
The Indian Hotels Company Limited (“IHCL”)	**893,032,160**	893,032,160

iii) Shareholders holding more than 5% shares in the Company

The Indian Hotels Company Limited	**893,032,160**	893,032,160
% of Holding	**100 %**	100 %

iv) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 7 : Other Equity		
Retained Earnings		
Opening	**(43,969.94)**	(38,875.89)
Add: Current year profit / (Loss)	**(3.64)**	(5,094.05)
Closing	**(43,973.58)**	(43,969.94)
Other Reserve (Refer note 15)		
Opening	**(388.93)**	-
Add : During the year	**-**	(388.93)
Closing	**(388.93)**	(388.93)
Total	**(44,362.51)**	(44,358.87)

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 8: Trade Payables		
Micro and Small Enterprises	**-**	-
Others		
Vendor Payables	**0.16**	-
Accrued expenses and others	**2.27**	1.79
	2.43	1.79

Footnotes:
There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium enterprises Development Act, 2006".

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 9: Other financial liabilities		
Other Payables :-		
Related Parties (Refer footnote below)	**7,980.13**	7,984.02
Others		
	7,980.13	7,984.02
Others	**1.00**	1.00
	7,981.13	7,985.02

Footnote:
Inlcuding ₹ 7,980.06 Lakhs outstanding as at March 31, 2019 (₹ 7,980.06 Lakhs as at March 31, 2018) on account of purchase of ELEL Hotels and Investments Limited's Shares and payable to Lands End Properties Private Limited "LEPPL" which is subsequently amalgamated with The Indian Hotels Company Limited "IHCL".

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 10: Other current Liabilities		
Statutory dues	**0.26**	0.16
	0.26	0.16

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 11 : Other Income		
Interest Income from financial assets at amortised cost		
Deposits with banks	**2.94**	-
Income tax refund	**-**	-
Total	**2.94**	-

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 12 : Finance costs		
Interest Expense at effective interest rate on borrowings	**-**	5,054.49
Interest on ICD borrowed	**-**	36.62
Total	**-**	5,091.11

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 13 : General expenses		
General expenses consist of the following :		
Rates and Taxes	**0.12**	0.09
Professional Fees	**0.15**	0.56
Directors' fees	**2.48**	-
Audit Fees		
As statutory auditors	**1.48**	1.48
For other services	**0.68**	0.70
Other Expenses	**1.67**	0.11
Total	**6.58**	2.94

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 14 : Earnings Per Share (EPS)		
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax - (₹ Lakhs)	**(3.64)**	(5,094.05)
Weighted Average Number of Equity Shares	**893,032,160**	353,130,251
Face Value per Equity Share	**10.00**	10.00
Earning Per Share - (₹) Basic and Diluted	**(0.00)**	(1.44)

15. During the previous year, the Company had allotted 89,29,33,872 Equity Shares of face value of ₹ 10 each, at par, for cash aggregating to ₹ 892.93 lakhs on a "rights" basis to the existing shareholders of the Company. The net issue proceeds have been utilised towards the repayment of the existing debt in the Company. The issue expenses aggregating to ₹ 388.93 lakhs have been directly recognised in the 'Other Equity" in accordance with Ind AS 32: Financial Instruments - Presentation.

16. Fair Value of financial Instruments.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments approximate fair values due to interest charged at market rate in respect of borrowings and short term nature of account balances in respect of cash, receivables etc,.

17. Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables, loans and borrowings. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company manages and monitors these risks primarily through its operating and financing activities.

18. Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

19. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

₹ Lakhs

March 31, 2019	**Due in 1st year**	**Due in 2nd year**	**Total**
Non-derivative financial liabilities			
Trade Payable	2.45	-	2.45
Other Financial liabilities	7,981.14	-	7,981.14
Total	7,983.59	-	7,983.59

₹ Lakhs

March 31, 2018	**Due in 1st year**	**Due in 2nd year**	**Total**
Non-derivative financial liabilities			
Trade Payable	1.82	-	1.82
Other Financial liabilities	7,985.02	-	7,985.02
Total	7,986.84	-	7,986.84

20. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

21. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

22. Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

23. Taxation

a) Reconciliation of tax expense with the effective tax

₹ Lakhs

Particulars	**March 31, 2019**	March 31, 2018
Profit / (Loss) before tax	**(3.64)**	(5,094.05)
Income-tax rate as applicable @ 26% (previous year @ 25.75%)	**(0.95)**	(1,311.72)
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	**(0.62)**	(1,311.72)
DTA not created due to lack of reasonable certainty	**(0.33)**	-
Income tax expense recognised in statement of profit & loss	**-**	**-**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

b) The Company has not recognized any deferred tax assets on losses incurred considering no tax benefit for business losses claimed under the Income Tax act, 1961 in its tax returns.

24. Related Party Transactions

a. The names of related parties of the Company are as under :

Holding Company

- The Indian Hotels Company Limited ("IHCL")

  (Including TIFCO Holdings Limited, a wholly owned subsidiary, which was amalgamated with IHCL on April 1, 2017 the appointed date for the purpose.)

Direct Subsidiary Companies

- Sheena Investments Private Limited ("Sheena")
- ELEL Hotels and Investments Private Limited ("ELEL")
- Luthria and Lalchandani Hotel and Properties Private Limited ("Luthria")

Joint venture of the holding Company : (with whom transactions taken place during the reporting period)

- Taj SATS Air Catering Limited

b. Transactions with related parties :

₹ Lakhs

Particulars of transactions	Holding Company		Subsidiary / JV Companies	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables				
Current Account Due	-	7,980.13	-	-
	-	*7,984.02*	-	-
ICD borrowed	-	-	-	-
	720.00	-	*15.00*	-
ICD repaid	-	-	-	-
	720.00	-	*15.00*	-
Interest on ICD borrowed	-	-	-	-
	36.28	-	*0.35*	-

Foot note : Figures in *Italics* represent previous year figures.

25. There are no foreign currency transactions during the current and previous year.

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

For and on behalf of the Board

Ramanarayanan J
Partner
Membership No.220369

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 22, 2019

Rashna Kararia
Company Secretary

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	Effective shareholding
					₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	(%)
	Indian													
1	Sheena Investments Private Ltd.	January 15, 2010	INR	100.00	173.27	283.19	9.92	39.85	1.00	14.09	4.20	9.89	-	100.00%
2	ELEL Hotels and Investments Ltd.	January 15, 2010	INR	282.09	58,113.68	63,368.86	4,973.09	0.93	-	(1,417.79)	-	(1,417.79)	-	85.72%
3	Luthria and Lalchandani Hotel and Properties Private Ltd.	February 18, 2008	INR	1.00	(4.13)	1.48	4.61	-	-	(0.50)	-	(0.50)	-	87.15%

Footnotes:

i) The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2019

ii) Names of subsidiaries which are yet to commence operations - None

Part "B" : Associates and Joint Ventures Nil

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 22, 2019

Rashna Kararia
Company Secretary

Report on the Audit of the Financial Statements

Opinion

We have audited the Indian Accounting Standards (Ind AS) financial statements of **Sheena Investments Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the* Ind AS *Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS **Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Management and Those Charged with Governance for 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Report on the Audit of the Financial Statements (Contd.)

Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS 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 auditors' 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Report on the Audit of the Financial Statements (Contd.)

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, 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 standalone financial statements comply with the Indian 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 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

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

      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.

   (i) No remuneration has been paid by the company to its directors during the year and accordingly reporting in compliance with provisions of Section 197 is not applicable.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: April 22, 2019

Annexure - A to the Independent Auditor’s Report – 31 March 2019

Referred to in paragraph 1 on ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of Sheena Investments Private Limited (“the Company”) on the Ind AS financial statements as of and for the year ended 31 March 2019.

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax(GST) which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration has been paid or provided during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.

Annexure - A to the Independent Auditor's Report – 31 March 2019 (Contd.)

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: April 22, 2019

Annexure - B to the Independent Auditor’s Report – 31 March 2019

Referred to in paragraph 2(f) on ‘Report on Other Legal and Regulatory Requirements’ of our report of even date

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 **Sheena Investments Private Limited** (“the Company”) as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure - B to the Independent Auditor's Report – 31 March 2019 (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: April 22, 2019

Balance Sheet as at March 31, 2019

	Note	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Assets			
Non-current assets			
Financial assets			
Investments	3	**39.85**	39.85
Advance income tax (net)		**0.92**	0.31
		40.77	40.16
Current assets			
Financial assets			
Trade receivables	4	**2.85**	1.95
Cash and cash equivalents	5	**0.06**	0.29
Bank balances other than cash and cash equivalents	6	**239.51**	225.90
Other financial assets	7	**-**	-
		242.42	228.14
Total		**283.19**	268.30
Equity and liabilities			
Equity			
Equity share capital	8	**100.00**	100.00
Other equity	9	**173.27**	163.38
Total equity		**273.27**	263.38
Current Liabilities			
Financial liabilities			
Trade payables	10		
Total outstanding dues of micro and small enterprises		**-**	-
Total outstanding dues of creditors other than micro and small enterprises		**2.94**	1.39
Other financial liabilities	11	**6.85**	3.36
Other current liabilities	12	**0.13**	0.17
		9.92	4.92
Total		**283.19**	268.30
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 22, 2019

Statement of Profit and Loss for the year ended March 31, 2019

	Note	**Year Ended March 31, 2019 ₹ Lakhs**	Year Ended March 31, 2018 ₹ Lakhs
Income			
Revenue from operations	**13**	**1.00**	1.00
Other income	**14**	**15.12**	14.46
Total Income		**16.12**	15.46
Expenses			
Other operating and general expenses	**15**	**2.03**	1.62
Total Expenses		**2.03**	1.62
Profit/ (Loss) before exceptional items and tax		**14.09**	13.84
Exceptional items		**-**	-
Profit/ (Loss) before tax		**14.09**	13.84
Tax expenses			
Current tax		**4.20**	4.00
Deferred tax		**-**	-
Total		**4.20**	4.00
Profit/ (Loss) after tax		**9.89**	9.84
Other comprehensive income, net of tax			
Other comprehensive income for the year		**-**	-
Total comprehensive Income for the year		**9.89**	9.84
Earnings per share:	**16**		
Basic - (₹)		**0.99**	0.98
Diluted - (₹)		**0.99**	0.98
Face value per ordinary share - (₹)		**10.00**	10.00
Summary of Significant Accounting Policies			
The accompanying notes form an integral part of the Financial Statements			

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 22, 2019

Statement of Changes in Equity as at March 31, 2019

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Other Equity	
		Retained Earnings	Total
Balance as at April 1, 2017	100.00	153.54	153.54
Profit for the year ended March 31, 2018	-	9.84	9.84
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2018	-	9.84	9.84
Balance as at March 31, 2018	**100.00**	**163.38**	**163.38**
Profit for the year ended March 31, 2019	-	9.89	9.89
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2019	-	9.89	9.89
Balance as at March 31, 2019	**100.00**	**173.27**	**173.27**

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
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Ramanarayanan J
Partner
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For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 22, 2019

Cash Flow Statement for the year ended March 31, 2019

	Year Ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Cash Flow From Operating Activities		
Profit Before Tax	**14.09**	13.84
Adjustments For :		
Interest Income	**(15.12)**	(14.46)
	(15.12)	(14.46)
Cash Operating Profit before working capital changes	**(1.03)**	(0.62)
Adjustments for (increase)/ decrease in operating assets:		
Trade Receivables	**(0.90)**	(0.90)
Other Current Assets	**-**	-
	(0.90)	(0.90)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**5.00**	2.52
	5.00	2.52
Cash Generated from Operating Activities	**3.07**	1.00
Direct Taxes (Paid)/ Refunded	**(4.81)**	(3.84)
Net Cash Generated From Operating Activities (A)	**(1.74)**	(2.84)
Cash Flow From Investing Activities		
Interest Received	**15.12**	20.02
Bank Balances not considered as Cash and Cash Equivalents	**(13.61)**	(48.60)
Net Cash Generated/(Used) In Investing Activities (B)	**1.51**	(28.58)
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(0.23)**	(31.42)
Cash and Cash Equivalents - Opening	**0.29**	31.71
Cash and Cash Equivalents - Closing	**0.06**	0.29

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 22, 2019

Notes to the Financial Statements for the year ended March 31, 2019

1. **Background**

   Sheena Investments Private Limited (the "Company"), a private limited company was incorporated on February 12, 1990. The Company is primarily engaged in the business of investment and also providing management consultancy.

2. **Significant accounting policies**

   a) **Basis of preparation and presentation:**

   These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013, on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

   b) **Critical accounting estimates and judgements**

   The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

   Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

   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:

   - **Impairment of investments** The Company reviews its carrying value of investment in subsidiaries carried at cost less impairment (if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

   - **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 or 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.

   c) **Revenue recognition**

   Interest

   Interest income is accrued on a time proportion basis using the effective interest rate method.

   Dividends

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

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

d) Taxes on income

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 profit or 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 except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

e) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

f) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

g) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no 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.

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

i) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Subsequent Measurement:

Debt instruments

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.

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 and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) 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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated 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 the Statement of Profit and Loss. 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 and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

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

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Offsetting of financial instruments

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

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

j) Recent accounting pronouncements

a) New standard notified and adopted by the Company

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer
ii. Identification of the performance obligations in the contract
iii. Determination of the transaction price
iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments have any material effect on the Company's financial statements.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

b) New standard notified but not early adopted by the Company

i. New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 “Leases”. The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

As the Company does not have any long-term lease contract as on date, the new standard is not expected to have any effect on the Company’s financial statements.

ii. Other Amendments

a. Ministry of Corporate Affairs has issued additional guidance on Ind AS 12 – Income Taxes pertaining to “accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities”. This notification is not expected to have any material impact on the Company’s financial statements.

b. Other than (a) above, there are certain other modifications notified in the existing accounting standards on miscellaneous issues which is applicable with effect from 1st April 2019. None of these standards are applicable to the Company.

Note 3 : Investments

	Face Value	**March 31, 2019**		March 31, 2018	
		Holdings As at	**₹ Lakhs**	Holdings As at	₹ Lakhs
Non Current Investments					
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Fellow Subsidiary Companies (At Cost)					
ELEL Hotels and Investments Limited	10	1,108,145	39.80	1,108,145	39.80
Luthria and Lalchandani Hotels and Properties Private Limited	100	50	0.05	50	0.05
Total			**39.85**		39.85

Footnote :

The Company holds 11,08,145 (March 31, 2018 : 11,08,145) shares in ELEL Hotels and Investments Limited out of which 526,854 (March 31, 2018 : 526,854) shares are held in Escrow Account in favour of a certain company, which shall be transferred on fulfillment of certain conditions. The conditions have not yet been fulfilled.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 4 : Trade and other receivables		
(Unsecured)		
Outstanding over six months :		
Considered good	**1.95**	1.05
Which have significant increase in credit risk	**-**	-
Credit impaired	**-**	-
Others :		
Considered good	**0.90**	0.90
Which have significant increase in credit risk	**-**	-
Credit impaired	**-**	-
	2.85	1.95

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 5 : Cash and Cash Equivalents		
Balances with bank in current account	**0.06**	0.29
	0.06	0.29

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 6 : Bank Balances Other than Cash and Cash Equivalents		
Other Balances with banks		
Call and Short-term deposit accounts	**239.51**	225.90
	239.51	225.90
Less: Term Deposit with Bank maturing after 12 months from the Balance Sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current	**-**	-
	239.51	225.90

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 7 : Other Financial Assets		
Interest receivable	**-**	-
Bank Deposits	**-**	-
Others	**-**	-
On Current Account dues :		
Others	**-**	-
	-	-
	-	-
	-	-

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 8 : Share Capital		
Authorised / Issues Share Capital		
Equity Shares		
10,00,000 (Previous year - 10,00,000)	**100.00**	100.00
Equity Shares of ₹ 10/- each		
	100.00	100.00
Subscribed and Paid Up		
10,00,000 (Previous year - 10,00,000)	**100.00**	100.00
Equity Shares of ₹ 10/- each, Fully Paid		
	100.00	100.00

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or bought back during the current and comparative periods.

ii) The ultimate Holiding Company of the Company is "The Indian Hotels Company Limited".

iii) Shares held by Holding Company.

	No. of Shares March 31, 2019	No. of Shares March 31, 2018
Name of the Company		
Holding Company		
Skydeck Properties and Developers Private Limited	**1,000,000**	1,000,000
iv) Shareholders holding more than 5% shares in the Company		
Skydeck Properties and Developers Private Limited	**1,000,000**	1,000,000
% of Holding	**100 %**	100 %

v) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 9 : Other Equity		
Retained Earnings		
Opening Balance	**163.38**	153.54
Add: Current year profits	**9.89**	9.84
	173.27	163.38

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 10: Trade Payables		
Micro and Small Enterprises	**-**	-
Others		
Vendor Payables	**1.56**	-
Accrued expenses and others	**1.38**	1.39
	2.94	1.39

Footnote :

There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006".

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 11: Other financial liabilities		
Payables on Current Account dues :		
Related Parties	**6.85**	3.36
	6.85	3.36

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 12 : Other non financial Liabilities		
Current		
Statutory dues	**0.13**	0.17
	0.13	0.17

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 13 : Revenue from Operations		
Consultancy Fees	**1.00**	1.00
Total	**1.00**	1.00

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 14 : Other Income		
Interest Income from financial assets at amortised cost		
Deposits with banks	**15.12**	14.46
Total	**15.12**	14.46

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Note 15 : General expenses		
General expenses consist of the following :		
Rates and Taxes	**0.09**	0.04
Professional Fees	**0.36**	-
Audit Fees		
As statutory auditors	**1.48**	1.48
Other Expenses	**0.10**	0.10
Total	**2.03**	1.62

	Year ended March 31, 2019 ₹ Lakhs	Year Ended March 31, 2018 ₹ Lakhs
Note 16 : Earnings Per Share "EPS"		
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax - (₹ Lakhs)	**9.89**	9.84
Weighted Average Number of Equity Shares	**1,000,000**	1,000,000
Face Value per Equity Share	**10.00**	10.00
Earning Per Share - (₹) Basic and Diluted	**0.99**	0.98

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

17. Fair Value of financial Instruments.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments, including cash, bank fixed deposits, receivables etc., approximate fair values due to the short term nature of these account balances.

18. Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, bank fixed deposits, trade and other receivables, trade and other payables. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company manages and monitors these risks primarily through its operating and financing activities.

19. Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

20. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

21. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

22. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

23. Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

24. Taxation

Reconciliation of tax expense with the effective tax

₹ Lakhs

	March 31, 2019	March 31, 2018
Profit before tax	**14.09**	13.84
Income-tax rate as applicable @ 26 % (previous year @ 25.75%)	**3.66**	3.56
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	**0.54**	0.44
Rounding off adjustments	**-**	-
Income tax expense recognised in statement of profit & loss	**4.20**	4.00

25. Capital Commitments

As at March 31, 2019, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil Lakhs (March 31, 2018 : ₹ Nil Lakhs)

26. Related Party Transactions

a. The names of related parties of the Company are as under :

Ultimate Holding Company

- The Indian Hotels Company Limited

Holding Company

- Skydeck Properties and Developers Private Limited

Subsidiary Companies

- ELEL Hotels and Investments Limited
- Luthria and Lalchandani Hotel and Properties Private Limited

b. Transactions with related parties :

₹ Lakhs

Particulars of transactions	Ultimate Holding Company		Holding Company		Subsidiaries	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables	-	6.85	-	-	-	-
	-	*3.36*	-	-	-	-
Receivables	-	-	-	-	1.00	2.85
	-	-	-	-	*1.00*	*1.95*

Foot note : Figures in *Italics* represent previous year figures.

28. There were no foreign currency transactions during the current and previous year.

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: April 22, 2019

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	Effective share-holding
				₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	(%)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Footnote

Names of subsidiaries which are yet to commence operations - None

Part "B" : Associates and Joint Ventures

Sr. No.	Name of Associates/ Joint Ventures	Latest Audited Balance sheet date	Date on which the Associate or Joint Venture was associated or acquired	Shares held by the company on the year end			Networth attributable to shareholding as per latest audited Balance Sheet	Profit/ loss for the year		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
				No. of shares (Refer Note v)	Amount of Investment	Extent of Holding		Considered in Consolidation (to the extent of Group's effective shareholding)	Not Considered in Consolidation		
					₹ Lakhs	%	₹ Lakhs	₹ Lakhs	₹ Lakhs		
	Associates										
	Indian										
1	ELEL Hotels and Investments Limited (Refer Note (iii))	March 31, 2019	January 15, 2010	1,108,145	39.80	39.28%	22,937.86	NA	NA	Note (ii)	Note (iii)

Notes:

i) Names of Associates/ Joint Venture which are yet to commence operations - None

ii) There is significant influence due to percentage(%) of share holding (more than 20%).

iii) The Company, being intermediate holding company, is exempted from preparing consolidated financial statement.

For and on behalf of the Board

R H Parekh
Director
Din: 01942405

Ashok Binnani
Director
Din: 03326335

Mumbai, April 22, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of **ELEL Hotels and Investments Limited**

Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the financial statements of **ELEL Hotels and Investments Limited** ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS 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 Management and Those Charged with Governance for 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS 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 auditors' 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 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, 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 financial statements comply with the Indian 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 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 28 to the 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.

   (h) As required by Section 197(16) of the Act, we report that the remuneration paid by the company to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place: Mumbai
Date: April 22, 2019

Annexure 'A' to the Independent Auditor's Report

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of *ELEL Hotels And Investments Limited* ("the Company") on the Ind AS financial statements as of and for the year ended 31 March 2019.

(i) In respect of the Company's fixed assets :

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

(b) The Company has a regular program of verifying fixed assets which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sub-lease deed provided to us, we report that, the title deeds of land taken on lease are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, except for few delays, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax(GST), Duty of customs, Excise duty and Value added tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Annexure 'A' to the Independent Auditor's Report (Contd.)

Name of the statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	589.20	1988-89, 1989-90, 1991-92, 1992-93 & 1996-97	High Court

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not taken any loan/borrowing from financial institutions, banks, Government or debenture holders. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) Based on our audit procedures and as per the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule 5 to the Companies Act, 2013

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: April 22, 2019

Annexure 'B' to the Independent Auditor's Report

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

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 **ELEL Hotels & Investments Limited** ("the Company") as of 31 March 2019 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 issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure 'B' to the Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: April 22, 2019

Balance Sheet as at March 31, 2019

	Note	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Assets			
Non-current assets			
Property, plant and equipment	3	**-**	-
Capital work-in-progress	3	**4,709.83**	4,709.83
Intangible assets	4	**56,353.77**	57,466.01
		61,063.60	62,175.84
Financial assets			
Investments	5 (a)	**0.93**	0.93
Other financial assets	7 (a)	**1.02**	0.97
Advance Income Tax (Net)		**806.86**	806.16
Other non-current assets	8	**958.67**	4.94
		62,831.08	62,988.84
Current assets			
Financial assets			
Investments	5 (b)	**522.58**	1,656.25
Cash and cash equivalents	9	**12.90**	9.56
Loans	6	**-**	90.00
Other financial assets	7 (b)	**2.30**	4.72
		537.78	1,760.53
Total		**63,368.86**	64,749.37
Equity and liabilities			
Equity			
Equity share capital	10	**282.09**	282.09
Other equity	11	**58,113.68**	59,531.47
Total equity		**58,395.77**	59,813.56
Current Liabilities			
Financial liabilities			
Trade payables	12		
Total outstanding dues of micro and small enterprises		**-**	-
Total outstanding dues of creditors other than micro and small enterprises		**13.97**	35.20
Other financial liabilities	13	**345.33**	350.46
Provisions	14	**1,396.45**	1,326.70
Current tax provisions (Net)		**3,216.32**	3,216.27
Other current liabilities	15	**1.02**	7.18
		4,973.09	4,935.81
Total		**63,368.86**	64,749.37
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : April 22, 2019

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Statement of Profit and Loss for the year ended March 31, 2019

	Note	**March 31, 2019 ₹ Lakhs**	March 31, 2018 ₹ Lakhs
Income			
Other income	16	**61.01**	88.18
Total Income		**61.01**	88.18
Expenses			
Depreciation	3 / 4	**1,112.24**	1,115.84
Other operating and general expenses	17	**366.56**	367.31
Total Expenses		**1,478.80**	1,483.15
Profit/ (Loss) before exceptional items and tax		**(1,417.79)**	(1,394.97)
Exceptional items		**-**	-
Profit/ (Loss) before tax		**(1,417.79)**	(1,394.97)
Tax expenses			
Current tax		**-**	-
Deferred tax		**-**	-
Total		**-**	-
Profit/ (Loss) after tax		**(1,417.79)**	(1,394.97)
Other comprehensive income			
other comprehensive Income for the year		**-**	-
Total comprehensive Income for the year		**(1,417.79)**	(1,394.97)
Earnings per share:	18		
Basic - (₹)		**(50.26)**	(49.45)
Diluted - (₹)		**(50.26)**	(49.45)
Face value per ordinary share - (₹)		**10.00**	10.00
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : April 22, 2019

Statement of Changes in Equity as at March 31, 2019

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Other Equity			
		Securities Premium	General Reserve	Retained Earnings	Total
Balance as at April 1, 2017	282.09	16,415.23	70,749.87	(26,238.66)	60,926.44
Profit for the year ended March 31, 2018	-	-	-	(1,394.97)	(1,394.97)
Total Comprehensive Income for the year ended March 31, 2018	-	-	-	(1,394.97)	(1,394.97)
Add/ Less:	-	-	-	-	-
Balance as at March 31, 2018	282.09	16,415.23	70,749.87	(27,633.63)	59,531.47
Profit for the year ended March 31, 2019	-	-	-	(1,417.79)	(1,417.79)
Total Comprehensive Income for the year ended March 31, 2019	-	-	-	(1,417.79)	(1,417.79)
Add/ Less:	-	-	-	-	-
Balance as at March 31, 2019	**282.09**	**16,415.23**	**70,749.87**	**(29,051.42)**	**58,113.68**
Summary of Significant Accounting Policies		2			

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : April 22, 2019

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Cash Flow Statement for the year ended March 31, 2019

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Cash Flow From Operating Activities		
Profit Before Tax	**(1,417.79)**	(1,394.97)
Adjustments For :		
Depreciation and Amortisation	**1,112.24**	1,115.84
Dividend Income	**(52.10)**	(79.95)
Interest Income	**(7.05)**	(8.08)
Provision for Contingencies - Rates & Taxes	**69.75**	69.75
	1,122.84	1,097.56
Cash Operating Profit before working capital changes	**(294.95)**	(297.41)
Adjustments for (increase)/ decrease in operating assets:		
Loans and advances	**(0.54)**	(0.31)
Other Current Assets	**(0.05)**	-
Other Non-Current Assets	**(953.73)**	-
	(954.32)	(0.31)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**(21.18)**	19.22
Other Liabilities	**(11.29)**	9.93
	(32.47)	29.15
Cash Generated from Operating Activities	**(1,281.74)**	(268.57)
Direct Taxes (Paid) / Refunded	**(0.70)**	(0.05)
Net Cash Generated From Operating Activities (A)	**(1,282.44)**	(268.62)
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	**-**	(14.85)
Sale of current Investments	**1,133.67**	240.05
Interest Received	**10.01**	5.66
Dividend Received	**52.10**	79.95
Short-term Deposits repaid / (placed)	**90.00**	(45.00)
Net Cash Generated/(Used) In Investing Activities (B)	**1,285.78**	265.81
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**3.34**	(2.81)
Cash and Cash Equivalents - Opening	**9.56**	12.37
Cash and Cash Equivalents - Closing	**12.90**	9.56
Summary of Significant Accounting Policies	**2**	
The accompanying notes form an integral part of the Financial Statements		

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : April 22, 2019

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Notes to the Financial Statements for the year ended March 31, 2019

1. Background

ELEL Hotels & Investments Limited ("ELEL" or the "Company"), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956 on July 9th, 1969.

2. Significant accounting policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value in use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic comparable recent transactions and other market conditions.
- **Impairment of investments** The Company reviews its carrying value of investment in subsidiary carried at cost less impairment (if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **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 or loss.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

- **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 unfavorable 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.

c) **Revenue recognition**

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

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

d) **Property, Plant and Equipment:**

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated 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. 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 that its estimated recoverable amount.

Depreciation is charged to profit or 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 except for temporary improvements which are depreciated fully the same year of capitalization.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

e) Intangible Assets:

Intangible assets includes lease acquisition rights and cost of acquired software Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year.

Lease acquisition rights are amortised from the acquisition date over the balance period of the lease.

An intangible assets is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

f) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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.

g) Foreign currency transactions

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.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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 or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were fair value measured.

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.

h) Taxes on income

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 profit or 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 except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

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.

i) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

j) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

k) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no 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.

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

m) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

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

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Initial Recognition and measurement:

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

Subsequent Measurement:

Debt instruments

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.

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 and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

(a) the Company has transferred substantially all the risks and rewards of the asset, or

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

(b) 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.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated 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 the Statement of Profit and Loss. 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 and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

<u>Loans and borrowings</u>

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

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

This category generally applies to interest-bearing loans and borrowings.

<u>Derecognition</u>

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.

<u>Offsetting of financial instruments</u>

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.

<u>Equity instruments</u>

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

n) Recent accounting pronouncements

a) New standard notified and adopted by the Company

MCA on 29 March 2018 notified the new standard INDAS 115 for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

i. Identification of the contracts with the customer

ii. Identification of the performance obligations in the contract

iii. Determination of the transaction price

iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments have any material effect on the Company's financial statements.

b) New standard notified and not yet adopted by the Company

i. New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

The Company has long-term lease for the land with Govt. of Maharashtra in which the redevelopment of hotel is under consideration. The impact on the Company's financial statements on account of recognition of right-to-use asset and corresponding liability is under evaluation.

ii. Other Amendments

a. Ministry of Corporate Affairs has issued additional guidance on Ind AS 12 – Income Taxes pertaining to "accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities". The Company is in the process of assessing the impact on its financial statements from adopting this notification and plans to adopt the standard as at April 1, 2019.

b. Other than (a) above, there are certain other modifications notified in the existing accounting standards on miscellaneous issues which is applicable with effect from April 1, 2019. None of these standards are applicable to the Company.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ Lakhs

	Office Equipment	Total	Capital Work in Progress
Cost (Refer Footnote below)			
At April 1, 2017	1.60	1.60	4,698.57
Additions	3.59	3.59	11.26
Adjustment	-	-	-
Disposals/ Transfer	-	-	-
At March 31, 2018	**5.19**	**5.19**	**4,709.83**
Additions	-	-	-
Adjustments	-	-	-
Disposals/ Transfer	-	-	-
At March 31, 2019	**5.19**	**5.19**	**4,709.83**
Depreciation			
At April 1, 2017	1.60	1.60	-
Charge for the year	3.59	3.59	
Adjustments	-	-	-
Disposals	-	-	
At March 31, 2018	**5.19**	**5.19**	**-**
Charge for the year	-	-	
Adjustments	-	-	-
Disposals	-	-	
At March 31, 2019	**5.19**	**5.19**	**-**
Net Block			
At March 31, 2018	-	-	**4,709.83**
At March 31, 2019	-	-	**4,709.83**

Footnote :

On transition to Ind AS, carrying value of all the tangible assets under the previous GAAP is considered as the deemed cost under Ind AS. All accumulated depreciations were accordingly adjusted from the cost as on April 1, 2015.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 4 : Intangible Assets (Acquired)

₹ Lakhs

	Leasehold property Rights	Total
Cost (Refer Footnotes below)		
At April 1, 2017	60,802.70	60,802.70
Additions	-	-
Adjustments	-	-
Disposals	-	-
At March 31, 2018	**60,802.70**	**60,802.70**
Additions	-	-
Adjustments	-	-
Disposals	-	-
At March 31, 2019	**60,802.70**	**60,802.70**
Amortisation		
At April 1, 2017	2,224.44	2,224.44
Charge for the year	1,112.25	1,112.25
Adjustments	-	-
Disposals	-	-
At March 31, 2018	**3,336.69**	**3,336.69**
Charge for the year	1,112.24	**1,112.24**
Adjustments	-	-
Disposals	-	-
At March 31, 2019	**4,448.93**	**4,448.93**
Net Block		
At March 31, 2018	**57,466.01**	**57,466.01**
At March 31, 2019	**56,353.77**	**56,353.77**

Footnote :

i On transition to Ind AS, carrying value of all the intangible assets under the previous GAAP is considered as the deemed cost under Ind AS. All accumulated amortisation was accordingly adjusted from the cost as on April 1, 2015.

ii Pursuant to the Scheme of Amalgamation dated April 1, 2006, all the assets and liabilities including the existing assets and liabilities of the Company were recorded by the Company at their respective fair values as on the appointed date i.e. April 1, 2006 determined by an independent Government approved valuer. This resulted into a gain of ₹ 70,652.96 Lakhs on fair valuation of leasehold land owned by the Company. As prescribed in the Scheme of Amalgamation and approved by the Honourable High Court, Mumbai the increase in book value arising on fair valuation of leasehold land of the Company has been credited to General Reserve. (Refer note :11)

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 5 : Investments

	Face Value	March 31, 2019 Holdings no. of Shares	March 31, 2019 ₹ Lakhs	March 31, 2018 Holdings no. of Shares	March 31, 2018 ₹ Lakhs
a) Non Current Investments					
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Companies (At Cost)					
Luthria and Lalchandani Hotels and Properties Private Limited	100	900	0.82	900	0.82
			0.82		0.82
Others					
National Savings Certificates 'NSC' (Refer note below)			0.11		0.11
Footnote					
NSC pledged as security with Accounts Officer, State Excise, Mumbai					
			0.93		0.93

	March 31, 2019 Holdings no. of units	March 31, 2019 ₹ Lakhs	March 31, 2018 Holdings no. of Units	March 31, 2018 ₹ Lakhs
b) Current Investments				
Investments in Mutual Fund Units				
Kotak Floater Short-term - DDR	-	-	121,235	1,226.44
ICICI Prudential Liquid Plan - DDR	-	-	428,928	429.81
Tata Liquid Fund Regular Plan - Growth	17,832	522.58	-	-
TOTAL		522.58		1,656.25

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 6 : Loans

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Current		
(Unsecured, considered good unless stated otherwise)		
Long Term Loans and advances with related parties		
Considered good	-	90.00
Which have significant increase in credit risk	-	-
Credit impaired	-	-
Less : Provision for credit impaired	-	-
with others		
Considered good	-	-
Which have significant increase in credit risk	-	-
Credit impaired	-	-
Less : Provision for credit impaired	-	-
	-	90.00

Note 7 : Other Financial Assets

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
a) Non Current		
Deposits with Public Bodies and Others at amortised costs		
Public Bodies and Others (Refer footnote below)	**1.02**	0.97
	1.02	0.97
b) Current		
Interest receivable		
Bank Deposits	-	-
Others	-	2.96
	-	2.96
On Current Account dues :		
Related Parties	**2.30**	1.76
Others	-	-
	2.30	1.76
	2.30	4.72

Note 8 : Other Assets

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Non Current		
Deposits with Government Authoritites	**958.67**	4.94
	958.67	4.94

Footnote:

This includes ₹ 954 Lakhs paid to Muncipal Coporation of Greater Mumbai "MCGM" in respect of a property tax matter which the Company has paid under protest (Refer note 28 (b))

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 9 : Cash and Cash Equivalents

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Cash on hand	**0.09**	0.05
Balances with bank in current account	**12.81**	9.51
	12.90	9.56

Note 10 : Share Capital

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Authorised Share Capital		
Equity Shares		
30,00,000 (Previous year - 30,00,000)	**300.00**	300.00
Equity Shares of ₹ 10/- each		
	300.00	300.00
Issued Share Capital		
28,20,887 (Previous year - 28,20,887)	**282.09**	282.09
Equity Shares of ₹ 10/- each		
	282.09	282.09
Subscribed and Paid Up		
28,20,887 (Previous year - 28,20,887)	**282.09**	282.09
Equity Shares of ₹ 10/- each, Fully Paid		
	282.09	282.09

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or buy back during the current and comparative periods.

ii) The Ultimate Holding Company of the Company is "The Indian Hotels Company Limited".

iii) Shares held by the Holding Company along with its subsidiaries and associates Companies are as below:

	No. of Shares March 31, 2019	No. of Shares March 31, 2018
Name of the Company		
Intermediate Holding Company		
Skydeck Properties and Developers Private Limited	**1,309,896**	1,309,896
Fellow Subsidiary Company		
Sheena Investments Private Limited	**1,108,145**	1,108,145

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

iv) Shareholders holding more than 5% shares in the Company		
Skydeck Properties and Developers Private Limited	**1,309,896**	1,309,896
% of Holding	**46.44%**	46.44%
Sheena Investments Private Limited	**1,108,145**	1,108,145
% of Holding	**39.28%**	39.28%
Excalibur Assets and Capital Management Pvt. Ltd	**398,090**	398,090
% of Holding	**14.28%**	14.28%

v) The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proporation to their shareholding.

Note 11 : Other Equity

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Securities Premium		
Opening and Closing Balance	**16,415.23**	16,415.23
General Reserve		
Opening and Closing Balance	**70,749.87**	70,749.87
(Refer footnote (ii) to note 4)		
Retained Earnings		
Deficit at the beginning of the year	**(27,633.63)**	(26,238.66)
Add: Current year loss	**(1,417.79)**	(1,394.97)
Closing Retained Earnings	**(29,051.42)**	(27,633.63)
Reserves and Surplus Total	**58,113.68**	59,531.47

Note 12 : Trade Payables

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Trade payable to Micro and Small Enterprises	**-**	-
Others		
Vendor Payables	**5.84**	29.99
Accrued expenses and others	**8.13**	5.21
	13.97	35.20

Footnote :

The Company has not received any information from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the MSMED Act) and hence disclosure, if any, relating to amounts unpaid as at the year-end together with interest paid / payable under the MSMED Act, have not been given.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 13 : Other Financial liabilities

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Other payables		
Related Parties	**1.03**	6.16
Others	**337.26**	337.26
	338.29	343.42
Deposits from others		
Unsecured	**7.04**	7.04
	7.04	7.04
	345.33	350.46

Note 14 : Provisions

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
A) Short term provisions		
Provision for Contingencies (Refer Footnote (i))	**1,396.45**	1,326.70
Others	**-**	-
	1,396.45	1,326.70

Footnote:

(i) Provision for Contingencies include provisions for the following:

₹ Lakhs

	Opening Balance	**Addition/ (Deletion)**	**Closing Balance**
Disputed claims for taxes , levies and duties	**1,109.00**	**69.75**	**1,178.75**
	1,039.24	*69.75*	*1,109.00*
Disputes in respect of Employee settlement (Refer Note 30)	**217.70**	**-**	**217.70**
	217.70	-	*217.70*
Total	**1,326.70**	**69.75**	**1,396.45**
	1,256.94	*69.75*	*1,326.70*

a) The above matters are under litigation/ negotiation and the timing of the cash flows cannot be currently determined.

b) Figures in italics are in respect of previous year.

Note 15 : Other non financial Liabilities

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Current		
Statutory dues	**1.02**	7.18
Others	**-**	-
	1.02	7.18

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 16 : Other Income

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	**1.62**	8.08
Deposits with Bank	**5.43**	-
	7.05	8.08
Interest on Income Tax Refunds	**-**	-
Total	**7.05**	8.08
Dividend Income from Current Investments	**52.10**	79.95
Others	**1.86**	0.15
Total	**61.01**	88.18

Note 17 : Other operating and general expenses

	March 31, 2019 ₹ Lakhs	March 31, 2018 ₹ Lakhs
(i) Operating expenses consist of the following :		
Fuel, Power and Light	**4.44**	4.02
Repairs to Others	**1.94**	14.53
Payment to security Agency	**34.57**	34.12
Other Operating Expenses	**0.50**	0.55
Total	**41.45**	53.22
(ii) General expenses consist of the following :		
Rent	**77.30**	77.30
Rates and Taxes	**185.31**	165.67
Printing and Stationery	**0.83**	0.41
Professional Fees	**55.53**	65.92
Directors’ fees	**1.42**	-
Payment made to Statutory Auditors (Refer Footnote (a))	**4.66**	4.65
Other Expenses	**0.06**	0.14
	325.11	314.09
Total	**366.56**	367.31

Footnotes:

a) Payment made to Statutory Auditors:

	March 31, 2019	March 31, 2018
As auditors	**4.13**	4.13
For other services	**0.53**	0.52
	4.66	4.65

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Note 18 : Earnings Per Share (EPS)

	March 31, 2019 ₹ **Lakhs**	March 31, 2018 ₹ Lakhs
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax - (₹ Lakhs)	**(1,417.79)**	(1,394.97)
Weighted Average Number of Equity Shares	**2,820,887**	2,820,887
Face Value per Equity Share	**10.00**	10.00
Earning Per Share - (₹) Basic and Diluted	**(50.26)**	(49.45)

19. Fair Value of financial Instruments.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments, including cash, receivables etc., approximate fair values due to the short term nature of these account balances.

The current investments in Mutual Funds are valued and carried at the net asset value as published by respective Mutual Fund Houses.

20. Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables, loans and borrowings. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company manages and monitors these risks primarily through its operating and financing activities.

21. Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

22. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

23. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

24. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

25. Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

26. Taxation

a)	**Reconciliation of tax expense with the effective tax**		
	Particulars	**March 31, 2019**	March 31, 2018
		₹ Lakhs	₹ Lakhs
	Profit / (Loss) before tax	**(1,417.79)**	(1,394.97)
	Income-tax rate as applicable @ 26% (previous year @ 29.87%)	**(368.63)**	(359.20)
	Effect of expenses that are not deductible in determining taxable profit	**289.18**	288.39
	Effect of income that is exempt from taxation (like dividend income)	**(13.54)**	(20.59)
	Deferred tax asset not recognised in statement of profit & loss	**92.99**	91.40
	Tax Expenses recognized in Profit & Loss	**-**	-

b)	**Deferred Tax**		
	Particulars	**March 31, 2019**	March 31, 2018
		₹ Lakhs	₹ Lakhs
	Unabsorbed tax losses/depreciation for which no deferred tax asset has been recognized	**1073.03**	723.47
	Deferred tax asset not created @ 26 % (Previous year @ 25.75%)	**278.99**	188.10

Footnote:

The unabsorbed depreciation can be carried forward indefinitely and unabsorbed business losses can be carried forward for 8 years. Due to continuing losses, no deferred tax asset has been created on prudent basis.

As per the Finance Act, 2018 & Income Tax Act, 1961, the income tax rates has been changed from 25.75% to 26%. Accordingly the revised rate has been considered for computing potential future tax benefits.

27. Capital Commitments

As on March 31, 2019, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil Lakhs (March 31, 2018 : ₹ Nil Lakhs)

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

28. Contingent liabilities

	March 31, 2019 ₹ **Lakhs**	March 31, 2018 ₹ Lakhs
a) Income Tax Including interest) (Demands raised under Income-tax Act, 1961 in respect of assessment years 1988-89, 1989-90, 1991-92, 1992-93, and 1996-97 where the matter is under appeal with High Court)	3,126.97	3,056.27
b) Property tax (Also refer note # 8 for amount paid under protest)	1593.00	1,424.87

29. The Company was subjected to a search and seizure operation under section 132 of the Income-tax Act, 1961 on February 28, 2007. Assessment orders were issued on December 31, 2008 for the assessment years 2001-02 to 2007-08 raising an aggregate demand of ₹ 3200 Lakhs and penalty proceedings initiated. The Company has appealed against the said order and had received the favourable orders from first/second appellate authority and these matters are currently pending at the Hon'ble High Court of Delhi. Considering the developments, as a matter of prudence, the Company has made a provision for ₹ 3200 Lakhs for the probable outflow against the above tax demand in 2008-09. Interest and penalty arising thereupon is currently not ascertainable considering the uncertainties involved .

30. A provision of ₹ 217.70 Lakhs has been recognised for probable claims in respect of labour disputes pending before various judicial courts mainly for retrenchment/ suspension of employees in the year 2008-09 for which process of negotiation for out of court settlement has already been initiated by the Company. There has been no movement in provision for the same in the current year.

31. The Company was engaged in business of hoteliering and owned erstwhile hotel 'Sea Rock' in Mumbai, India which has since been demolished. Currently, the plan for re-building of the hotel is under consideration pending requisite and other regulatory approvals.

32. Related Party Transactions

a. The names of related parties of the Company are as under :

Ultimate Holding Company

- The Indian Hotels Company Limited

Intermediate Holding Company

- Skydeck Properties and Developers Private Limited

Fellow subsidiary and significant shareholder

- Sheena Investments Private Limited

Subsidiary

- Luthria and Lalchandani Hotel and Properties Private Limited

Associate of the Ultimate Holding Company (with whom the transactions during reporting period)

- Taida Trading and Industries Limited
- Oriental Hotels Limited

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

b. Transactions with related parties :

₹ Lakhs

Particulars of transactions	Holding Company		Subsidiary / Fellow subsidiary		Other related Parties	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables					-	-
Current account due	**-**	**1.03**	**-**	**-**	-	-
	-	*6.16*	-	-	-	-
Consultancy Fees incurred	**-**	**-**	**1.00**	**2.85**	**-**	**-**
	-	-	*1.00*	*1.95*	-	-
Receivables						
Current account	**-**	**-**	**-**	**2.30**	**-**	**-**
	-	-	-	*1.76*	-	-
ICD Placed	-	-	-	-	**-**	-
	-	-	-	-	*45.00*	*90.00*
Interest received	**-**	**-**	**-**	**-**	**4.58**	**-**
					8.08	*2.96*

Footnote : Figures in *Italic* represent previous year figures.

33. There are no foreign currency transactions during the current and previous year.

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : April 22, 2019

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	Effective share-holding
				₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	(%)
	Indian													
1	Luthria and Lalchandani Hotel and Properties Private Limited	INR	1.00	(4.13)	1.48	4.61	-	-	(0.50)	-	(0.50)	-	90.00%	(0.00)

Footnotes:

i) The financial statements of the subsidiary is drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2019

Part "B" : Associates and Joint Ventures Not applicable

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Place : Mumbai
Date : April 22,2019

Independent Auditor's Report

To the Members of **Luthria & Lalchandani Hotel & Properties Private Limited**

Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the standalone financial statements of **Luthria & Lalchandani Hotel & Properties Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the *Code of Ethics*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS 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 Management and Those Charged with Governance for 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

Independent Auditor's Report (Contd.)

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS 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 auditors' 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor’s Report (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors’ Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “Annexure A” a statement on the matters specified in paragraphs 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, 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 financial statements comply with the Indian 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 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

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

      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.

   (h) No remuneration has been paid by the company to its directors during the year and accordingly reporting in compliance with provisions of Section 197 is not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm’s Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place: Mumbai
Date: 22- Apr-2019

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Luthria & Lalchandani Hotel & Properties Private Limited ("the Company") on the Ind AS financial statements as of and for the year ended 31 March 2019.

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees or security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore clause 3(iv) of the Order is not applicable to the Company.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax (GST) which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration has been paid or provided during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

Annexure A to the Independent Auditor's Report (Contd.)

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date: 22- Apr-2019

Annexure B to the Independent Auditor's Report

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

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 Luthria and Lalchandani Hotel and Properties Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure B to the Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date: 22- Apr-2019

SUBSIDIARIES ACCOUNTS 2018-2019

Balance Sheet as at March 31, 2019

	Note	**March 31, 2019 ₹ 000**	March 31, 2018 ₹ 000
Assets			
Non-current assets			
Other non-current assets	3	**136.33**	136.33
Current assets			
Cash and cash equivalents	4	**11.26**	11.26
Total		**147.59**	147.59
Equity and liabilities			
Equity			
Equity share capital	5	**100.00**	100.00
Other equity	6	**(413.49)**	(363.57)
Total equity		**(313.49)**	(263.57)
Current Liabilities			
Financial liabilities			
Trade payables	7		
Total outstanding dues of micro and small enterprises		**-**	-
Total outstanding dues of creditors other than micro and small enterprises		**33.71**	23.81
Other financial liabilities	8	**425.37**	380.35
Other current liabilities	9	**2.00**	7.00
		461.08	411.16
Total		**147.59**	147.59
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : April 22, 2019

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

IHCL

LUTHRIA & LALCHANDANI HOTEL & PROPERTIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2019

	Note	**March 31, 2019**	March 31, 2018
		₹ 000	₹ 000
Income			
Other income	10	**-**	-
Total Income		**-**	-
Expenses			
Other operating and general expenses	11	**49.92**	37.00
Total Expenses		**49.92**	37.00
Profit/ (Loss) before exceptional items and tax		**(49.92)**	(37.00)
Exceptional items		**-**	-
Profit/ (Loss) before tax		**(49.92)**	(37.00)
Tax expenses			
Current tax		**-**	-
Deferred tax		**-**	-
Total		**-**	-
Profit/ (Loss) after tax		**(49.92)**	(37.00)
Other comprehensive income, net of tax			
Other comprehensive income for the year		**-**	-
Total comprehensive Income for the year		**(49.92)**	(37.00)
Earnings per share:	12		
Basic - (₹)		**(49.92)**	(37.00)
Diluted - (₹)		**(49.92)**	(37.00)
Face value per ordinary share - (₹)		**100.00**	100.00
Summary of Significant Accounting Policies			

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : April 22, 2019

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

Statement of Changes in Equity as at March 31, 2019

Particulars	Equity Share Capital Subscribed	Other Equity	
Balance as at April 1, 2017	100.00	(326.57)	(326.57)
Profit for the year ended March 31, 2018	-	(37.00)	(37.00)
Other comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2018	-	**(37.00)**	**(37.00)**
Balance as at March 31, 2018	**100.00**	**(363.57)**	**(363.57)**
Profit for the year ended March 31, 2019	-	(49.92)	(49.92)
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2019	-	(49.92)	(49.92)
Balance as at March 31, 2019	**100.00**	**(413.49)**	**(413.49)**

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For and on behalf of the Board

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : April 22, 2019

IHCL

LUTHRIA & LALCHANDANI HOTEL & PROPERTIES PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2019

	Year Ended March 31, 2019 ₹ 000	Year Ended March 31, 2018 ₹ 000
Cash Flow From Operating Activities		
Profit Before Tax	**(49.92)**	(37.00)
Adjustments For :		
Interest Income	-	-
	-	-
Cash Operating Profit before working capital changes	**(49.92)**	(37.00)
Adjustments for (increase)/ decrease in operating assets:		
Other Current Assets	-	-
	-	-
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**49.92**	37.00
Other Liabilities	-	-
	49.92	37.00
Cash Generated from Operating Activities	-	-
Direct Taxes (Paid)/ Refunded	-	-
Net Cash Generated From Operating Activities (A)	-	-
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	-	-
Net Cash Generated/(Used) In Investing Activities (B)	-	-
Cash Flow From Financing Activities		
	-	-
Net Cash Generated/ (Used) In Financing Activities (C)	-	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	-	-
Cash and Cash Equivalents - Opening	**11.26**	11.26
Cash and Cash Equivalents - Closing	**11.26**	11.26

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
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Ramanarayanan J
Partner
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Place : Mumbai
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For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
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Notes to Financial Statements for year ended March 31, 2019

1. Background

Luthria and Lalchandani Hotel and Properties Pvt Ltd ("Luthria & Lalchandani" or the "Company"), a private limited Company was incorporated on February 18 , 2008 by conversion of M/s Luthria & Lalchandani, a partnership firm under Part IX of the Companies Act, 1956. The Company is primarily engaged in construction activities and providing Management Consultancy.

2. Significant accounting policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

c) Revenue recognition

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

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

d) Taxes on income

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 profit or 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 except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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.

e) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

f) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no 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.

g) 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 including potential equity shares on compulsory convertible debentures.

Notes to Financial Statements for year ended March 31, 2019 (Contd.)

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

h) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Subsequent Measurement:

Debt instruments

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.

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 and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset 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:
  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) 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.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Notes to Financial Statements for year ended March 31, 2019 (Contd.)

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated 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 the Statement of Profit and Loss. 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 and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

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

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

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Offsetting of financial instruments

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

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

i) Recent accounting pronouncements

a) New standard notified and adopted by the Company

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer

ii. Identification of the performance obligations in the contract

iii. Determination of the transaction price

iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments have any material effect on the Company's financial statements.

b) New standard notified but not early adopted by the Company

i. New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

The company has long-term lease for land with Govt. of Maharashtra which in turn has been sub-leased to the holding company i.e ELEL Hotels & Investments Limited, accordingly, the new standard is not expected to have any effect on the Company's financial statements.

ii. Other Amendments

a. Ministry of Corporate Affairs has issued additional guidance on Ind AS 12 – Income Taxes pertaining to "accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities". This notification is not expected to have any material impact on the Company's financial statements.

b. Other than (a) above, there are certain other modifications notified in the existing accounting standards on miscellaneous issues which is applicable with effect from 1st April 2019. None of these standards are applicable to the Company.

Notes to Financial Statements for year ended March 31, 2019 (Contd.)

Note 3 : Other Financial Assets

	March 31, 2019 ₹ 000	March 31, 2018 ₹ 000
Non current		
Deposit with Govt. of Maharashtra for leasehold land (Refer note : 13)	**136.33**	136.33
	136.33	136.33

Note 4 : Cash and Cash Equivalents

	March 31, 2019 ₹ 000	March 31, 2018 ₹ 000
Balances with bank in current account	**11.26**	11.26
	11.26	11.26

Note 5 : Share Capital

	March 31, 2019 ₹ 000	March 31, 2018 ₹ 000
Authorised / Issued Share Capital		
Equity Shares		
1,000 (Previous year - 1,000) Equity Shares of ₹ 100/- each	**100.00**	100.00
	100.00	100.00
Subscribed and Paid Up		
1,000 (Previous year - 1,000) Equity Shares of ₹ 100/- each, Fully Paid	**100.00**	100.00
	100.00	100.00

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or buy back during the current and comparative periods.

ii) The ultimate Holiding Company of the Company is “The Indian Hotels Company Limited”.

iii) Shares held by Holding Company along with its subsidiaries and associates Companies

	No. of Shares March 31, 2019	No. of Shares March 31, 2018
Name of the Company		
Holding Company		
ELEL Hotels and Investments Limited	**900**	900
Subsidiaries of ultimate Holding Company		
Skydeck Properties and Developers Private Limited	**50**	50
Sheena Investments Private Limited	**50**	50
iii) Shareholders holding more than 5% shares in the Company		
ELEL Hotels and Investments Limited	**900**	900
% of Holding	**90.00%**	90.00%

iv) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

Notes to Financial Statements for year ended March 31, 2019 (Contd.)

Note 6 : Other Equity

	March 31, 2019 ₹ 000	March 31, 2018 ₹ 000
Retained Earnings		
Opening and Closing Balance	**(363.57)**	(326.57)
Add: Current year profit / (loss)	**(49.92)**	(37.00)
Total	**(413.49)**	(363.57)

Note 7: Trade Payables

	March 31, 2019 ₹ 000	March 31, 2018 ₹ 000
Micor and Small Enterprises	**-**	-
Others		
Vendor Payables	**9.90**	-
Accrued expenses and others	**23.81**	23.81
	33.71	23.81

Footnotes:

There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the “Micro, Small and Medium Enterprises Development Act, 2006”.

Note 8: Other financial liabilities

	March 31, 2019 ₹ 000	March 31, 2018 ₹ 000
Other Payables :-		
Related Parties (Refer note 23)	**235.04**	190.02
Others	**190.33**	190.33
	425.37	380.35

Note 9 : Other Current Liabilities

	March 31, 2019 ₹ 000	March 31, 2018 ₹ 000
Statutory dues	**2.00**	7.00
	2.00	7.00

Note 10 : Other Income

	March 31, 2019 ₹ 000	March 31, 2018 ₹ 000
Interest Income from financial assets at amortised cost		
Deposits with banks	**-**	-
Total	**-**	-

Notes to Financial Statements for year ended March 31, 2019 (Contd.)

Note 11 : General expenses

	March 31, 2019	March 31, 2018
	₹ 000	₹ 000
General expenses consist of the following :		
Rates and Taxes	**7.32**	3.40
Professional Fees	**19.00**	10.00
Audit Fees		
As Statutory Auditors	**23.60**	23.60
Total	**49.92**	37.00

Note 12 : Earning Per Share (EPS)

	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
	₹ 000	₹ 000
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax	**(49.92)**	(37.00)
Weighted Average Number of Equity Shares	**1,000.00**	1,000.00
Face Value per Equity Share	**100.00**	100.00
Earning Per Share - (₹) Basic and Diluted	**(49.92)**	(37.00)

13. The Company holds the Leasehold Rights of the Property i.e Government Land admeasuring 9,500 sq. mtrs. situated at Lands End at B J Road, Bombay suburban District, originally held by the firm M/S Luthria & Lalchandani, vide allotment Letter for Lease dated 11th January 1968 and Lease Deed Dated 05th May 1976 for a period of 99 years between the Governor of Maharashtra & M/S Luthria & Lalchandani.

The said property has been sub-leased by the then firm M/S Luthria & Lalchandani to the company ELEL Hotels and Investments Limited by virtue of Sub Lease dated 3rd April 1976.

14. Fair Value of financial Instruments.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments, including cash, receivables etc., approximate fair values due to the short term nature of these account balances.

15. Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company manages and monitors these risks primarily through its operating and financing activities.

Notes to Financial Statements for year ended March 31, 2019 (Contd.)

16. Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

17. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

18. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

19. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

20. Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

21. Taxation

a) Reconciliation of tax expense with the effective tax

₹ 000

	March 31, 2019	March 31, 2018
Profit before tax	**(37.00)**	(37.00)
Income-tax rate as applicable @ 26% (previous year @ 25.75%)	**(9.53)**	(9.53)
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	**9.53**	9.53
Income tax expense recognised in statement of profit & loss	**-**	-

b) The Company has not recognized any deferred tax assets on losses incurred considering no tax benefit for business losses claimed under the Income Tax act, 1961 in its tax returns

22. Capital Commitments

As on March 31, 2019, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil Lakhs (March 31, 2018 : ₹ Nil Lakhs)

Notes to Financial Statements for year ended March 31, 2019 (Contd.)

23. Related Party Transactions

a. The names of related parties of the Company are as under :

Ultimate Holding Company

- The Indian Hotels Company Limited

Holding Company

- ELEL Hotels and Investments Limited

b. Transactions with related parties :

₹ 000

Particulars of transactions	Ultimate Holding Company		Holding Company	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables	-	5.27	-	229.77
	-	*13.60*	-	*176.42*
Receivables	-	-	-	-
	-	-	-	-

Foot note : Figures in *Italics* represent previous year figures.

24. There were no foreign currency transactions during the current and previous year.

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : April 22, 2019

For and on behalf of the Board of Directors

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

Independent Auditor's Report

To the Shareholders of IHOCO B.V.

Opinion

We have audited the financial statements of IHOCO B.V. ('the Company') which comprise the statement of financial position as at 31 March 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at 31 March 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Comparative financial information of the Company for the year ended 31 March 2018 and the transition date opening Balance Sheet as at 01 April 2017 included in these financial statements, are based on the financial statements prepared in accordance with the United Kingdom Generally Accepted Accounting Principles and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (referred to as 'Previous GAAP') audited by the predecessor auditors whose audit opinion dated 23 May 2018 and 18 May 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the IFRS, which have been audited by us.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work that we have performed, we conclude that there is a material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Independent Auditor's Report (Contd.)

Auditors' 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 auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, we exercise professional judgment 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 management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' 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 auditors' report.

– 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.

– Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Mr. Suhas Pai.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Suhas Pai
Partner
Membership No.: 119057
Mumbai, 29 April 2019

Statement of Financial Position

	Note	31 March 2019	31 March 2018	As at 1 April 2017
		US$	US$	US$
Non-current assets				
Investments	3	**255,788,184**	243,258,184	259,549,348
Current assets				
Trade and other receivables	4	**1,500,000**	1,627,592	1,635,000
Cash and cash equivalents	5	**4,174,037**	1,487,202	1,387,032
Total assets		**261,462,221**	**246,372,978**	**262,571,380**
Equity				
Share capital	6	**23,193,201**	21,560,231	20,962,324
Share premium		**298,081,137**	278,714,107	271,312,014
Reserves	7	**4,587,118**	4,587,118	4,587,118
Retained earnings		**(64,508,470)**	(58,653,071)	(34,386,166)
Current Liabilities				
Trade and other payables	8	**109,235**	164,593	96,090
Total equity and liabilities		**261,462,221**	**246,372,978**	**262,571,380**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 April 2019.

R H Parekh
Director

S Jain
Director

N Chandrasekhar
Director

The notes form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2019

	Note	31 March 2019 US$	31 March 2018 US$
Revenue from operations	9	**2,718,405**	1,461,361
Other Income	10	**26,524**	2,852
Administrative expenses	11	**(101,012)**	(197,368)
Impairment of investments	3	**(8,470,000)**	(28,000,000)
Reversal of impairment of investments	3	**-**	2,500,000
Loss on ordinary activities before taxation		**(5,826,083)**	**(24,233,155)**
Taxation on profit on ordinary activities	12	**(29,316)**	(33,750)
Loss for the year		**(5,855,399)**	(24,266,905)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(5,855,399)**	**(24,266,905)**
Earnings per share:	18		
Basic and Diluted (US$)		**(0.26)**	(1.16)
Face value per equity share (US$)		**1**	1

The notes form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2019

	Share capital US$	Share premium account US$	Revaluation reserve US$	Profit and loss account US$	Total equity US$
1 April 2017	**20,962,324**	**271,312,014**	**4,587,118**	**(34,386,166)**	**262,475,290**
Total Comprehensive income for the period					
Loss for the period	-	-	-	(24,266,905)	(24,266,905)
Other comprehensive income for the period	-	-	-	-	-
Contributions by and distribution to owners					
Shares issued	597,907	7,402,093	-	-	8,000,000
31 March 2018	**21,560,231**	**278,714,107**	**4,587,118**	**(58,653,071)**	**246,208,385**
Comprehensive income for the period					
Loss for the period	-	-	-	(5,855,399)	(5,855,399)
Other comprehensive income for the period	-	-	-	-	-
Contributions by and distributions to owners					
Shares issued	1,632,970	19,367,030	-	-	21,000,000
31 March 2019	**23,193,201**	**298,081,137**	**4,587,118**	**(64,508,470)**	**261,352,986**

The notes form an integral part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2019

	31 March 2019 US$	31 March 2018 US$
Cash flows from operating activities		
Loss for the year	(5,855,399)	(24,266,905)
Adjustments for:		
Income tax expense	29,316	33,750
Impairment of investments	8,470,000	28,000,000
Reversal of impairment of investments	-	(2,500,000)
Operating cash flows before movements in working capital	**2,643,917**	**1,266,845**
Decrease / (increase) in trade and other receivables	127,592	7,408
Increase / (decrease) in trade and other payables	(26,989)	9,371
Cash generated by operations	**2,744,520**	**1,283,624**
Income taxes paid	(57,685)	25,382
Net cash (used in) operating activities	**2,686,835**	**1,309,006**
Cash flows from Investing activities		
Investment in subsidiary	(21,000,000)	(10,500,000)
Dividends received from Subsidiary	-	1,291,164
Net cash (used in) investing activities	**(21,000,000)**	**(9,208,836)**
Cash flows from Financing activities		
Proceeds on issue of shares	21,000,000	8,000,000
Net cash generated from financing activities	**21,000,000**	**8,000,000**
Net increase / (decrease) in cash and cash equivalents	**2,686,835**	**100,170**
Cash and cash equivalents at beginning of year (note 5)	1,487,202	1,387,032
Cash and cash equivalents at end of year (note 5)	**4,174,037**	**1,487,202**

The notes form an integral part of these financial statements.

Notes forming part of the financial statements for the year ended 31 March 2019

1 Accounting policies

IHOCO B.V. is a private company ('the Company'), limited by shares, incorporated in the Netherlands. The address of the registered office is given on the company information page and the nature of the company's operations and principal activities are set out in the report of the directors.

The management has voluntarily adopted International Financial Reporting Standards ('IFRS') with effect from 1 April 2017. Up to and including the year ended 31 March 2018, the Company prepared its annual financial statements in accordance with United Kingdom Generally Accepted Accounting Principles. These financial statements are the first IFRS annual financial statements, therefore IFRS 1 - First-time adoption of International Financial Reporting Standards' has been applied by the Company to prepare their financial statements. Previous periods have been restated to IFRS.

These financial statements were authorised for issue by the Company's board of directors on 29 April 2019.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Group accounts

The company is a wholly owned subsidiary of The Indian Hotels Company Limited. The company is included in the consolidated financial statements of The Indian Hotels Company Limited.

Therefore, the company has taken exemption from the preparation of consolidated financial statements as permitted by IFRS 10.

The financial statements contain information about the company as an individual company and so do not contain consolidated financial information as the parent of a group.

The following principal accounting policies have been applied:

Associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

Revenue

Interest receivable on loans is accrued based on the amounts owed at the effective rate of interest.

Dividend income is recognised when the company has the right to receive that income.

Valuation of investments

Investments in subsidiaries and associates are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Certain investments have previously been subject to revaluation (see note 7) however on implementation of IFRS, the directors have elected to treat the brought forward carrying values as being held at deemed cost and do not propose to revalue investments going forward.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

1 **Accounting policies** (Continued)

Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') in US dollar.

Shares which were originally issued in Dutch Gilders were restated on 8 October 2015 at the US dollar equivalent at the time of issue with the difference included in a share redenomination reserve. Movements in this reserve represent the changes arising from the retranslation in each period and is transferred to / from the profit and loss reserve.

(b) *Transactions and balances*

Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

1 **Accounting policies** (Continued)

Reserves

The Company reserves as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- The revaluation reserve represents the difference between the cost of investments at acquisition and the date of revaluation.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 **Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are viewed on an ongoing basis. Revisions to estimates are recognized prospectively. Management has determined whether there are any indicators of impairment of the Company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

3 **Investments**

	Subsidiary undertakings US$	**Associated undertakings US$**	**Total US$**
Cost			
As at 1 April 2017	**199,580,849**	**59,968,499**	**259,549,348**
Additions	10,500,000	-	10,500,000
Impairments	(28,000,000)	-	(28,000,000)
Reversal of Previous Impairments	2,500,000	-	2,500,000
Dividends treated as capital reserve	(1,291,164)	-	(1,291,164)
At 31 March 2018	**183,289,685**	**59,968,499**	**243,258,184**
Additions	21,000,000	-	21,000,000
Impairments	(8,470,000)	-	(8,470,000)
At 31 March 2019	**195,819,685**	**59,968,499**	**255,788,184**

In adopting IFRS, the Company has treated the value of its investments as at 1 April 2017 as deemed costs and translated such costs at the prevailing US$ rate. All investments acquired after that date are stated at cost less impairments. Impairments in the year related to a fall in the recoverable amounts of the underlying assets. In the current financial year, it was deemed appropriate to impair the investment in United Overseas Holdings Inc. down to its net asset position (31 March 2019 – US$ 7,000,000; 31 March 2018 – US$ 28,000,000) and Taj International Hotels Limited as per Management's estimates on account of loss of revenue from Air Catering business (31 March 2019 – US$ 1,470,000; 31 March 2018 – US$ Nil).

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

3 Investments (Continued)

Subsidiary undertakings and associated undertakings

The principal undertakings in which the company's interest at the year-end is 20% or more are as follows:

Name	Country of Incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Subsidiary undertakings			
St James Court Hotel Limited	United Kingdom	54.01%	Hotel operator
Taj International Hotels Limited	United Kingdom	100.00%	Restaurants and catering
United Overseas Holdings Inc.	Delaware USA	100.00%	Hotel operator
Associated undertakings			
IHMS Hotels (SA) Pty Limited	South Africa	50.00%	Hotel operator
Lanka Island Resorts Limited	Sri Lanka	24.66%	Hotel operator
TAL Hotels and Resorts Limited	Hong Kong	26.67%	Hotel operator
TAL Lanka Hotels plc	Sri Lanka	24.62%	Hotel operator
Oriental Hotels Limited	India	-	Hotel operator

4 Trade and other receivables

	31 March 2019 US$	31 March 2018 US$	1 April 2017 US$
Amounts owed by associated undertakings (see note 14)	**1,500,000**	1,627,592	1,635,000

All amounts shown under debtors fall due for payment within one year except, Amounts owed by associated undertakings US$ 1,500,000 (31 March 2018 - US$ 1,627,592; 1 April 2017 - US$ 1,635,000) which is payable to the Company on demand.

5 Cash and cash equivalents

	31 March 2019 US$	31 March 2018 US$	1 April 2017 US$
Bank balances	**4,174,037**	1,487,202	1,387,032

6 Share capital

	31 March 2019 US$	31 March 2018 US$	1 April 2017 US$
Issued and fully paid			
23,193,201 nos. Ordinary shares of US$1 each (Previous year 21,560,231 nos. of US$ 1 each)	**23,193,201**	21,560,231	20,962,324

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

6 Share capital (Contd.)

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. 1,632,970 shares of par value US$1 each were issued in the current year. 597,907 shares of par value US$1 each were issued in the previous year. All shares issued rank pari passu.

Shareholders holding more than 5% shares

	31 March 2019 US$	31 March 2018 US$	1 April 2017 US$
Ordinary share of US$ 1 each			
The Indian Hotels Company Limited	**23,193,201**	21,560,231	20,962,324

7 Revaluation reserve

	Revaluation reserve US$
At 31 March 2019, 31 March 2018 and 1 April 2017	**4,587,118**

The revaluation reserve represents the difference between cost of the investments at acquisition and the valuation of investments up to 31 March 2014. The valuation of such investments has been treated as deemed cost, following adoption of IFRS.

8 Trade and other payables

	31 March 2019 US$	31 March 2018 US$	1 April 2017 US$
BSR & CO. LLP	**12,500**	-	-
BDO LLP	**-**	39,489	30,118
Accruals and other payables	**96,735**	125,104	65,972
	109,235	164,593	96,090

9 Revenue from operations

	31 March 2019 US$	31 March 2018 US$
Dividend Income	**2,583,405**	1,326,361
Interest Income	**135,000**	135,000
	2,718,405	1,461,361

10 Other Income

	31 March 2019 US$	31 March 2018 US$
Exchange Gain	**4,502**	-
Miscellaneous Income	**22,022**	2,852
	26,524	2,852

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

11 Administrative expenses

	31 March 2019 US$	31 March 2018 US$
Professional Fees	**65,381**	156,702
Bank charges	**23,131**	20,655
Auditors remuneration – audit	**12,500**	17,700
Exchange Loss	**-**	2,311
	101,012	197,368

12 Taxation

	31 March 2019 US$	31 March 2018 US$
Corporation tax		
Charge for period	**29,316**	33,750
Taxation on profit on ordinary activities	**29,316**	33,750

Reconciliation of effective tax rate	31 March 2019 US$	31 March 2018 US$
Interest income chargeable to tax	**135,000**	135,000
Company's domestic tax rate	**25%**	25%
Tax on above	**33,750**	33,750
Less: Changes in estimates related to prior years	**(4,434)**	-
Taxation on profit on ordinary activities	**29,316**	33,750

The Company is an investment company and does not normally receive trading income. The Company pays Dutch tax on investment income and deemed interest on net amounts due from related parties.

13 Financial instruments

	31 March 2019 US$	31 March 2018 US$
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**5,674,037**	3,114,794
Financial liabilities		
Financial liabilities measured at amortised cost	**109,235**	164,593

Financial assets measured at amortised cost comprise cash at bank and amounts due from associated undertakings. Financial liabilities measured at amortised cost comprise amounts due to group undertakings, accruals and deferred income.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

14 Ultimate parent undertaking, controlling and related parties

The directors regard The Indian Hotels Company Limited, a company incorporated in India, as the ultimate parent undertaking and ultimate controlling party.

During the current year, the company invested a further US$ 21,000,000 as capital contribution to United Overseas Holdings Inc. (Previous year US$ 10,500,000).

The names of related parties of the Company are as follows:

Name	Relationship
The Indian Hotels Company Limited	Holding company
United Overseas Holding Inc.	Subsidiary company
Taj International Hotels Limited	Subsidiary company
St. James Court Hotel Limited	Subsidiary company
TAL Hotels & Resorts Limited	Associate company
Lanka Island Resorts Limited	Associate company

The transactions with related parties for the year end are as follows:

	31 March 2019 US$	31 March 2018 US$
Dividend received from:		
Taj International Hotels Limited	**1,329,435**	1,291,164
TAL Hotels and Resorts Limited	**1,066,687**	1,066,688
Lanka Island Resorts Limited	**187,282**	259,641
Interest Income received from:		
TAL Hotels and Resorts Limited	**135,000**	135,000

The balances with related parties at the year-end are as follows:

	31 March 2019 US$	31 March 2018 US$	1 April 2017 US$
Amounts due from:			
TAL Hotels and Resorts Limited	**1,500,000**	1,500,000	1,635,000
Lanka Island Resorts Limited	**-**	127,592	-

15 Employee Benefits

There were no employees of the Company as at 31 March 2019, 31 March 2018 and 1 April 2017.

16 Capital commitments and Contingent Liabilities

There are no capital commitments of the Company as at 31 March 2019, 31 March 2018 and 1 April 2017.
There are no contingent liabilities of the Company as at 31 March 2019, 31 March 2018 and 1 April 2017.

17 Operating Segment

The Company is an investment arm for foreign operations of The Indian Hotels Company Limited and as such it has no segments as the investing activity is monitored under one single segment. The Directors review the internal management reports of each investments on a quarterly basis.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

18 Earnings per share

	31 March 2019 US$	31 March 2018 US$
Loss after tax	**(5,855,399)**	(24,266,905)
Opening balance	**21,560,231**	20,962,324
Effect of Fresh issue of equity shares	**23,193,201**	21,560,231
Weighted average number of equity shares	**22,150,785**	**20,980,343**
Earnings per share:		
Basic US $	**(0.26)**	(1.16)
Diluted US $	**(0.26)**	(1.16)

The calculation of basic earnings per share ('EPS') has been based on the above loss after tax attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. The calculation of diluted EPS has been based on the above loss after tax attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

19 Transition to IFRS

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with the accounting United Kingdom Generally Accepted Accounting Principles and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (referred to as 'Previous GAAP').

The exemptions and exceptions applied by the Company in accordance with IFRS 1 'First-time Adoption of International Financial Reporting Standards' are explained below. There has been no significant impact on equity, total comprehensive income and statement of cash flows in accordance with Previous GAAP to IFRS.

Exemptions availed:

a) The Company has elected not to apply IFRS 3, Business Combinations, to business combinations occurred before the transition date.

b) The carrying amounts of the Company's investments in its subsidiary and associate companies as per the financial statements of the Company prepared under the Previous GAAP, are considered as deemed cost for measuring such investments in the opening IFRS Balance Sheet.

20 Other Notes

(a) The Comparative financial information of the Company for the year ended 31 March 2018 and the transition date opening Balance Sheet as at 01 April 2017 included in these financial statements, are based on the financial statements prepared in accordance with the Previous GAAP which were audited by the predecessor auditors.

(b) Group financial statements of The Indian Hotels Company Limited can be obtained from their website at: www.ihcltata.com/investors.html.

Independent Auditors' Report

To the Board of Directors and Stockholder of United Overseas Holdings, Inc.

We have audited the accompanying consolidated financial statements of United Overseas Holdings, Inc. which comprise the consolidated balance sheet as of March 31, 2019 and 2018 and the related consolidated statements of operations, stockholder's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Overseas Holdings, Inc. as of March 31, 2019 and 2018, and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

April 17, 2019

PKF O'CONNOR DAVIES, LLP

UNITED OVERSEAS HOLDINGS, INC.
(A DELAWARE CORPORATION)

Consolidated Balance Sheet March 31, 2019

	March 31 2019	2018
ASSETS		
Current Assets	$	$
Cash	**2,160,293**	1,682,202
Cash in escrow	-	1,069,714
Accounts Receivable		
Guest ledger	**508,301**	675,365
City ledger	**2,557,196**	2,724,198
	3,065,497	3,399,563
Inventories	**712,772**	776,861
Prepaid expenses	**1,467,848**	1,410,022
Total Current Assets	**7,406,410**	8,338,362
Property and Equipment		
Investment in cooperative apartments	**1,500,000**	1,500,000
Land	**14,000,000**	14,000,000
Building and improvements	**143,345,493**	143,270,724
Furniture, fixtures and equipment	**32,532,433**	32,073,011
	191,377,926	190,843,735
Accumulated depreciation	**68,081,282**	61,968,382
	123,296,644	128,875,353
Construction in progress	**754,956**	40,082
	124,051,600	128,915,435
Other Assets		
Deferred costs, net	**271,388**	572,432
Security deposits	**124,800**	168,603
Due from related parties	**53,729**	110,910
	449,917	851,945
Total Assets	**$ 131,907,927**	**$ 138,105,742**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities		
Accounts Payable		
Trade	**$ 4,659,854**	$ 3,550,018
Other	**4,969**	7,603
	4,664,823	3,557,621
Taxes payable, other than income	**365,858**	434,042
Accrued Expenses		
Payroll and related	**1,165,148**	980,907
Vacation, gratuities and incentives	**4,182,265**	3,786,417
Interest	**6,656**	45,441
Utilities	**286,864**	244,681
Other	**1,163,742**	1,372,303
	6,804,675	6,429,749
Tenants' security deposits	**147,000**	193,700
Advance deposits and other credit balances	**7,680,989**	6,997,166
Current portion of term loan	-	1,980,000
Notes payable to related parties	**7,000,000**	11,000,000
Line of credit	**2,500,000**	-
Total Current Liabilities	**29,163,345**	30,592,278
Long term portion of term loan	-	18,735,917
Total Liabilities	**29,163,345**	49,328,195
Commitments and contingencies		
Stockholder's Equity		
Common stock, par value $1 per share; 100 shares authorized, issued and outstanding	**100**	100
Additional paid-in capital	**184,723,741**	163,723,741
Accumulated deficit	**(81,979,259)**	(74,946,294)
Total Stockholder's Equity	**102,744,582**	88,777,547
Total Liabilities and Stockholder's Equity	**$ 131,907,927**	$ 138,105,742

Consolidated Statement of Operations For the Year Ended March 31, 2019

	March 31	
	2019	2018
	$	**$**
REVENUE		
Rooms	**46,448,873**	43,060,225
Food and beverage	**41,958,182**	40,041,739
Other	**9,592,134**	7,301,690
Total Revenue	**97,999,189**	90,403,654
DEPARTMENTAL EXPENSES		
Rooms	**24,287,634**	23,333,530
Food and beverage	**42,787,352**	40,926,980
Other	**2,070,912**	2,088,308
Total Departmental Expenses	**69,145,898**	66,348,818
UNALLOCATED OPERATING EXPENSES		
Administrative and general	**11,963,880**	11,253,303
Sales and marketing	**5,845,156**	6,223,930
Repair and maintenance	**6,698,845**	6,516,222
Utilities	**3,782,312**	3,992,035
Total Unallocated Operating Expenses	**28,290,193**	27,985,490
Income (Loss) Before Fixed Charges, Other Income and Income Tax(Provision)	**563,098**	(3,930,654)
FIXED CHARGES		
Real estate and other taxes	**818,105**	792,735
Insurance	**541,906**	544,348
Rent and license fees	**7,751,888**	7,389,193
Depreciation	**6,239,399**	6,244,431
Amortization	**301,044**	339,955
Interest and finance costs	**1,095,896**	1,638,207
Total Fixed Charges	**16,748,238**	16,948,869
(Loss) Before Other Income and Income Tax Benefit (Provision)	**(16,185,140)**	(20,879,523)
OTHER INCOME		
Sales and marketing, and management fees	**2,275,377**	2,289,307
Other income	**6,915,100**	-
Total Other Income	**9,190,477**	2,289,307
(Loss) Before Income Tax (Provision)	**(6,994,663)**	(18,590,216)
Income tax (provision)	**(38,302)**	(6,000)
Net (Loss)	**(7,032,965)**	(18,596,216)

See notes to consolidated financial statements

Consolidated Statement of Stockholder's Equity For the Years Ended March 31, 2019 and 2018

	Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Captial	Deficit	Total
	$	$	$	$	$
Balance at March 31, 2017	100	100	153,223,741	(56,350,078)	96,873,763
Contributions from shareholder	-	-	10,500,000	-	10,500,000
Net (loss)	-	-	-	**(18,596,216)**	**(18,596,216)**
Balance at March 31, 2018	100	100	163,723,741	(74,946,294)	88,777,547
Contributions from shareholder	-	-	21,000,000	-	21,000,000
Net (loss)	-	-	-	(7,032,965)	(7,032,965)
Balance at March 31, 2019	**100**	**100**	**184,723,741**	**(81,979,259)**	**102,744,582**

See notes to consolidated financial statements

Consolidated Statement of Cash Flows For the Year Ended

	March 31	
	2019	2018
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss)	**(7,032,965)**	(18,596,216)
Adjustments to reconcile net (loss) to net cash from operating activities		
Depreciation and amortization	**6,724,525**	6,625,293
Gain on sale of equipment	**(4,133)**	-
Changes in Certain Other Accounts		
Accounts receivable	**334,066**	(1,569,939)
Inventories	**64,089**	1,087
Prepaid expenses	**(57,832)**	23,973
Security deposits	**(2,897)**	183,304
Accounts payable	**1,107,202**	(1,537,610)
Taxes payable, other than income	**(68,184)**	43,270
Accrued expenses	**374,932**	(323,026)
Advance deposits and other credit balances	**683,824**	(24,288)
Due from related parties	**57,181**	(34,144)
Total Adjustments	**9,212,773**	3,387,920
Net Cash from Operating Activities	**2,179,808**	(15,208,296)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in cash in escrow	**1,069,714**	8,305,286
Capital expenditures	**(1,375,564)**	(941,460)
Proceeds from sale of equipment	**4,133**	-
Net Cash from Investing Activities	**(301,717)**	7,363,826
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in cash overdraft	**-**	(594,396)
Contributions from shareholder	**21,000,000**	10,500,000
Repayment of notes payable to related parties	**(4,000,000)**	-
Withdrawals on line of credit	**2,500,000**	9,500,000
Repayment of line of credit	**-**	(9,500,000)
Repayment of term loan	**(20,900,000)**	(880,000)
Net Cash from Financing Activities	**(1,400,000)**	9,025,604
Net Change in Cash	**478,091**	1,181,134
Cash, beginning of year	**1,682,202**	501,068
Cash, end of year	**2,160,293**	1,682,202
Supplemental Disclosure of Cash Flow Information		
Cash paid for capital taxes	**38,302**	6,000
Cash paid for interest	**911,813**	1,597,300

See notes to consolidated financial statements

Notes to Consolidated Financial Statements for the year ended March 31, 2019

1. Organization

United Overseas Holdings, Inc. (the "Company") was incorporated in August 2015 under the laws of the State of Delaware as a wholly-owned subsidiary of International Hotel Management Services, Inc., which subsequently has become a wholly-owned subsidiary of IHOCO B.V., a wholly owned subsidiary of The Indian Hotels Company Limited ("IHCL"), a company based in Mumbai, India.

As part of the international restructuring being implemented by IHCL, on October 2, 2015, the Company through a contribution deed (the "Restructuring") was assigned with the assets of and assumed the liabilities of, International Hotel Management Services, LLC (formerly International Hotel Management Services, Inc. ("IHMS Inc.") at its net book value at the date of the Restructuring. The Restructuring also included the assignment of IHMS Inc.'s interest in its Subsidiaries namely; IHMS, LLC (the "New York LLC"), IHMS (Boston) LLC (the "Boston LLC"), IHMS (SF) LLC (the "San Francisco LLC"), and IHMS (USA) LLC (the "Manager") to the Company at their respective net book values at the date of the Restructuring.

The New York LLC was formed in June 2005 under the laws of the State of Delaware, to acquire the lease with 795 Fifth Avenue Corporation ("795 Corp."), its affiliate 795 Fifth Avenue Limited Partnership ("795 Partnership"), Barney's New York ("Barney's"), and individual apartment owners (collectively "the Lessors"), which encompass the facilities of the Hotel Pierre located in New York, New York. In July 2005, the New York LLC acquired the lease from affiliates of Four Seasons Hotel Limited.

The San Francisco LLC was formed in March 2007 under the laws of the State of Delaware. In April 2007, the San Francisco LLC acquired the Campton Place Hotel (the "San Francisco Hotel") located in San Francisco, California from an unrelated third party.

The Boston LLC was formed in September 2006 under the laws of the State of Delaware. In January 2007, the Boston LLC acquired the Ritz Carlton Boston Hotel (the "Boston Hotel") located in Boston, Massachusetts from an unrelated third party.

On May 18, 2016, the Company entered into a limited liability company purchase agreement (the "Sale") to sell its entire membership interest in the Boston LLC to AS Holdings LLC, an unrelated third party, for $125 million, adjusted for the difference between the closing working capital, as defined, at the date of the closing and the target working capital, as defined. The closing of the Sale took place on July 12, 2016 (the "Closing"). In connection with the Sale, the Manager entered into a hotel management services agreement with the new owner of the Boston Hotel (see note 9).

The Hotel Pierre, Boston Hotel, and San Francisco Hotel are collectively referred to herein as the Hotel Properties. New York LLC, San Francisco LLC and the Manager are collectively referred to herein as the Subsidiaries. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

At March 31, 2019, the Company has $12.5 million in available financing on the unused credit facilities (see note 4). IHCL has also agreed to provide financial support to the Company for working capital deficits.

2. Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Some of the more significant estimates required to be made by management include the collectability of accounts receivable and the useful lives and recoverability of costs of property and equipment. Management believes that as of March 31, 2019 and 2018, the estimates used were adequate based on the information currently available.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

2. Significant Accounting Policies (Contd.)

Reclassification

Certain amounts in the 2018 consolidated financial statements have been reclassified to conform to the 2019 presentation.

Fair Value of Financial Instruments

US GAAP requires the Company to disclose, when reasonably attainable, the fair values of its assets and liabilities which are deemed to be financial instruments. The carrying amounts of the Company's financial instruments, including cash, approximate fair value due to the short-term nature of these accounts. The carrying value of the long-term debt approximates fair value since the current interest rate approximates market rates.

It was not practicable for management to estimate the fair value of the amounts due from related parties due to the nature of the related party transactions and the fact that no similar markets exists for these instruments.

Significant Concentrations

The Company maintains cash balances in financial institutions in excess of federally insured limits. The Company has not experienced any losses on its deposits.

Approximately 80% of the New York LLC's workforce is covered by a collective bargaining agreement which expires on June 30, 2026.

Cash

For purposes of the statement of cash flows, cash represents amounts on deposit with a financial institution.

Accounts Receivable

Accounts receivable primarily represents receivables from the Hotel Properties' guests who occupy rooms and utilize the Hotel Properties' amenities. An allowance for doubtful accounts is provided (based on management's evaluation) when it is determined that it is more likely than not a specific account will not be collected. As of March 31, 2019 and 2018, management has determined that an allowance for doubtful accounts was not required.

Inventories

Inventories which consist of food, beverage, china glass, silverware and retail and guest supplies are valued at the lower of cost or net realizable value on a first-in, first-out basis.

Property and Equipment

Property and equipment is stated at cost. Investment in cooperative apartments represents the four cooperative apartment units acquired by the New York LLC at lease acquisition.

Depreciation is computed using a straight-line method over estimated lives of 30 years for investment in cooperative apartments, 40 years for the building and improvements (for the New York LLC, over the term of the lease with 795 Corp. and 795 Partnership (see note 5) and 5 to 10 years for furniture, fixtures and equipment. Maintenance and repair expenditures are charged to expense when incurred. Expenditures for improvements and renewals are capitalized. Fully depreciated assets amounting to $13,318,850 are still in use as of March 31, 2019.

Long-Lived Assets

US GAAP requires that property and equipment held and used be reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset exceeds the sum of its expected future cash flows, on an undiscounted basis. If such review indicates that the asset is impaired, the asset's carrying amount would be written down to fair value. Additionally, US GAAP requires that long-lived assets to be disposed of be reported at the lower of carrying amount or fair value, less cost to sell. Management has determined that no adjustment was required for 2019 and 2018.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

2. Significant Accounting Policies *(continued)*

Deferred Costs

Deferred costs include the lease acquisition costs expended by the New York LLC to acquire the lease of the Hotel Pierre and secure the extension of the lease agreement with Barney's.

Amortization of the Hotel Pierre lease acquisition costs is computed using a method which approximates the interest method over the term of the related lease agreements. Accumulated amortization of the lease acquisition costs amounted to $2,325,275 and $2,156,165 at March 31, 2019 and 2018, respectively.

Deferred financing costs consist of costs incurred by the Company in connection with the acquisition of the term loan (see note 3). Amortization is computed using the straight-line method (which approximates the interest method) over the term of the term loans. Deferred financing costs are presented as a deduction to the carrying amount of the related outstanding term loan. Amortization of the financing costs is included within interest and finance costs.

Income Taxes

The Company files income tax returns on a consolidated basis. The Company records income tax expense, if any, on an individual company basis in order to properly reflect its portion of consolidated income tax expense.

The Company recognizes deferred tax assets and liabilities based on the differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements that will result in taxable or deductible amounts in future years. The Company's temporary differences giving rise to deferred taxes result primarily from net loss carry-forwards, employee related benefits and depreciation and amortization. Deferred tax assets and liabilities are measured using the enacted tax rates in effect for the year in which the temporary differences are expected to be recovered or settled.

The Company is also subject to various other taxation requirements imposed by the State and City of New York.

The Tax Cuts and Jobs Act of 2017 (the "Tax Act") was signed into law on December 22, 2017. The law includes significant changes to the U.S. corporate income tax system, including a Federal corporate rate reduction from 35% to 21%, limitations on the deductibility of interest expense and executive compensation, and the transition of U.S. international taxation from a worldwide tax system to a territorial tax system. The Company is in the process of analyzing the final legislation and determining an estimate of the financial impact of the Tax Act.

Uncertainty in Income Taxes

US GAAP requires evaluation of tax positions taken by the Company and recognition of a liability in the consolidated financial statements if the Company has taken uncertain tax positions that more likely-than-not would not be sustained upon examination by the taxing authorities. As of March 31, 2019, management has determined that it has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

As of March 31, 2019, tax years since 2015 remain open to examination by most taxing authorities. There are currently no tax examinations in progress.

Revenue Recognition

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is primarily acting as principal in all of its revenue arrangements.

Revenue is recognized as earned at the time of sale or rendering of service. Revenue is presented net of taxes collected from the Hotel Properties' guests. Cash received in advance of the sale or rendering of services is recorded as advance deposits in the accompanying consolidated balance sheet. Base rental income is recognized in accordance with the lease terms. Additional rents are recognized when earned, as defined in the lease agreement. US GAAP requires rental income

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

2. Significant Accounting Policies *(continued)*

to be recognized on a straight-line basis. Management has determined that the difference between recognizing rental income on a straight-line basis and in accordance with the terms of the lease is not material.

Advertising and Business Promotion

Advertising costs are expensed as incurred and amounted to $2,296,605 and $2,117,627 for 2019 and 2018, respectively.

Retirement Plan Costs

Payments to retirement plans are charged to expense as they are incurred.

3. Term Loan

In September 2014, IHMS Inc. entered into a term loan facility agreement (the "Term Loan Facility") in the amount of $120 million, which was utilized and outstanding at March 31, 2016. As part of the Restructuring, the Company assumed the Term Loan Facility and is the new borrower to the Term Loan Facility. The Term Loan Facility was set to mature on September 15, 2022, and required monthly interest only payments computed at 3.81% plus LIBOR, as defined through March 15, 2017. Principal payments, as defined, were due every six months beginning in March 2017. Effective February 15, 2018, interest was computed at 2.30% plus LIBOR (5.24% at March 31, 2018). All principal payments were the responsibility of the Company and interest costs have been allocated to each of the Hotel Properties based upon factors determined by the Company's management to be appropriate. During 2017, the Company repaid a portion of the outstanding term loan balance using the proceeds from the Sale, which amounted to $98,000,000.

The Company made principal payments in the amount of $880,000 for the year ended March 31, 2018 and during 2019 the Company repaid the outstanding principal balance of $20,900,000.

Term loans consist of the following at March 31, 2018:

Outstanding principal balance	$ 20,900,000
Less : unamortized deferred financing costs	(184,083)
	$ 20,715,917

Unamortized deferred financing costs consist of the following at March 31, 2018:

Deferred financing costs	$ 1,785,007
Less : accumulated amortization	(1,600,924)
	$ 184,083

The Company wrote off the remaining unamortized deferred financing costs of $184,083 in connection with the repayment of the Term Loan Facility.

4. **Line of Credit**

The New York LLC had a $15 million credit facility which expired on August 31, 2018. All amounts drawn down were repaid during the year ended March 31, 2018. The New York LLC is currently in negotiations with the lender to obtain a new credit facility.

On December 24, 2018, the Company entered into a $15 million line of credit agreement with J.P. Morgan Bank, N.A which expires December 23, 2019. Interest payments required on the credit facility are at a variable rate, equal to (a) the Base Rate, as defined, plus a Margin offered by the bank, (b) a floating rate equal to the Eurodollar rate, as defined, plus a margin offered by the bank, or (c) a fixed rate offered by the bank and accepted by the Company. At March 31, 2019, $2,500,000 was drawn down and outstanding on the credit facility. The weighted average interest rate of the outstanding loans was approximately 2.74% at March 31, 2019.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

5. Operating Leases

As Lessors

The San Francisco LLC and the New York LLC, as lessors under various operating leases, will receive base rents over the next five years and thereafter as follows:

	San Francisco LLC	New York LLC	Total
	$	$	$
2020	$47,958	$390,601	$438,559
2021	47,958	373,199	421,157
2022	47,958	358,893	406,851
2023	47,958	298,244	346,202
2024	47,958	140,936	188,894
Thereafter	-	628,346	628,346
	$239,790	$2,190,219	$2,430,009

Certain leases contain provisions for additional rents and extension options. The following is the summary of rental income for the years ended March 31:

	2019	2018
	$	$
San Francisco LLC	51,608	66,182
New York LLC	478,677	191,325

As Lessees

Lease Agreement with 795 Corp. and 795 Partnership

The New York LLC's lease agreements with 795 Corp. and 795 Partnership are for certain facilities of the Hotel Pierre for the purpose of operating a hotel business. Both leases were originally scheduled to terminate on June 30, 2015 and may be extended for two additional ten-year terms. In November 2007, the New York LLC entered into a lease modification with 795 Corp. which extended the lease term for an additional 10 years, to June 30, 2025.

On August 31, 2017, the New York LLC entered into a lease amendment with 795 Corp. which among other things extended the lease term to June 30, 2035, and has the following provisions:

- 795 Fifth Avenue Corporation to spend not less than $6,000,000 in the aggregate over the course of not more than seven years towards the replacement and retrofitting of the electro-mechanical equipment servicing the Hotel.
- The New York LLC and 795 Fifth Avenue Corporation to share the cost of the replacement and installation of an emergency generator, where the New York LLC's obligation is subject to a maximum of $950,000, and any amount in excess to be spent by 795 Fifth Avenue Corporation.
- The New York LLC and 795 Fifth Avenue Corporation to split the costs associated with the façade repair work to the exterior of the Hotel Pierre as required under Local Law 11, on a 50/50 basis.
- For the lease years, as defined, post June 30, 2025, the cost of repair and replacement of the building systems, as defined, and MEP equipments, as defined, will be shared by the New York LLC and 795 Fifth Avenue Corporation in the ratio of 35% and 65%, respectively.
- Increase in management fees payable to the New York LLC, for servicing to the cooperative apartments.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

5. **Operating Leases *(continued)***

As Lessees (continued)

Lease Agreement with 795 Corp. and 795 Partnership (continued)

The lease agreements provide for 795 Corp. and 795 Partnership to receive rental payments with respect to the Hotel Pierre's facilities. Rental payments consist of minimum rentals, and additional rentals measured by a formula based upon 795 Corp.'s and 795 Partnership's costs.

Future fixed minimum rentals, exclusive of formula or percentage rentals, for the years ending March 31 are as follows:

March 31	795 Corp.	795 Partnership	Total
	$	$	$
2020	1,204,848	$1,305,252	$2,510,100
2021	1,204,848	1,305,252	2,510,100
2022	1,204,848	1,305,252	2,510,100
2023	1,204,848	1,305,252	2,510,100
2024	1,204,848	1,305,252	2,510,100
Thereafter	13,554,540	14,684,085	28,238,625
	$19,578,780	**$21,210,345**	**$40,789,125**

Lease on Ballroom

The New York LLC assumed a lease agreement with Barney's, which was renewed on March 12, 2012 for the use of the Hotel Pierre's ballroom (the "Amended Lease"). The Amended Lease expired on December 31, 2018 and required an annual fixed rent of $1,700,000. In addition, the Amended Lease Agreement required a one-time rent adjustment fee of $1,000,000 ("Rent Adjustment"). The Rent Adjustment is included in deferred costs and is amortized over the term of the Amended Lease Agreement. As of March 31, 2019, the Rent Adjustment was fully amortized.

Since the Amended Lease expired on December 31, 2018, the New York LLC and Barney's have reached an understanding for the extension of the Amended Lease for a period of 10 years (the "Lease MOU"), with a 10% increase in the first 5 years and an additional 5% increase beginning in the 6th year of the lease MOU.

The New York LLC has also reached an understanding with 795 Corp. and 795 Partnership, whereby 795 Corp. and 795 Partnership will bear 50% of the increase in the annual fixed rent over and above the previous annual fixed rent. While New York LLC and Barney's are in the process of drafting the final amendment agreement to formalize the arrangement, the New York LLC has been making the payments on the basis of the increased fixed rent as agreed upon.

6. **Related Parties**

Due from Related Parties

Amounts due from related parties are non-interest bearing and have no specified date of repayment.

Sales and Marketing Agreement

The Company has a sales and marketing agreement with IHCL, which can be terminated by the Company or IHCL upon notice. The Company is required to perform sales and marketing functions for IHCL. For 2019 and 2018, the Company received $1,795,636 and $1,762,724 of sales and marketing fees, respectively, under the terms of the agreement.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

6. Related Parties (Continued)

Notes Payable to Related Parties

During February 2016, certain entities that are related to the Company through common ownership and management provided the Company with short-term notes payable. Such notes payable are payable on demand and carry interest at 3.5% per annum.

Interest expense for both the years ended March 31, 2019 and 2018 amounted to $245,000.

7. Income Taxes

(Provision) for income taxes consists of the following during 2019 and 2018:

	2019	2018
	$	$
Current		
Federal	**-**	-
State and local	**(38,302)**	(6,000)
	(38,302)	(6,000)
Deferred		
Federal	**-**	-
State and local	**-**	-
	-	-
	(38,302)	(6,000)

The deferred tax asset consists of, and the related deferred income taxes resulted from the following temporary differences at March 31:

	2019	2018
	$	$
Valuation allowance	**(94,884,498)**	(90,396,000)
Net operating loss carryforward	**93,047,185**	89,046,174
Depreciation and amortization	**523,301**	151,243
Employee related benefits	**1,314,012**	1,198,583
	-	-

The reduction of the net operating loss carryforward was due to the re-measurement of such deferred tax asset considering the impact of the Tax Act.

The components of the net deferred tax provision (benefit) consist of the following for 2019 and 2018:

	2019	2018
	$	$
Valuation allowance	**(4,457,798)**	54,538,933
Net operating loss carryforward	**3,970,311**	(53,371,178)
Depreciation and amortization	**372,058**	(222,912)
Employee related benefits	**115,429**	(944,843)
	-	-

As of March 31, 2019, the Company has approximately $355 million available in net operating loss carryforwards which expire through fiscal 2038. Net operating losses generated in 2018 and future years have no expiration, but are limited to 80% and are not able to be carried back to prior years.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

8. Employee Benefit Plans

Multi-Employer Defined Benefit Plans

The New York LLC is a party to the Industrywide Collective Bargaining Agreement between the New York Hotel Trades Council ("NYC Union") and the Hotel Association of New York City, Inc. The collective bargaining agreement provides for union sponsored multi-employer defined benefit plans (the "Plans") to which the New York LLC makes contributions for the benefit of their employees covered by the collective bargaining agreements. The New York LLC has not received information from the Plans' administrators to determine their share of unfunded benefit obligations, if any. The New York LLC has not undertaken to terminate, withdraw or partially withdraw from the Plans.

The risks of participating in the multi-employer plan are different from a single-employer plan in the following aspects:

a. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If an employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The New York LLC's participation in the Plans for plan years ended December 31, 2018 and 2017 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number (EIN). The most recent Pension Protection Act (PPA) zone status available is for the Plans' year-end at December 31, 2018 and 2017.

The zone status is based on information that the New York LLC received from the Plans and is certified by the actuaries of the Plans. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The New York LLC's contributions to its respective Plans did not exceed more than 5% of the total contributions to the Plans by all participating employers. The following is a summary of the Plans to which the New York LLC make contributions for the benefit of their employees covered by the collective bargaining agreements.

			Pension Protection Act Zone Status		FIP/RP Status	Contributions by the New York LLC	
Plans	EIN Number	Plan Number	2018	2017	Pending/ Implemented	2018	2017
Pension Fund (1)	13-1764242	001	Green	Green	Yes	$2,763,241	$2,202,377
Health Benefits Fund (2)	13-6126923	501	N/A	N/A	Yes	7,111,838	8,115,173
Prepaid Legal Services Fund (3)	13-3418414	508	N/A	N/A	Yes	69,546	73,752
						$9,944,625	$10,391,302

(1) New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund

(2) New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund

(3) New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

8. Employee Benefit Plans *(continued)*

Multi-Employer Defined Benefit Plans (continued)

Defined Contribution 401(k) Plan

The Company and the Subsidiaries have defined contribution plan for the benefit of their eligible employees pursuant to Section 401(k) of the Internal Revenue Code. In addition to employee 401(k) contributions, the plan require employer contributions of 3% of each eligible participant's plan compensation for each year. The employer may also make a profit sharing contribution of a uniform percentage of eligible participants' plan compensation based on profits as defined.

The employer contributions charged to the Company's and the Subsidiaries' operations amounts to the following for the years ended March 31:

	2019	2018
	$	$
San Francisco LLC	112,596	114,651
New York LLC	182,818	176,791
Company	8,031	7,067
	303,445	298,509

9. Commitments and Contingencies

Claims and Legal Actions

The Company is a party to claims that arose in the normal course of business. Management of the Company believes that the ultimate outcome of these claims will not have a material effect on the consolidated financial statements.

Management Agreement with Landlord

On July 1, 2005, 795 Corp. entered into a management agreement (the "Management Agreement") with the New York LLC. Under the Management Agreement, the New York LLC agreed to manage the Hotel Pierre as agent for 795 Corp. and provide the shareholders of 795 Corp. with certain services.

Under the Management Agreement, 795 Corp. is required to pay a base annual management fee of $3,907,362. This fee, subject to annual adjustments, reflects increases in costs of management over the prior year.

The Management Agreement was originally scheduled to expire on June 30, 2025. On August 31, 2017, the New York LLC entered into a modified Management Agreement which extended the term of the agreement by ten years to June 30, 2035. In connection with the modified Management Agreement, the base annual management fee required to be paid by 795 Corp. was increased to $5,744,690, with annual increases thereafter. In addition, the New York LLC is no longer required to provide certain services to the shareholders of 795 Corp.

Management fees, including other reimbursements and fees charged to 795 Corp. totaled to $6,798,833 and $6,289,400 for the years ended March 31, 2019 and 2018, respectively and are included in other revenue. The Management Agreement is co-terminus with the lease agreements with 795 Corp. and 795 Partnership (see note 5).

Cash in Escrow

As part of the Sale, $9,375,000 of the proceeds from the Sale was held in escrow, and can only be drawn on and after January 12, 2018. During 2018, the Company withdrew $8,305,286 from the escrow. On April 3, 2018, the Company withdrew the remaining balance from the escrow.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

9. Commitments and Contingencies *(continued)*

Management Agreement for Boston Hotel

As part of the Sale, the Manager entered into a hotel management services agreement (the "Boston Management Agreement") with the new owner of the Boston Hotel. The Boston Management Agreement, which requires the Boston Hotel to be continually branded as the Taj Boston, has an initial lock-in term of ten years, as defined, and can be extended by the Manager for an additional 5-year term, provided that the Manager is not in default of the terms of the Boston Management Agreement. The Boston Management Agreement entitles the Manager to a revenue based fee in an amount equal to 1.5% of gross revenue, as defined and an incentive fee equal to 5% of net operating income, as defined, if any. Management fees earned for the years ended March 31, 2019 and 2018 amounted to $479,741and $526,583, respectively.

On April 3, 2018, the Manager and the new owner of the Boston Hotel amended the Boston Management Agreement, which includes a provision that allows the new owner of the Boston Hotel to terminate this agreement at any time, with at least three months' notice, without payment of a penalty beginning January 1, 2019. If such termination occurs, the Boston Hotel will no longer be branded as a Taj Hotel. In connection with the amendment, the Manager received a modification and incentive fee in the amount of $6,915,100 during April 2018 in consideration for entering into the amendment. In addition, the funds held in escrow from the Sale as mentioned above, were released to the Manager.

10. Subsequent Events

The Company has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date the consolidated financial statements were available to be issued, which date is April 17, 2019, and has determined that there were no subsequent events or transactions which would require recognition or disclosure in the consolidated financial statements, other than noted herein.

Independent Auditors' Report on Supplementary Information

To the Board of Directors and Stockholder of United Overseas Holdings, Inc.

We have audited the consolidated financial statements of United Overseas Holdings, Inc. as of and for the years ended March 31, 2019 and 2018 and our report thereon dated April 17, 2019, which expressed an unmodified opinion on those consolidated financial statements, appears on page 517. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet and consolidating statements of operations and cash flows are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'Connor Davies, LLP

April 17, 2019

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	IHMS (SF) LLC	IHMS, LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated Total
	$	$	$	$	$	$
ASSETS						
Current Assets						
Cash	756,222	$ 1,011,499	16,590	375,982	-	2,160,293
Accounts Receivable						
Guest ledger	131,427	376,874	-	-	-	508,301
City ledger	280,332	2,268,864	8,000	-	-	2,557,196
	411,759	2,645,738	8,000	-	-	3,065,497
Inventories	247,469	465,303	-	-	-	712,772
Prepaid expenses	298,924	1,161,644	-	7,280	-	1,467,848
Total Current Assets	1,714,374	5,284,184	24,590	383,262	-	7,406,410
Property and Equipment						
Investment in cooperative apartments	-	1,500,000	-	-	-	1,500,000
Land	14,000,000	-	-	-	-	14,000,000
Building and improvements	45,771,617	97,573,876	-	-	-	143,345,493
Furniture, fixtures and equipment	3,528,678	28,925,691	-	78,064	-	32,532,433
	63,300,295	127,999,567	-	78,064	-	191,377,926
Accumulated depreciation	15,984,396	52,031,261	-	65,625	-	68,081,282
	47,315,899	75,968,306	-	12,439	-	123,296,644
Construction in progress	130,149	624,807	-	-	-	754,956
	47,446,048	76,593,113	-	12,439	-	124,051,600
Other Assets						
Deferred costs, net	60,000	211,388	-	-	-	271,388
Security deposits	37,484	87,316	-	-	-	124,800
Investment in subsidiaries	-	-	-	90,418,386	(90,418,386)	-
Due from related parties	-	-	8,238,520	74,771,914	(82,956,705)	53,729
	97,484	298,704	8,238,520	165,190,300	(173,375,091)	449,917
Total Assets	49,257,906	82,176,001	8,263,110	165,586,001	(173,375,091)	131,907,927

See independent auditors' report on supplementary information

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	IHMS (SF) LLC	IHMS, LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated Total
	$	$	$	$	$	$
LIABILITIES AND STOCKHOLDER'S EQUITY						
Current Liabilities						
Accounts Payable						
Trade	178,876	4,480,978	-	-	-	4,659,854
Other	-	4,969	-	-	-	4,969
	178,876	4,485,947	-	-	-	4,664,823
Taxes payable, other than income	187,930	177,928	-	-	-	365,858
Accrued Expenses						
Payroll and related	328,171	836,977	-	-	-	1,165,148
Vacation, gratuities and incentives	728,656	3,321,697	-	131,912	-	4,182,265
Interest	-	-	-	6,656	-	6,656
Utilities	43,351	243,513	-	-	-	286,864
Other	535,946	626,568	-	1,228	-	1,163,742
	1,636,124	5,028,755	-	139,796	-	6,804,675
Tenants' security deposits	-	147,000	-	-	-	147,000
Advance deposits and other credit balances	242,529	7,438,460	-	-	-	7,680,989
Notes payable to related parties	-	-	-	7,000,000	-	7,000,000
Line of credit	-	-	-	2,500,000	-	2,500,000
Total Current Liabilities	2,245,459	17,278,090	-	9,639,796	-	29,163,345
Due to related parties	17,401,686	65,555,017	-	-	(82,956,703)	-
Total Liabilities	19,647,145	82,833,107	-	9,639,796	(82,956,703)	29,163,345
Commitments and contingencies						
Stockholder's Equity						
Common stock	-	-	-	100	-	100
Additional paid-in capital	50,941,941	219,103,509	-	184,723,741	(270,045,450)	184,723,741
Accumulated earnings (deficit)	(21,331,180)	(219,760,615)	8,263,110	(28,777,636)	179,627,062	(81,979,259)
Total Stockholder's Equity	29,610,761	(657,106)	8,263,110	155,946,205	(90,418,388)	102,744,582
Total Liabilities and Stockholder's Equity	49,257,906	82,176,001	8,263,110	165,586,001	(173,375,091)	131,907,927

See independent auditors' report on supplementary information

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	IHMS (SF) LLC	IHMS, LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated Total
	$	$	$	$	$	$
ASSETS						
Current Assets						
Cash	659,846	980,214	1,114	41,028	-	1,682,202
Cash in escrow	-	-	-	1,069,714	-	1,069,714
Accounts Receivable						
Guest ledger	129,763	545,602	-	-	-	675,365
City ledger	235,821	2,451,878	36,499	-	-	2,724,198
	365,584	2,997,480	36,499	-	-	3,399,563
Inventories	275,150	501,711	-	-	-	776,861
Prepaid expenses	268,906	1,122,411	-	18,705	-	1,410,022
Total Current Assets	1,569,486	5,601,816	37,613	1,129,447	-	8,338,362
Property and Equipment						
Investment in cooperative apartments	-	1,500,000	-	-	-	1,500,000
Land	14,000,000	-	-	-	-	14,000,000
Building and improvements	45,771,617	97,499,107	-	-	-	143,270,724
Furniture, fixtures and equipment	3,350,190	28,646,675	-	76,146	-	32,073,011
	63,121,807	127,645,782	-	76,146	-	190,843,735
Accumulated depreciation	14,519,485	47,392,148	-	56,749	-	61,968,382
	48,602,322	80,253,634	-	19,397	-	128,875,353
Construction in progress	26,082	14,000	-	-	-	40,082
	48,628,404	80,267,634	-	19,397	-	128,915,435
Other Assets						
Deferred costs, net	60,000	512,432	-	-	-	572,432
Security deposits	72,992	95,611	-	-	-	168,603
Investment in subsidiaries	-	-	-	90,418,386	(90,418,386)	-
Due from related parties	-	-	831,520	75,983,899	(76,704,509)	110,910
	132,992	608,043	831,520	166,402,285	(167,122,895)	851,945
Total Assets	50,330,882	86,477,493	869,133	167,551,129	(167,122,895)	138,105,742

See independent auditors' report on supplementary information

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	IHMS (SF) LLC	IHMS, LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated Total
	$	$	$	$	$	$
LIABILITIES AND STOCKHOLDER'S EQUITY						
Current Liabilities						
Accounts Payable						
Trade	279,801	3,270,217	-	-	-	3,550,018
Other	-	7,603	-	-	-	7,603
	279,801	3,277,820	-	-	-	3,557,621
Taxes payable, other than income	186,650	247,392	-	-	-	434,042
Accrued Expenses						
Payroll and related	280,550	700,357	-	-	-	980,907
Vacation, gratuities and incentives	635,627	3,083,165	-	67,625	-	3,786,417
Interest	-	-	-	45,441	-	45,441
Utilities	21,557	223,124	-	-	-	244,681
Other	446,213	926,090	-	-	-	1,372,303
	1,383,947	4,932,736	-	113,066	-	6,429,749
Tenants' security deposits	-	193,700	-	-	-	193,700
Advance deposits and other credit balances	283,466	6,713,700	-	-	-	6,997,166
Current portion of term loan	-	-	-	1,980,000	-	1,980,000
Notes payable to related parties	-	-	-	11,000,000	-	11,000,000
Total Current Liabilities	2,133,864	15,365,348	-	13,093,066	-	30,592,278
Due to related parties	19,339,739	57,364,768	-	-	(76,704,507)	-
Long term portion of term loan	-	-	-	18,735,917	-	18,735,917
Total Liabilities	21,473,603	72,730,116	-	31,828,983	(76,704,507)	49,328,195
Commitments and contingencies						
Stockholder's Equity						
Common stock	-	-	-	100	-	100
Additional paid-in capital	50,941,941	219,103,509	-	163,723,741	(270,045,450)	163,723,741
Accumulated earnings (deficit)	(22,084,662)	(205,356,132)	869,133	(28,001,695)	179,627,062	(74,946,294)
Total Stockholder's Equity	28,857,279	13,747,377	869,133	135,722,146	(90,418,388)	88,777,547
Total Liabilities and Stockholder's Equity	50,330,882	86,477,493	869,133	167,551,129	(167,122,895)	138,105,742

See independent auditors' report on supplementary information

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	IHMS (SF) LLC $	IHMS, LLC $	IHMS (USA) LLC $	United Overseas Holdings, Inc. $	Eliminations $	Consolidated Total $
REVENUE						
Rooms	12,248,741	34,200,132	-	-	-	46,448,873
Food and beverage	5,177,098	36,781,084	-	-	-	41,958,182
Other	1,033,838	8,557,851	-	445	-	9,592,134
Total Revenue	18,459,677	79,539,067	-	445	-	97,999,189
DEPARTMENTAL EXPENSES						
Rooms	4,202,846	20,084,788	-	-	-	24,287,634
Food and beverage	5,115,982	37,671,370	-	-	-	42,787,352
Other	417,675	1,653,237	-	-	-	2,070,912
Total Departmental Expenses	9,736,503	59,409,395	-	-	-	69,145,898
UNALLOCATED OPERATING EXPENSES						
Administrative and general	2,431,975	9,272,939	865	258,101	-	11,963,880
Sales and marketing	974,589	2,749,606	-	2,120,961	-	5,845,156
Repair and maintenance	1,073,292	5,625,553	-	-	-	6,698,845
Utilities	613,886	3,168,426	-	-	-	3,782,312
Total Unallocated Operating Expenses	5,093,742	20,816,524	865	2,379,062	-	28,290,193
Income (Loss) Before Fixed Charges, Other Income and Income Tax (Provision)	3,629,432	(686,852)	(865)	(2,378,617)	-	563,098
FIXED CHARGES						
Real estate and other taxes	818,105	-	-	-	-	818,105
Insurance	297,878	244,028	-	-	-	541,906
Rent and license fees	36,804	7,715,085	-	-	-	7,751,889
Depreciation	1,464,911	4,765,612	-	8,876	-	6,239,399
Amortization	-	301,043	-	-	-	301,043
Interest and finance costs	258,252	653,561	-	184,083	-	1,095,896
Total Fixed Charges	2,875,950	13,679,329	-	192,959	-	16,748,238
(Loss) Before Other Income and Income Tax (Provision)	753,482	(14,366,181)	(865)	(2,571,576)	-	(16,185,140)
OTHER INCOME						
Sales and marketing, and management fees	-	-	479,741	1,795,636	-	2,275,377
Other income	-	-	6,915,100	-	-	6,915,100
Total Other Income	-	-	7,394,841	1,795,636	-	9,190,477
Income (Loss) Before Income Tax (Provision)	753,482	(14,366,181)	7,393,976	(775,940)	-	(6,994,663)
Income tax (provision)	-	(38,302)	-	-	-	(38,302)
Net Income (Loss)	753,482	(14,404,483)	7,393,976	(775,940)	-	(7,032,965)

See independent auditors' report on supplementary information

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	IHMS (SF) LLC $	IHMS, LLC $	IHMS (USA) LLC $	United Overseas Holdings, Inc. $	Eliminations $	Consolidated Total $
REVENUE						
Rooms	11,266,655	31,793,570	-	-	-	43,060,225
Food and beverage	5,397,860	34,643,879	-	-	-	40,041,739
Other	473,496	6,798,824	-	29,370	-	7,301,690
Total Revenue	17,138,011	73,236,273	-	29,370	-	90,403,654
DEPARTMENTAL EXPENSES						
Rooms	3,941,259	19,392,271	-	-	-	23,333,530
Food and beverage	5,433,233	35,493,747	-	-	-	40,926,980
Other	435,305	1,653,003	-	-	-	2,088,308
Total Departmental Expenses	9,809,797	56,539,021	-	-	-	66,348,818
UNALLOCATED OPERATING EXPENSES						
Administrative and general	2,108,894	8,948,078	1,017	195,314	-	11,253,303
Sales and marketing	961,342	2,691,628	-	2,570,960	-	6,223,930
Repair and maintenance	1,071,287	5,444,935	-	-	-	6,516,222
Utilities	605,534	3,386,501	-	-	-	3,992,035
Total Unallocated Operating Expenses	4,747,057	20,471,142	1,017	2,766,274	-	27,985,490
Income (Loss) Before Fixed Charges, Other Income and Income Tax (Provision)	2,581,157	(3,773,890)	(1,017)	(2,736,904)	-	(3,930,654)
FIXED CHARGES						
Real estate and other taxes	792,735	-	-	-	-	792,735
Insurance	290,754	253,594	-	-	-	544,348
Rent and license fees	34,148	7,355,045	-	-	-	7,389,193
Depreciation	1,460,611	4,774,103	-	9,717	-	6,244,431
Amortization	-	339,955	-	-	-	339,955
Interest and finance costs	437,784	1,159,516	-	40,907	-	1,638,207
Total Fixed Charges	3,016,032	13,882,213	-	50,624	-	16,948,869
(Loss) Before Other Income and Income Tax (Provision)	(434,875)	(17,656,103)	(1,017)	(2,787,528)	-	(20,879,523)
OTHER INCOME						
Sales and marketing, and management fees	-	-	526,583	1,762,724	-	2,289,307
Income (Loss) Before Income Tax (Provision)	(434,875)	(17,656,103)	525,566	(1,024,804)	-	(18,590,216)
Income tax (provision)	-	(6,000)	-	-	-	(6,000)
Net Income (Loss)	(434,875)	(17,662,103)	525,566	(1,024,804)	-	(18,596,216)

See independent auditors' report on supplementary information

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	IHMS (SF) LLC $	IHMS, LLC $	IHMS (USA) LLC $	United Overseas Holdings, Inc. $	Eliminations $	Consolidated Total $
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Income (Loss)	753,482	(14,404,483)	7,393,976	(775,940)	-	(7,032,965)
Adjustments to reconcile net income (loss) to net cash from operating activities						
Depreciation and amortization	1,464,911	5,066,655	-	192,959	-	6,724,525
Gain on sale of equipment	-	(4,133)	-	-	-	(4,133)
Changes in Certain Other Accounts						
Accounts receivable	(46,175)	351,742	28,500	-	-	334,067
Inventories	27,681	36,408	-	-	-	64,089
Prepaid expenses	(30,018)	(39,233)	-	11,423	-	(57,828)
Security deposits	35,508	(38,405)	-	-	-	(2,897)
Due from related parties	(1,938,054)	8,190,249	(7,407,000)	1,211,985	-	57,180
Accounts payable	(100,925)	1,208,127	-	-	-	1,107,202
Taxes payable, other than income	1,280	(69,464)	-	-	-	(68,184)
Accrued expenses	252,178	96,019	-	26,731	-	374,928
Advance deposits and other credit balances	(40,937)	724,761	-	-	-	683,824
Total Adjustments	(374,551)	15,522,726	(7,378,500)	1,443,098	-	9,212,773
Net Cash from Operating Activities	378,931	1,118,243	15,476	667,158	-	2,179,808
CASH FLOWS FROM INVESTING ACTIVITIES						
Change in cash in escrow	-	-	-	1,069,714	-	1,069,714
Capital expenditures	(282,555)	(1,091,091)	-	(1,918)	-	(1,375,564)
Proceeds from sale of equipment	-	4,133	-	-	-	4,133
Net Cash from Investing Activities	(282,555)	(1,086,958)	-	1,067,796	-	(301,717)
CASH FLOWS FROM FINANCING ACTIVITIES						
Contributions/advances from member/shareholder	-	-	-	21,000,000	-	21,000,000
Repayment of notes payable to related parties	-	-	-	(4,000,000)	-	(4,000,000)
Withdrawals on line of credit	-	-	-	2,500,000	-	2,500,000
Repayment of term loan	-	-	-	(20,900,000)	-	(20,900,000)
Net Cash from Financing Activities	-	-	-	(1,400,000)	-	(1,400,000)
Net Change in Cash	96,376	31,285	15,476	334,954	-	478,091
Cash, beginning of year	659,846	980,214	1,114	41,028	-	1,682,202
Cash, end of year	756,222	1,011,499	16,590	375,982	-	2,160,293
Supplemental Disclosure of Cash Flow Information						
Cash paid for capital taxes	-	38,302	-	-	-	$38,302
Cash paid for interest	258,252	653,561	-	-	-	$911,813

See independent auditors' report on supplementary information

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

	IHMS (SF) LLC $	IHMS, LLC $	IHMS (USA) LLC $	United Overseas Holdings, Inc. $	Eliminations $	Consolidated Total $
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Income (Loss)	(434,875)	(17,662,103)	525,566	(1,024,804)	-	(18,596,216)
Adjustments to reconcile net income (loss) to net cash from operating activities						
Depreciation and amortization	1,460,611	5,114,058	-	50,624	-	6,625,293
Changes in Certain Other Accounts						
Accounts receivable	(141,596)	(1,426,643)	(1,700)	-	-	(1,569,939)
Inventories	3,108	(2,021)	-	-	-	1,087
Prepaid expenses	9,951	(1,332)	-	15,354	-	23,973
Security deposits	1,004	182,300	-	-	-	183,304
Due to/from related parties	(87,748)	6,864,819	(525,347)	(6,285,868)	-	(34,144)
Accounts payable	81,556	(1,619,166)	-	-	-	(1,537,610)
Taxes payable, other than income	25,775	17,495	-	-	-	43,270
Accrued expenses	(126,338)	950,503	-	(1,147,191)	-	(323,026)
Advance deposits and other credit balances	(264,187)	239,899	-	-	-	(24,288)
Total Adjustments	962,136	10,319,912	(527,047)	(7,367,081)	-	3,387,920
Net Cash from Operating Activities	527,261	(7,342,191)	(1,481)	(8,391,885)	-	(15,208,296)
CASH FLOWS FROM INVESTING ACTIVITIES						
Change in cash in escrow	-	-	-	8,305,286	-	8,305,286
Investment in subsidiaries	-	-	-	(9,500,000)	9,500,000	-
Capital expenditures	(262,337)	(677,821)	-	(1,302)	-	(941,460)
Net Cash from Investing Activities	(262,337)	(677,821)	-	(1,196,016)	9,500,000	7,363,826
CASH FLOWS FROM FINANCING ACTIVITIES						
Change in cash overdraft	-	(594,396)	-	-	-	(594,396)
Contributions/advances from member/shareholder	-	9,500,000	-	10,500,000	(9,500,000)	10,500,000
Withdrawals on line of credit	-	9,500,000	-	-	-	9,500,000
Repayment on line of credit	-	(9,500,000)	-	-	-	(9,500,000)
Repayment of term loan	-	-	-	(880,000)	-	(880,000)
Net Cash from Financing Activities	-	8,905,604	-	9,620,000	(9,500,000)	9,025,604
Net Change in Cash	264,924	885,592	(1,481)	32,099	-	1,181,134
Cash, beginning of year	394,922	94,622	2,595	8,929	-	501,068
Cash, end of year	659,846	980,214	1,114	41,028	-	1,682,202
Supplemental Disclosure of Cash Flow Information						
Cash paid for capital taxes	-	6,000	-	-	-	6,000
Cash paid for interest	437,784	1,159,516	-	-	-	1,597,300

See independent auditors' report on supplementary information

Independent Auditor's Report

To The Members of
PIEM International (H.K.) Limited
(Incorporated in Hong Kong with limited liability

Opinion

We have audited the financial statements of PIEM International (H.K.) Limited (the "Company") set out on pages 544 to 557, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2019, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the directors' report and the detailed income statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, 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.

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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Independent Auditor's Report (Contd.)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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.

Mazars CPA Limited
Certified Public Accountants
Hong Kong,
Date : 18 April 2019

The engagement director on the audit resulting in this independent auditor's report is:
Chan Wai Man
Practising Certificate number: P02487

Statement of Comprehensive Income year ended March 31, 2019

	Note	2019 US$	2018 US$
Revenue	2	**17,262**	140,002
Exchange gain		**70**	12
Operating expenses		**(19,277)**	(59,248)
Share of result of an associate		**1,919,516**	1,674,107
Profit before tax	3	**1,917,571**	1,754,873
Income tax expense	4	**-**	-
Profit for the year		**1,917,571**	1,754,873
Other comprehensive (loss) income:			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange (loss) gain arising from translation of interest in an associate		**(2,270,784)**	3,154,577
Other comprehensive (loss) income for the year, net of tax		**(2,270,784)**	3,154,577
Total comprehensive (loss) income for the year		**(353,213)**	4,909,450

Statement of Financial Position At 31 March 2019

	Note	At 31 March 2019 US$	At 31 March 2018 US$
Non-current assets			
Interest in an associate	5	**30,883,778**	31,235,046
Designated FVOCI	6	**541,375**	-
Available-for-sale financial asset	6	**-**	541,375
		31,425,153	31,776,421
Assets classified as held for sale	7	**1**	1
Current assets			
Loan to a fellow subsidiary	8	**-**	4,000,000
Bank balances		**310,544**	312,467
		310,544	4,312,467
Current liabilities			
Accrued charges		**8,664**	8,642
Net current assets		**301,880**	4,303,825
NET ASSETS		**31,727,034**	36,080,247
Capital and reserves			
Share capital	9	**8,000,000**	8,000,000
Exchange reserve		**(3,520,752)**	(1,249,968)
Accumulated profits		**27,247,786**	29,330,215
TOTAL EQUITY		**31,727,034**	36,080,247

These financial statements on pages 544 to 557 were approved and authorised for issue by the board of directors on 18 April 2019 and signed on behalf by

Director
Rajeshkumar Harshadrai Parekh

Director
Rajesh Rajkumar Nagpal

Statement of Changes in Equity Year ended 31 March 2019

	Share capital US$	Exchange reserve (Note) US$	Accumulated profits US$	Total US$
At 1 April 2017	8,000,000	(4,404,545)	27,575,342	31,170,797
Profit for the year	-	-	1,754,873	1,754,873
Other comprehensive loss				
Exchange gain arising from translation of interest in an associate	-	3,154,577	-	3,154,577
Total comprehensive income for the year	-	3,154,577	1,754,873	4,909,450
At 31 March 2018	8,000,000	(1,249,968)	29,330,215	36,080,247
At 1 April 2018	8,000,000	(1,249,968)	29,330,215	36,080,247
Profit for the year	-	-	1,917,571	1,917,571
Other comprehensive loss				
Exchange loss arising from translation of interest in an associate	-	(2,270,784)	-	(2,270,784)
Total comprehensive (loss) income for the year	-	(2,270,784)	1,917,571	(353,213)
Transaction with owners				
Interim dividend (Note 10)	-	-	(4,000,000)	(4,000,000)
At 31 March 2019	**8,000,000**	**(3,520,752)**	**27,247,786**	**31,727,034**

Note:

(i) The exchange reserve comprises exchange differences arising from translation of financial statements of the Company's foreign associate. The reserve is dealt with in accordance with the accounting policy on foreign currency translation as stated in note 1 to the financial statements.

Statement of Cash Flows Year ended 31 March 2019

	Note	**2019 US$**	2018 US$
OPERATING ACTIVITIES			
Cash used in operations	11	**(19,185)**	(58,744)
Net cash used in operating activities		**(19,185)**	(58,744)
INVESTING ACTIVITIES			
Interest received		**17,262**	151,892
Refund of loan to a fellow subsidiary		**4,000,000**	-
Net cash generated from investing activities		**4,017,262**	151,892
FINANCING ACTIVITY			
Interim dividend paid		**(4,000,000)**	-
Net cash used in financing activity		**(4,000,000)**	-
Net (decrease) increase in cash and cash equivalents		**(1,923)**	93,148
Cash and cash equivalents at beginning of year		**312,467**	219,319
Cash and cash equivalents at end of year, represented by bank balances		**310,544**	312,467

Notes to Financial Statements for the year ended March 31, 2019

CORPORATE INFORMATION

PIEM International (H.K.) Limited (the "Company") is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The immediate holding company of the Company is Piem Hotels Limited, which is incorporated in India. In the opinion of the directors, the ultimate holding company of the Company is The Indian Hotels Company Limited which is incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange in India. The principal activity of the Company is investment holding.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2018 financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Company and effective from the current year. A summary of the principal accounting policies adopted by the Company is set out below.

Adoption of new / revised HKFRSs

The HKICPA has issued a number of new/revised HKFRSs that are first effective for the current accounting period of the Company. Of these, the following new/revised HKFRSs that are relevant to the Company:

HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers

<u>HK(IFRIC)-Int 22 Foreign Currency Transactions and Advance Consideration</u>

The interpretation specifies the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency.

The adoption of the interpretation does not have any significant impact on the financial statements.

<u>HKFRS 9 Financial Instruments</u>

The following terms are used in the financial statements:

- FVPL: fair value through profit or loss
- FVOCI: fair value through other comprehensive income
- Designated FVOCI: equity instruments measured at FVOCI
- Mandatory FVOCI: debt instruments measured at FVOCI

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. It introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting.

In accordance with the transition provisions in HKFRS 9, comparative information has not been restated and the Company has applied HKFRS 9 retrospectively to financial instruments that existed at 1 April 2018 (i.e. the date of initial application), except as described below:

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

(a) The determination of the business model within which a financial asset is held is made on the basis of facts and circumstances that existed at the date of initial application.

(b) If, at the date of initial application, determining whether there has been a significant increase in credit risk since initial recognition would require undue cost or effort, a loss allowance is recognised at an amount equal to lifetime expected credit losses at each reporting date until the financial instrument is derecognised unless that financial instrument has low credit risk at a reporting date.

(c) For investments in equity instruments that were measured at cost under HKAS 39, the instruments are measured at fair value at the date of initial application.

Differences between the previous carrying amounts under HKAS 39 and the current carrying amounts upon adoption of HKFRS 9 are recognised directly in components of equity at 1 April 2018.

Classification and measurement of financial assets and financial liabilities

The adoption of HKFRS 9 has no significant effect on the classification and measurement of the Company's financial liabilities.

The following table reconciles the original measurement categories and carrying amounts under HKAS 39 to the new measurement categories and carrying amounts under HKFRS 9 for each class of the Company's financial assets as at 1 April 2018.

		Measurement category and carrying amount under HKFRS 9	
Measurement category under HKAS 39	**Carrying amount under HKAS 39 Schedule**	**Financial assets at amortised cost**	**Designated FVOCI**
	US$	**US$**	**US$**
Available-for-sale financial assets			
A listed equity security (Note a)	541,375	-	541,375
Loans and receivables (Note b)			2,415,602
Loan to a fellow subsidiary	4,000,000	4,000,000	-
Bank balances	312,467	312,467	-
	4,853,842	4,312,467	541,375

Notes:

(a) The listed equity security that was previously classified as available-for-sale financial asset amounted to US$541,375 is now classified as Designated FVOCI since, at the date of initial application, this investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies and is designated as Designated FVOCI.

Besides, this was previously accounted at cost less impairment losses under HKAS 39 and is remeasured at fair value upon adoption of HKFRS 9. The previous carrying amount approximated the fair value as at 1 April 2018.

(b) These items continue to be measured at amortised cost because, at the date of initial application, the Company's business model is to hold these items to collect contractual cash flows and the cash flows represent solely payments of principal and interest on the principal amount outstanding.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Impact of the new impairment requirements

HKFRS 9 introduces new impairment requirements for financial assets that are measured at amortised cost in accordance with expected credit losses ("ECL").

The effect on adoption of the new impairment requirements under HKFRS 9 does not have any significant impact on the financial statements.

Basis of measurement
The measurement basis used in the preparation of these financial statements is historical cost, except for Designated FVOCI which is measured at fair value as explained in the respective principal accounting policies set out below.

Associate
An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but no control or joint control of those policies.

The Company's investment in an associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Company's share of the investee's net assets and any impairment loss relating to the investment.

Except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the investee, the Company discontinues recognising its share of further losses when the Company's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Company's net investment in the investee.

Financial instruments
Financial assets
Recognition and derecognition
Financial assets are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) the Company transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Classification and measurement
Applicable from 1 April 2018
Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) Mandatory FVOCI; (iii) Designated FVOCI; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Company's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Company's financial assets at amortised cost include bank balances and loan to a fellow subsidiary.

Designated FVOCI

Upon initial recognition, the Company may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies in other comprehensive income. The classification is determined on an instrument-by-instrument basis.

These equity investments are subsequently measured at fair value and are not subject to impairment. Dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains or losses are recognised in other comprehensive income and shall not be subsequently reclassified to profit or loss. Upon derecognition, the cumulative gain or loss is transferred directly to accumulated profits or losses.

The Company's financial assets at Designated FVOCI include a listed equity security.

Applicable before 1 April 2018

Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition or issue of the financial assets.

Loans and receivables

Loans and receivables including bank balances and loan to a fellow subsidiary are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in the profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated at this category or not classified in any of the other categories of financial assets. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment loss.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Company's financial liabilities include accrued charges. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets under HKFRS 9

Applicable from 1 April 2018

The Company recognises loss allowances for ECL on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. At each reporting date, the Company measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped on one or more of the following bases of shared credit risk characteristics:

(i) past due information

(ii) nature of instrument

(iii) nature of collateral, if any

(iv) industry of debtors

(v) geographical location of debtors

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Company may not receive the outstanding contractual amounts in full if the financial instrument meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company); or

(ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Company writes off a financial asset when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Company has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Company's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

At the end of each reporting period, the Company assesses whether there is objective evidence that financial assets are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For an available-for-sale financial asset that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

Cash equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Dividend income

Dividend income from financial assets is recognised when the Company's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Applicable from 1 April 2018

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credited-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Applicable before 1 April 2018

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Foreign currency translation

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in the currency of United States dollars ("US$"), which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Exchange differences arising from the translation of the net investment in foreign operations are recognised in a separate component of equity and recognised in profit or loss on disposal of the foreign operations.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:

  (i) has control or joint control over the Company;

  (ii) has significant influence over the Company; or

  (iii) is a member of the key management personnel of the Company or of the parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

  (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted. The directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results of the Company.

2. REVENUE

	2019	2018
	US$	US$
Revenue from other sources		
Interest income from deposits	**385**	2
Interest income from loan to a fellow subsidiary	**16,877**	140,000
	17,262	140,002

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

3. PROFIT BEFORE TAX

	2019	2018
This is stated after charging:	US$	US$
Auditor's remuneration	**8,663**	7,773
Withholding tax	**5,063**	45,567

4. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Company's profits neither arose in, nor derived from, Hong Kong and therefore was not subject to Hong Kong Profits Tax. In the opinion of the directors, the Company is not subject to taxation in any other jurisdictions in which the Company operates.

Reconciliation of tax expense

	2019	2018
	US$	US$
Profit before tax	**1,917,571**	1,754,873
Income tax at applicable tax rate of 16.5% (2018: 16.5%)	**316,399**	289,554
Share of result of an associate	**(316,720)**	(276,228)
Tax-exempted revenue	**-**	(13,326)
Non-deductible expenses	**321**	-
Income tax expense	**-**	-

5. INTEREST IN AN ASSOCIATE

	2019	2018
	US$	US$
Share of net assets	**30,883,778**	**31,235,046**

Interest in an associate represents 35.38075% (2018: 35.38075%) of the issued ordinary share capital of St. James Court Hotel Limited, a company engaged in hotel operations and incorporated in the United Kingdom. The associate is accounted for using the equity method in the financial statements.

Summary of financial information of the associate is as follows:

	As at 31 March 2019 US$	As at 31 March 2018 US$
Gross amount		
Current assets	**15,739,035**	15,851,868
Non-current assets	**141,415,672**	141,545,909
Current liabilities	**(18,735,006)**	(12,439,697)
Non-current liabilities	**(51,129,926)**	(56,673,608)
Equity	**87,289,775**	88,284,472

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

	As at 31 March 2019 US$	As at 31 March 2018 US$
Reconciliation		
Total equity of the associate	87,289,775	88,284,472
Company's ownership interests	35.38075%	35.38075%
Company's share of equity and carrying amount of interest	30,883,778	31,235,046

	As at 31 March 2019 US$	As at 31 March 2018 US$
Gross amount		
Revenue	47,569,978	43,515,513
Profit for the year and total comprehensive income for the year	5,425,312	4,731,789

6. DESIGNATED FVOCI / AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2019 US$	2018 US$
Available-for-sale financial assets		
Equity security listed outside Hong Kong, at cost	-	541,375
Designated FVOCI		
Equity security listed outside Hong Kong, at fair value	541,375	541,375
Equity investment listed outside Hong Kong, at cost	541,375	541,375

At the end of the reporting period, the Company held 0.27% (2018: 0.27%) interest representing 487,500 (2018: 487,500) Global Deposit Receipts ("GDRs") of Oriental Hotels Limited ("OHL"), which is a related company in which the holding company of the Company has significant influence.

The market value of the GDRs held as at 31 March 2018 was US$312,000. In the opinion of directors, although OHL is listed on Luxembourg Stock Exchange, the GDRs of which are not considered to be actively traded. Investment in OHL was stated at cost less any impairment loss as at 31 March 2018.

7. ASSETS CLASSIFIED AS HELD FOR SALE

	2019 US$	2018 US$
Investments in unlisted shares, at cost	1	1

Name of subsidiary	Country of incorporation	Percentage of ordinary shares directly held	Principal activities
BAHC 5 Pte Limited ("BAHC5")	Singapore	100%	Aircraft owning

In accordance with the written board resolution initially passed on 15 April 2009, the Company intended to dispose of the above investment and a disposal plan has been established. In accordance with the latest written board resolution

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

passed on 26 April 2018, the Company confirmed its intention to proceed the disposal and the said plan is now under implementation as concrete initial steps in this regard have been taken. In the opinion of the directors, the disposal is highly probable to be completed before the end of the financial year 2019 - 2020. As a result, the interest in the subsidiary is still classified as "Assets classified as held for sale" at the end of the reporting period.

8. LOAN TO A FELLOW SUBSIDIARY

During the previous period, the Company entered into a loan agreement with a fellow subsidiary to advance a loan of US$4,000,000. The loan is unsecured, interest-bearing at 3.5% per annum and original maturity in August 2016 has since become repayable on call with option to repay within 3 days. The fair value of the amount due at the end of the reporting period approximates its carrying amount. The amount was wholly repaid during the year.

9. SHARE CAPITAL

	2019		2018	
	No. of shares	**US$**	**No. of shares**	**US$**
Issued and fully paid:				
At beginning of the year and end of the reporting period	800,000	8,000,000	800,000	8,000,000

10. DIVIDEND

	2019 US$	**2018 US$**
Dividend declared and paid during the year:		
Interim dividend in respect of 2019 of US$0.5 per share *(2018: US$Nil per share)*	4,000,000	-

11. CASH USED IN OPERATIONS

	2019 US$	**2018 US$**
Profit before tax	**1,917,571**	1,754,873
Interest income	**(17,262)**	(140,002)
Share of results of an associate	**(1,919,516)**	(1,674,107)
Changes in working capital:		
Due from the ultimate holding company	**-**	413
Accrued charges	**22**	79
Cash used in operations	**(19,185)**	(58,744)

12. RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year the Company had the following transactions with related parties.

Related party relationship	**Nature of transaction**	**2019 US$**	**2018 US$**
A fellow subsidiary	Interest income	**16,877**	140,000

13. PLEDGE OF ASSETS

The Company has pledged its investment in BAHC5 with a net book value of US$1.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise mainly bank balances and designated FVOCI. The main purpose of these financial instruments is to raise and maintain finance for the Company's operations.

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors generally adopts conservative strategies on its risk management and limits the Company's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's short-term deposits.

The management considers the risk of movements in interest rates to be insignificant in view of the current market condition.

Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than United States dollars. Related company balances and interest in an associate are denominated in British Pounds ("GBP").

At 31 March 2018, if the US$ had weakened / strengthened by 7% (2018: 7%) against the GBP with all other variables held constant, the Company's net profit for the year would have been US$137,000 (2018: US$126,000) higher / lower while the exchange reserve would increase / decrease by US$2,227,000 (2018: US$2,230,000).

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Company's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period.

Credit risk

The Company's credit risk is primarily attributable to bank balances. Substantially all of the Company's bank balances were deposited in creditworthy global financial institutions in Hong Kong, which management of the Company considers they are without significant credit risk.

Liquidity risk

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled on demand at the end of the reporting period.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

16. CAPITAL MANAGEMENT

The objectives of the Company's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for shareholders. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholders, return of capital to shareholders or issue new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2019 and 2018.

17. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

(a) Director's remuneration

There is no director remuneration for the year (2018: Nil).

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

(b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company that were entered into or subsisted during the year (2018: Nil).

(c) Directors' material interests in transactions, arrangements or contracts

The directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: Nil).

Details income statements for the year ended 31 March, 2019		**2019**	2018
	Schedule	**US$**	US$
Revenue	A	**17,262**	140,002
Exchange gain		**70**	12
Operating expenses	B	**(19,277)**	(59,248)
Share of result of an associate		**1,919,516**	1,674,107
Profit before tax		**1,917,571**	1,754,873

	2019	2018
A. REVENUE	**US$**	US$
Interest income from deposits	**385**	2
Interest income from a fellow subsidiary	**16,877**	140,000
	17,262	140,002

B. OPERATING EXPENSES	**US$**	US$
Auditor's remuneration	**8,663**	7,773
Bank charges	**2,486**	2,276
Legal and professional fees	**1,230**	3,152
Sundry expenses	**1,835**	480
Withholding tax	**5,063**	45,567
	19,277	59,248

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended 31 March 2019 and 2018 does not constitute the Company's specified financial statements for those years as defined in section 436 of the HKCO but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

Auditor's reports have been prepared on the specified financial statements for both years.

In respect of the years ended 31 March 2019 and 2018, the auditor's reports:

- were not qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the reports; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

Strategic Report for the Year Ended 31 March 2019

Introduction

The Indian Hotels Company Limited (IHCL) is the oldest and most prominent hotel company in the Indian hospitality sector. Amongst the brands in its stable, the 'Taj' is the most iconic luxury hotel brand in India. Both your company's hotels proudly sport the Taj name and trade as Taj 51 Buckingham Gate Suites and Residences and St. James' Court, a Taj Hotel.

Environmental landscape

When the Government of the United Kingdom invoked Article 50 in March 2017 to trigger the formal process of its departure from the European Union, March 29, 2019 was marked as the exit date to untangle decades of close economic and political cooperation between the two. As with the view of the general public, reflected in the close results of the referendum, the Parliament, both major political parties and the Cabinet is split down the middle on Brexit. In November 2018, the UK Government agreed with the EU, the legal terms of withdrawal and a political declaration on the future relationship. This agreed deal was to have been ratified by Parliament, but was repeatedly voted down. A majority in Parliament could not coalesce around any exit alternative. To confound matters, Parliament also overwhelmingly rejected leaving without a deal. So, both political and business uncertainty continues. The UK's exit from the EU was deferred to April 12, 2019 and thereafter to October 31, 2019 to allow for a comprehensive consideration of Brexit.

On the economic front, the world economy had a robust year until the last quarter of 2018. The United States powered ahead on the back of a fiscal stimulus in the form of tax cuts, growing employment and low and stable inflation. The EU as a whole saw economic growth rates rise until the same period. China witnessed growth on target of slightly over 6%. The monetary policy authorities across the world including the IMF have sounded a note of caution in early 2019 of impending slowdown for the immediate future, after a decade long expansion. Whether on account of interest rate curve inversion in the US, a slowdown in China, trade disputes between USA and China or Brexit, all of which are potential barriers to world economic growth, monetary authorities have paused interest rate hikes; or prolonged the period of accommodative policy. A resolution to Brexit driven by economic considerations and a much anticipated US-China trade pact could well provide impetus to the world economy.

Brexit saw the UK slipping from the fastest growing nation amongst the G7 in 2016 to one of its slowest growing. The UK recorded an economic growth rate of 1.9% in 2016 and 1.8% in 2017. Preliminary estimates show that the UK grew by 1.4% in 2018. The Bank of England (BoE) expects a gloomy growth of 1.2% for 2019 even with a soft Brexit and a 25% chance of a recession, in part on account of the slowing world economy and Brexit related uncertainty. Growth in 2019 is expected to be the worst since the financial crisis of 2008. The EU's forecast for UK growth places it near the bottom of EU nations.

Despite a slowing economy, unemployment in the UK as at February 2019 was 3.9%, the lowest level since 1975. Employment is at historic highs and wage growth finally outpaced inflation for most of the year under review. While a sharp rise in inflation from supply shocks is expected if the UK crashes out of the EU without a deal, such a scenario is considered unlikely now. The BOE Policy interest rates remain accommodative, despite the small increases since November 2017.

The hospitality sector has a preponderance of EU nationals in its workforce composition. Availability of willing and able resources is an imperative for success in the luxury end of sector in which your company's hotels operate. UK immigration policies post Brexit and post transition will directly impact the sector in general and the company in particular. Nonetheless, the company remains optimistic about the future and confident of its own ability to attract and retain staff and resultantly to improve financial and operating performance in the years ahead.

The state of the company's hotel properties

As the Members are aware, your company had embarked on a phased renovation of its rooms and suites a few years ago. These renovations enabled the Taj name to be unashamedly and proudly displayed on the properties. All 86 suites at Taj 51 Buckingham Gate were fully renovated or extensively refurbished. The lobby was tastefully enlarged and the Kona restaurant newly created. Taj 51-BG is now rated amongst the ten best hotels in London on Trip Advisor and is received well by a discerning clientele.

Strategic Report for the Year Ended 31 March 2019 (Contd.)

After a hiatus for a year following the Brexit referendum and having judged the impact, the company re-commenced work on renovations at St. James Court Hotel to befit its entry into the Taj portfolio. 182 rooms of the 340 rooms at St. James Court, which hitherto had remained un-renovated was scheduled for renovations over a 3 year planning horizon with actual work being undertaken in the months between October of each year and April of the next. The schedule allowed for the minimization of the financial impact on the company each year. 102 rooms were shuttered for renovations from September 2017 and re-opened in June 2018. The Financial Results for the year ended March 31, 2019 reflect the customer acceptance of the renovated offering.

With uncertainty surrounding Brexit and the lack of political consensus on whether at all and in what manner to exit and out of an abundance of caution, the company decided to defer the completion of the balance rooms until Brexit is fully decided upon.

Overview of financial performance

For the year under review, with the renovations complete for the undertaken phase in July 2018, the company reported an increase of 11% in overall turnover compared to the previous year when a larger room inventory was shuttered. Room revenues recorded a 12% increase. Occupancy at 77% was higher than the 74% recorded in the previous year, while achieved average daily rate at £250 was 8% higher. Food and Beverage and associated revenues were nearly 6% higher than the previous year.

Total operating costs were 3% higher than the previous year. Earnings before Interest, Depreciation, Amortization and Taxes amounted to £8.1 million against £5.7 million achieved in the year before. The company's management is happy to report that the achieved financials were better than the financial assumptions made of revenues and profits arising from the renovation program for the phase completed.

Profit before tax was £2.94 million against £1.47million achieved in the previous year. Given the sustained improvement in financial performance over the past few years and the company's conviction that this would continue in the foreseeable future on the back of hotel renovations, the company recognized deferred tax assets in its entirety. Resultantly, Profit after tax for the year was £4.13 million.

The company has, since the Balance Sheet date, successfully negotiated for an extension of its loan facilities with the Bank and the amounts disclosed as Bank Loans under current liabilities are not fully repayable in the immediately following year. The company is required to repay only an amount of £1.5 million in the year ahead. As at March 2019, the company has restored its net worth in full.

This report was approved by the board and signed on its behalf.

N Chandrasekhar
Director

Date: 17 April 2019

Independent Auditor’s Report to the Members of St James Court Hotel Limited

Opinion

We have audited the financial statements of St James Court Hotel Limited (“the company”) for the year ended 31 March 2019 which comprise the statement of comprehensive income, the statement of finanical position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) .

In our opinion, the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors’ report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of St James Court Hotel Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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 ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Collins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 17 April 2019
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	**36,256,942**	32,811,630
Cost of sales		**(18,193,793)**	(17,676,062)
Gross profit		**18,063,149**	15,135,568
Administrative expenses		**(13,683,241)**	(12,740,847)
Operating profit	5	**4,379,908**	2,394,721
Interest receivable and similar income		**4,641**	6,642
Interest payable and similar charges	9	**(1,446,293)**	(933,568)
Profit before tax		**2,938,256**	1,467,795
Tax on profit	10	**1,196,815**	2,100,000
Profit for the financial year and total comprehensive income		**4,135,071**	3,567,795

All amounts relate to continuing operations.

The notes on pages 565 to 575 form part of these financial statements.

Statement of Financial Position as at 31 March 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		**108,834,531**		101,079,817
Current assets					
Stocks	12	**404,666**		488,033	
Debtors	13	**9,809,986**		8,484,451	
Cash and cash equivalents	14	**1,898,224**		2,347,546	
		12,112,876		11,320,030	
Creditors: amounts falling due within one year	15	**(14,418,597)**		(8,883,353)	
Net current (liabilities)/assets			**(2,305,721)**		2,436,677
Total assets less current liabilities			**106,528,810**		103,516,494
Creditors: amounts falling due after more than one year	16		**(39,349,963)**		(40,472,718)
Net assets			**67,178,847**		63,043,776
Capital and reserves					
Share capital	19		**56,527,912**		56,527,912
Share premium	20		**1,191,976**		1,191,976
Profit and loss account	20		**9,458,959**		5,323,888
			67,178,847		63,043,776

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

N Chandrasekhar
Director
Date: 17 April 2019
The notes on pages 565 to 575 form part of these financial statements.

Statement of Changes in Equity for the Year Ended 31 March 2019

	Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	**56,527,912**	**1,191,976**	**5,323,888**	**63,043,776**
Comprehensive income for the year				
Profit for the year and total comprehensive income	**-**	**-**	**4,135,071**	**4,135,071**
At 31 March 2019	**56,527,912**	**1,191,976**	**9,458,959**	**67,178,847**

Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	**56,527,912**	**1,191,976**	**1,756,093**	**59,475,981**
Comprehensive income for the year				
Profit for the year and total comprehensive income	**-**	**-**	**3,567,795**	**3,567,795**
At 31 March 2018	**56,527,912**	**1,191,976**	**5,323,888**	**63,043,776**

The notes on pages 565 to 575 form part of these financial statements.

Statement of Cash Flows for the Year Ended 31 March 2019

	2019	2018
	£	£
Cash flows from operating activities		
Profit for the financial year	**4,135,071**	3,567,795
Adjustments for:		
Depreciation of tangible assets	**3,695,528**	3,298,346
Interest payable	**1,840,005**	2,054,880
Net fair value gains recognised in P&L	**(393,711)**	(1,121,312)
Interest received	**(4,641)**	(6,642)
Taxation charge	**(1,196,815)**	(2,100,000)
Decrease in stocks	**83,368**	47,360
(Increase)/decrease in debtors	**(128,721)**	71,796
Increase/(decrease) in creditors	**285,751**	(1,029,628)
Net cash generated from operating activities	**8,315,835**	4,782,595
Cash flows from investing activities		
Purchase of tangible fixed assets	**(11,446,704)**	(4,528,324)
Interest received	**4,641**	6,642
HP interest paid	**(2,235)**	(1,652)
Net cash from investing activities	**(11,444,298)**	(4,523,334)
Cash flows from financing activities		
New secured loans	**6,000,000**	-
Repayment of loans	**(1,500,000)**	(1,505,000)
New/(repayment of) finance leases	**(25,844)**	(15,576)
Interest paid	**(1,754,775)**	(1,953,677)
Loan arrangement costs	**(40,240)**	-
Net cash generated from/(used in) financing activities	**2,679,141**	(3,474,253)
Net (decrease) in cash and cash equivalents	**(449,322)**	(3,214,992)
Cash and cash equivalents at beginning of year	**2,347,546**	5,562,538
Cash and cash equivalents at the end of year	**1,898,224**	2,347,546

The notes on pages 565 to 575 form part of these financial statements.

Notes forming part of the financial statements for the year ended 31 March 2019

1. **General information**

   St James Court Hotel Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the strategic report.

2. **Accounting policies**

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at 31 March 2019 and these financial statements may be obtained from Mandlik House, Mandlik Road, Mumbai 400 001, India.

2.3 Turnover

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

2. Accounting policies (Contd.)

Depreciation is provided on the following basis:

Longterm leasehold property	-	Over term of lease
Fixtures, fittings and equipment	-	5% to 20% straight line
Leasehold building surfaces	-	30 years straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Impairment reviews are carried out on assets which have useful economic lives of over 50 years at the year end.

2.5 Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivables as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

2. Accounting policies (Contd.)

2.10 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Hedge accounting

The company uses variable to fixed interest rate swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each balance sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

2. Accounting policies (Contd.)

2.13 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019	2018
	£	£
Room revenue	**29,820,704**	26,614,328
Food and beverage	**5,246,218**	4,956,815
Other	**1,190,020**	1,240,487
	36,256,942	32,811,630

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible fixed assets	**3,695,529**	3,298,346
Other operating lease rentals	**892,486**	885,018
Exchange gains	**(10,717)**	(6,897)
Defined contribution pension cost	**171,242**	126,804

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**57,000**	53,500
Audit-related assurance services	**73,750**	74,050
Other services relating to taxation	**9,100**	12,950
All other services	**3,750**	3,600

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2019	2018
	£	£
Wages and salaries	**7,015,493**	6,886,173
Social security costs	**645,926**	615,842
Cost of defined contribution scheme	**171,242**	126,804
	7,832,661	7,628,819

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
Operations	**235**	244
Administration	**34**	37
	269	**281**

8. Directors' remuneration

	2019	2018
	£	£
Directors' emoluments	**167,278**	**136,980**

The highest paid director received remuneration of £167,278 (2018 - £136,980).
Directors remuneration for the current year includes amounts paid to Manchan Limited, a company controlled by a director.

9. Interest payable and similar charges

	2019	2018
	£	£
Bank interest payable	**1,693,200**	1,934,368
Other loan interest payable	**144,569**	118,860
Finance leases and hire purchase contracts	**2,235**	1,652
Derivative fair value changes	**(393,711)**	(1,121,312)
	1,446,293	**933,568**

10. Taxation

	2019	2018
	£	£
Deferred tax		
Origination and reversal of timing differences	**(1,196,815)**	(2,100,000)
Taxation on profit on ordinary activities	**(1,196,815)**	**(2,100,000)**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of19% (2018 - 19%). The differences are explained below:

	2019	2018
	£	£
Profit on ordinary activities before tax	**2,938,256**	1,467,795
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**558,269**	278,881
Effects of:		
Expenses not deductible for tax purposes	**46,086**	7,574
Fixed asset differences	**524,633**	516,843
Non-taxable income	**-**	(213,049)
Effect of tax rate change on opening balance	**(118,841)**	(62,131)
Deferred tax not recognised	**(2,206,962)**	(2,623,648)
Adjustments to tax charge in respect of prior periods - deferred tax	**-**	(4,470)
Total tax credit for the year	**(1,196,815)**	(2,100,000)

Factors that may affect future tax charges

As at 31 March 2019 the company had unrelieved trading losses of approximately £43.1m (2018 - £45.3m) available to set off against future profits. See further details in note 18.

11. Tangible fixed assets

	Long term leasehold property	Furniture, fittings and equipment	Assets under course of construction	Total
	£	£	£	£
Cost				
At 1 April 2018	**117,551,407**	**19,083,859**	**5,467,262**	**142,102,528**
Additions	**-**	**-**	**11,450,243**	**11,450,243**
Disposals	**-**	**(1,339,070)**	**-**	**(1,339,070)**
Transfers between classes	**14,899,993**	**1,987,281**	**(16,887,274)**	**-**
At 31 March 2019	**132,451,400**	**19,732,070**	**30,231**	**152,213,701**
Depreciation				
At 1 April 2018	**29,664,813**	**11,357,898**	**-**	**41,022,711**
Charge for the year	**2,327,247**	**1,368,282**	**-**	**3,695,529**
Disposals	**-**	**(1,339,070)**	**-**	**(1,339,070)**
At 31 March 2019	**31,992,060**	**11,387,110**	**-**	**43,379,170**
Net book value				
At 31 March 2019	**100,459,340**	**8,344,960**	**30,231**	**108,834,531**
At 31 March 2018	87,886,594	7,725,961	5,467,262	101,079,817

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019	2018
	£	£
Furniture, fittings and equipment	**61,530**	16,084

Depreciation on assets held under finance leases or hire purchase contracts amounts to £24,726 (2018 - £14,847).

12. Stocks

	2019	2018
	£	£
Stocks	**404,666**	**488,033**

The stocks consist of food and beverage, merchandise for sale, housekeeping and maintenance materials. The directors are of the opinion that the replacement cost of these stocks is not significantly different to their carrying value.

Stock recognised in cost of sales as an expense during the year was £1,409,341 (2018 - £1,382,233).

13. Debtors

	2019	2018
	£	£
Trade debtors	**1,761,827**	1,461,020
Amounts owed by group undertakings	**1,897**	116,982
Other debtors	**119,348**	178,662
Prepayments and accrued income	**430,099**	427,787
Deferred taxation (see note 18)	**7,496,815**	6,300,000
	9,809,986	8,484,451

Deferred taxation asset due after one year amounts to £6,663,836 (2018 - £5,400,000)

All other amounts shown under debtors fall due for payment within one year.

14. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	**1,898,224**	**2,347,546**

15. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Bank loans	**7,369,912**	1,376,140
Trade creditors	**1,374,009**	2,617,399
Amounts owed to group undertakings	**657,151**	1,085,436
Other taxation and social security	**720,806**	218,120
Obligations under finance lease and hire purchase contracts	**14,708**	18,002
Other creditors	**519,230**	262,401
Accruals and deferred income	**3,762,781**	2,693,075
Derivative financial instruments	**-**	612,780
	14,418,597	8,883,353

Accruals and deferred income above includes interest payable of £141,604 (2018 - £203,178) and accruals in relation to purchase of tangible fixed assets of £1,018,503 (2018 - £1,085,136).

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

16. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Bank loans	**39,083,275**	40,472,718
Net obligations under finance leases and hire purchase contracts	**47,619**	-
Derivative financial instruments	**219,069**	-
	39,349,963	40,472,718

Analysis of the maturity of loans is given below:

	2019	2018
	£	£
Within one year	**7,500,000**	1,500,000
Between two and five years	**39,250,000**	40,750,000
Less: issue costs	**(296,813)**	(401,142)
	46,453,187	41,848,858

A new loan of £44,500,000 was undertaken in 2017 at a floating rate of 3 month Sterling LIBOR + 1.65%. Repayments on the loan are £1.5m per annum (payable quarterly) with the balance repayble in August 2021.

During the year, a revolving loan facility was taken out for £15,000,000 at a floating rate of 3 month Sterling LIBOR + 1.85%.

During the year, new finance leases were entered into for a principal value of £70,172.

17. Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**3,781,296**	4,104,210
Financial liabilities		
Derivative financial instruments designed as hedges of variable interest rate risk	**(219,069)**	(612,781)
Financial liabilities measured at amortised cost	**(51,545,492)**	(47,463,463)
	(51,764,561)	**(48,076,244)**

Financial assets that are debt instruments measured at amortised cost comprise cash, trade and other debtors and amounts owed by group undertakings.

Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio comprise an interest rate swap.

Financial liabilities measured at amortised cost comprise bank loans, trade and other payables, amounts owed to group undertakings, finance lease liabilities and accrued expenses.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

18. Deferred taxation

	2019	2018
	£	£
At beginning of year	**6,300,000**	4,200,000
Charged to the profit or loss	**1,196,815**	2,100,000
At end of year	**7,496,815**	6,300,000

The deferred tax asset is made up as follows:

	2019	2018
	£	£
Accelerated capital allowances	**128,227**	725,358
Short term timing differences	**40,369**	-
Tax losses carried forward	**7,328,219**	5,574,642
	7,496,815	**6,300,000**

A deferred tax asset has been recognised for the anticipated utilisation of tax losses in the next 9 financial years as the directors believe it is more likely than not that sufficient taxable profits will be generated.

19. Share capital

	2019	2018
	£	£
Authorised, allotted, called up and fully paid		
56,527,912- Ordinary shares of £1 each	**56,527,912**	**56,527,912**

20. Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

21. Capital commitments

At 31 March 2019 the company had capital commitments as follows:

	2019	2018
	£	£
Contracted for but not provided in these financial statements	**590,664**	6,796,712

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £171,242 (2018 - £126,804). Contributions payable to the fund at the year end included in creditors totalled £55,261 (2018 - £18,398).

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

23. Commitments under operating leases

At 31 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	**852,600**	852,600
Later than 1 year and not later than 5 years	**3,404,550**	3,407,150
Later than 5 years	**78,341,666**	79,191,666
	82,598,816	**83,451,416**

24. Related party transactions

The following entities are related parties of the company by virtue of being under the control of The Indian Hotels Company Limited.

The company also charged £122,417 (2018 - £127,015) in respect of rent and £36,993 (2018 - £59,129) in respect of utilities to Taj International Hotels Limited. Taj International Hotels Limited recharged salary and related costs of £368,535 (2018 - £326,242) and sold goods of £284,841 (2018 - £288,191) to the company.

The Indian Hotels Company Limited charged the company £393,657 (2018 - £489,466) for expenses it incurred on behalf of the company, £1,087,726 (2018 - £984,349) in management fees and £654,764 (2018 - £461,600) in incentive fees. The company during the year recovered costs of £509,444 (2018- £296,104) which it incurred on behalf of The Indian Hotels Company Limited.

The company had the following balances with other related parties:

	2019	2018
	£	£
Amount due from Taj International Hotels Limited	**59,988**	**5,969**
Amount due to Taj International Hotels Limited	**(530,807)**	**(840,019)**
Amount due from Taj Trade and Transport Limited	**1,897**	**1,897**
Amount due from The Indian Hotels Company Limited	**-**	**-**
Amount due to The Indian Hotels Company Limited	**154,830**	**109,118**

25. Controlling party

The ultimate parent undertaking and the ultimate controlling party is the Indian Hotels Company Limited, incorporated in India. The financial statements of The Indian Hotels Company Limited are available from Mandlik House, Mandlik Road, Mumbai 400 001, India.

Independent Auditor's Report to the Members of Taj International Hotels Limited

Opinion

We have audited the financial statements of Taj International Hotels Limited ("the company") for the year ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financal position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) .

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report (Contd.)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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 ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Collins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 26 April 2019
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	**9,711,506**	9,272,720
Cost of sales		**(7,837,115)**	(7,259,628)
Gross profit		**1,874,391**	2,013,092
Administrative expenses (includes exceptional item as per note 6)		**(2,472,147)**	(1,671,592)
Other operating income	5	**349,765**	326,242
Operating (loss)/profit	6	**(247,991)**	667,742
Interest receivable and similar income		**5,447**	315
Interest payable and similar charges		**(517)**	(28)
(Loss)/profit before tax		**(243,061)**	668,029
Tax on (loss)/profit	9	**31,825**	(146,930)
Profit for the financial year and total comprehensive income		**(211,236)**	**521,099**

All amounts relate to continuing operations.
The notes on pages 581 to 589 form part of these financial statements.

Statement of Financial Position as at 31 March 2019

	Note	2019 £		2018 £	
Fixed assets					
Tangible assets	11		**1,524,373**		1,758,964
Current assets					
Stocks	12	**504,580**		412,346	
Debtors	13	**1,373,855**		1,701,564	
Cash and cash equivalents	14	**298,464**		866,776	
		2,176,899		2,980,686	
Creditors: amounts falling due within one year	15	**(2,069,012)**		(1,881,981)	
Net current assets			**107,887**		1,098,705
Total assets less current liabilities			**1,632,260**		2,857,669
Provisions for liabilities					
Deferred tax	17		**(103,451)**		(117,624)
Net assets			**1,528,809**		2,740,045
Capital and reserves					
Share capital	18		**2**		2
Profit and loss account	19		**1,528,807**		2,740,043
			1,528,809		2,740,045

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.
The financial statements were approved and authorised for issue by the board and were signed on its behalf by:
Mr N Chandrasekhar
Director

Date: 26 April 2019
The notes on pages 581 to 589 form part of these financial statements.

Statement of Changes in Equity for the Year Ended 31 March 2019

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	**2**	**2,740,043**	**2,740,045**
Comprehensive income for the year			
Profit for the year and total comprehensive income	**-**	**(211,236)**	**(211,236)**
Distributions to owners			
Dividends paid	**-**	**(1,000,000)**	**(1,000,000)**
At 31 March 2019	**2**	**1,528,807**	**1,528,809**

Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	**2**	**3,218,944**	**3,218,946**
Comprehensive income for the year			
Profit for the year and total comprehensive income	**-**	**521,099**	**521,099**
Distributions to owners			
Dividends paid	**-**	**(1,000,000)**	**(1,000,000)**
At 31 March 2018	**2**	**2,740,043**	**2,740,045**

The notes on pages 581 to 589 form part of these financial statements.

Statement of Cash Flows for the Year Ended 31 March 2019

	2019	2018
	£	£
Cash flows from operating activities		
(Loss)/profit for the financial year	**(211,236)**	521,099
Adjustments for:		
Depreciation of tangible assets	**256,052**	302,952
Interest paid	**517**	28
Interest received	**(5,447)**	(315)
Taxation (credit)/charge	**(31,825)**	146,930
Increase in stocks	**(92,234)**	(11,049)
Increase in debtors	**427,863**	(978,139)
Increase in creditors	**297,448**	99,677
Corporation tax paid	**(192,919)**	(118,077)
Net cash generated from operating activities	**448,219**	(36,894)
Cash flows from investing activities		
Purchase of tangible fixed assets	**(21,461)**	(15,221)
Sale of tangible fixed assets	**-**	5,935
Interest received	**5,447**	315
Net cash from investing activities	**(16,014)**	(8,971)
Cash flows from financing activities		
Dividends paid	**(1,000,000)**	(1,000,000)
Interest paid	**(517)**	(28)
Net cash used in financing activities	**(1,000,517)**	(1,000,028)
Net (decrease) in cash and cash equivalents	**(568,312)**	(1,045,893)
Cash and cash equivalents at beginning of year	**866,776**	1,912,669
Cash and cash equivalents at the end of year	**298,464**	866,776

The notes on pages 581 to 589 form part of these financial statements.

Notes to the Financial Statements for the year ended March 31, 2019

1. General information

Taj International Hotels Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.
- This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at 31 March 2019 and these financial statements may be obtained from Mandlik House, Mandlik Road, Mumbai 400 001, India.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold Improvements	-	Over the period of the lease
Fixtures, fittings and equipment	-	10-20% straight line

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.5 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours

2.9 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.14 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019	2018
	£	£
Restaurants	**5,423,450**	5,377,634
Airline catering	**4,240,869**	3,775,483
Other	**47,187**	119,603
	9,711,506	**9,272,720**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

Analysis of turnover by country of destination:

	2019	2018
	£	£
United Kingdom	**7,145,048**	6,923,025
Rest of Europe	**2,566,458**	2,349,695
	9,711,506	**9,272,720**

5. Other operating income

	2019	2018
	£	£
Other operating income	**349,765**	**326,242**

Other operating income comprises salary recharges received from related parties (see note 22).

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	**256,052**	302,952
Exchange differences	**(48,929)**	(12,982)
Other operating lease rentals	**407,157**	424,522
Exceptional item	**912,608**	-

Jet Airways (India) Limited, the airline for which the company was a nominated supplier for in-flight Indian meals on the European outbound flights, shuttered its operations in mid-April 2019. The directors consider it appropriate to provide a sum of £912,608 as bad debts in this regard.

During the year, no director received any emoluments (2018 - £Nil).

7. Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**19,500**	**18,750**

8. Employees

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	**2,775,176**	2,692,652
Social security costs	**266,847**	271,001
Cost of defined contribution scheme	**139,427**	121,114
	3,181,450	**3,084,767**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Admin, kitchen and waiting staff	**88**	**90**

9. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	**-**	165,834
Adjustments in respect of previous periods	**(17,652)**	-
Total current tax	**(17,652)**	165,834
Deferred tax		
Origination and reversal of timing differences	**(14,173)**	(20,447)
Adjustments in respect of prior years	**-**	1,543
Total deferred tax	**(14,173)**	(18,904)
Taxation on (loss)/profit on ordinary activities	**(31,825)**	146,930

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - higher than) the standard rate of corporation tax in the UK of19% (2018 -19%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	**(243,061)**	**668,029**
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**(46,182)**	126,926
Effects of:		
Fixed asset differences	**13,623**	15,445
Losses carried back	**15,848**	-
Adjustments to tax charge in respect of prior periods	**(17,652)**	-
Adjustments to deferred tax in respect of previous periods	**-**	1,543
Adjustment to deferred tax due to change in tax rates	**1,759**	3,016
Deferred tax not recognised	**779**	-
Total tax charge for the year	**(31,825)**	146,930

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

10. Dividends

	2019	2018
	£	£
Ordinary shares of £1 each		
Interim dividend paid of £500,000 (2018 - £500,000) per share	**1,000,000**	1,000,000

11. Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost or valuation			
At 1 April 2018	**1,733,018**	**1,882,774**	**3,615,792**
Additions	**-**	**21,461**	**21,461**
Transfers between classes	**(2,802)**	**2,802**	**-**
At 31 March 2019	**1,730,216**	**1,907,037**	**3,637,253**
Depreciation			
At 1 April 2018	**691,119**	**1,165,709**	**1,856,828**
Charge for the year	**108,724**	**147,328**	**256,052**
At 31 March 2019	**799,843**	**1,313,037**	**2,112,880**
Net book value			
At 31 March 2019	**930,373**	**594,000**	**1,524,373**
At 31 March 2018	**1,041,899**	**717,065**	**1,758,964**

12. Stocks

	2019	2018
	£	£
Food and beverage stock	**504,580**	**412,346**

Stock recognised in cost of sales during the year as an expense was £3,446,549 (2018 - £3,239,496).

13. Debtors

	2019	2018
	£	£
Trade debtors	**620,550**	759,219
Amounts owed by group undertakings (see note 22)	**530,807**	840,019
Other debtors	**143,169**	29,708
Prepayments and accrued income	**79,329**	72,618
	1,373,855	**1,701,564**

All amounts shown under debtors fall due for payment within one year.

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

14. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	**298,464**	866,776

15. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	**735,953**	452,374
Amounts owed to group undertakings (see note 22)	**173,356**	120,341
Corporation tax	**-**	110,675
Other taxation and social security	**132,156**	161,385
Other creditors	**23,293**	43,994
Accruals and deferred income	**1,004,254**	993,212
	2,069,012	**1,881,981**

16. Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	**1,592,990**	2,495,722
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	**(1,917,745)**	(1,609,922)

Financial assets that are debt instruments measured at amortised cost comprise cash, trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade and other payables, amounts owed to group undertakings and accrued expenses.

17. Deferred taxation

	2019	2018
	£	£
At beginning of year	**(117,624)**	(136,528)
Charged to the profit or loss	**14,173**	18,904
At end of year	**(103,451)**	(117,624)

The provision for deferred taxation is made up as follows:

	2019	2018
	£	£
Accelerated capital allowances	**(103,473)**	(118,393)
Short term timing differences	**22**	769
	(103,451)	**(117,624)**

Notes to the Financial Statements for the year ended March 31, 2019 (Contd.)

18. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
2- Ordinary shares of £1 each	**2**	2

19. Reserves
Profit & loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

20. Pension commitments
The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £139,427 (2018 - £121,114). Contributions payable to the fund at the year end included in creditors totalled £129 (2018 - £4,523).

21. Commitments under operating leases
At 31 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	**337,400**	366,800
Later than 1 year and not later than 5 years	**1,196,000**	1,198,400
Later than 5 years	**1,096,333**	**1,353,333**

In addition to the above, the company has an annual commitment to pay an additional rent being the excess of 5% of sales above £76,800 in relation to The Quilon Restaurant. The lease expires within one year. The total rental amount payable for the year was £122,417 (2018 - £127,015).

22. Related party transactions

During the year The Indian Hotels Company Limited invoiced Taj International Hotels Limited £485,574 (2018 - £463,638) for the provision of management services.

St James Court Hotel Limited is a fellow subsidiary of Ihoco BV. During the year, St James Court Hotel Limited invoiced Taj International Hotels Limited £122,417 (2018 - £127,015) towards rent in respect of the premises let out and £36,993 (2018 - £59,129) in respect of recharge of utilities. Taj International Hotels Limited recharged payroll costs of £349,765 (2018 - £326,242) to St James Court Hotel Limited and made sales of goods to St James Court Hotel Limited totalling £284,841 (2018 - £288,191).

At the balance sheet date Taj International Hotels Limited had the following balances with other group companies. Amounts were due to The Indian Hotel Company Limited of £113,368 (2018 - £120,341). Amounts were due from St James Court Hotel Limited of £530,807 (2018 - £840,019) and due to St James Court Hotel Limited of £59,988 (2018 - £5,969).

23. Controlling party

The immediate parent undertaking and controlling party is Ihoco BV, a company registered in the Netherlands.
The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is The Indian Hotels Company Limited. Consolidated accounts are available from Mandlik House, Mandlik Road, Mumbai 400 001, India. in the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.

Independent Auditor's Report

To the member of
Taj International Hotels (H.K.) Limited
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Taj International Hotel (H.K.) Limited (the "Company") set out on pages 592 to 606, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2019, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the directors' report and the detailed income statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, 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.

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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Independent Auditor's Report (Contd.)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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.

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 11 April 2019
The engagement director on the audit resulting in this independent auditor's report is:
Chan Wai Man
Practising Certificate number: P02487

Statement of Comprehensive Income Year ended March 31, 2019

	Note	**2019** US$	2018 US$
Revenue	2	**246,115**	245,020
Other income	3	**-**	181,925
Other operating expenses	4	**(490,732)**	(239,883)
(Loss) Profit before tax	5	**(244,617)**	187,062
Income tax expense	6	**-**	-
(Loss) Profit for the year		**(244,617)**	187,062
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive (loss) income for the year		**(244,617)**	187,062

Statement of Financial Position at March 31, 2019

	Note	**2019** US$	2018 US$
Current assets			
Loan advanced to a fellow subsidiary	7	**7,000,000**	7,000,000
Loan advanced to related companies	8	**9,582,970**	9,599,888
Due from the ultimate holding company	9	**608,922**	608,977
Bank balances		**835,967**	1,065,244
		18,027,859	18,274,109
Current liabilities			
Accrued charges		**10,191**	11,824
		10,191	11,824
Net current assets		**18,017,668**	18,262,285
NET ASSETS		**18,017,668**	18,262,285
Capital and reserves			
Share capital	10	**230,000,000**	230,000,000
Accumulated losses		**(211,982,332)**	(211,737,715)
TOTAL EQUITY		**18,017,668**	18,262,285

These financial statements on pages 592 to 606 were approved and authorised for issue by the board of directors on 11 April 2019 and signed on behalf by

Director
Rajeshkumar Harshadrai Parekh

Director
Chandrasekhar Nagarajan

SUBSIDIARIES ACCOUNTS 2018-2019

Statement of Changes in Equity Year ended March 31, 2019

	Share capital US$	Accumulated losses US$	Total US$
At 1 April 2017	230,000,000	(211,924,777)	18,075,223
Profit for the year and total comprehensive loss for the year	-	187,062	187,062
At 31 March 2018	230,000,000	(211,737,715)	18,262,285
At 1 April 2018	230,000,000	(211,737,715)	18,262,285
Loss for the year and total comprehensive loss for the year	-	(244,617)	(244,617)
At 31 March 2019	**230,000,000**	**(211,982,332)**	**18,017,668**

Statement of Cash Flows Year ended March 31, 2019

	Note	**2019 US$**	2018 US$
OPERATING ACTIVITIES			
Cash (used in) generated from operations	11(a)	**(248,314)**	2,629,424
Net cash (used in) generated from operating activities		**(248,314)**	2,629,424
INVESTING ACTIVITIES			
Interest received		**246,115**	245,020
Loan to related parties		**(752,797)**	(455,000)
Repayment from a related party		**525,719**	15,728
Proceeds from disposal of subsidiaries		**-**	7,508
Net cash generated from (used in) investing activities		**19,037**	(186,744)
FINANCING ACTIVITIES			
Repayment to the ultimate holding company	11(b)	**-**	(5,000,000)
Net cash used in financing activity		**-**	(5,000,000)
Net decrease in cash and cash equivalents		**(229,277)**	**(2,557,320)**
Cash and cash equivalents at beginning of year		**1,065,244**	**3,622,564**
Cash and cash equivalents at end of year, represented by bank balances		**835,967**	**1,065,244**

Notes to Financial Statements for the year ended March 31, 2019

CORPORATE INFORMATION

Taj International Hotels (H.K.) Limited (the "Company") is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is The Indian Hotels Company Limited which is incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange in India. The principal activity of the Company is investment holding.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2018 financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Company and effective from the current year. A summary of the principal accounting policies adopted by the Company is set out below.

Adoption of new / revised HKFRSs

The HKICPA has issued a number of new/revised HKFRSs that are first effective for the current accounting period of the Company. Of these, the following new/revised HKFRSs that are relevant to the Company:

HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
HKFRS 9	Financial Instruments

HK(IFRIC)-Int 22 Foreign Currency Transactions and Advance Consideration

The interpretation specifies the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency.

The adoption of the interpretation does not have any significant impact on the financial statements.

HKFRS 9 Financial Instruments

The following terms are used in the financial statements:

- FVPL: fair value through profit or loss
- FVOCI: fair value through other comprehensive income
- Designated FVOCI: equity instruments measured at FVOCI
- Mandatory FVOCI: debt instruments measured at FVOCI

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. It introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting.

In accordance with the transition provisions in HKFRS 9, comparative information has not been restated and the Company has applied HKFRS 9 retrospectively to financial instruments that existed at 1 April 2018 (i.e. the date of initial application), except as described below:

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

(a) The determination of the business model within which a financial asset is held is made on the basis of facts and circumstances that existed at the date of initial application.

(b) If, at the date of initial application, determining whether there has been a significant increase in credit risk since initial recognition would require undue cost or effort, a loss allowance is recognised at an amount equal to lifetime expected credit losses at each reporting date until the financial instrument is derecognised unless that financial instrument has low credit risk at a reporting date.

Differences between the previous carrying amounts under HKAS 39 and the current carrying amounts upon adoption of HKFRS 9 are recognised directly in components of equity as at 1 April 2018.

Classification and measurement of financial assets and financial liabilities

The adoption of HKFRS 9 has no significant effect on the classification and measurement of the Company's financial assets and financial liabilities.

Impact of the new impairment requirements

HKFRS 9 introduces new impairment requirements for financial assets that are measured at amortised cost in accordance with expected credit losses ("ECL").

The effect on adoption of the new impairment requirements under HKFRS 9 does not have any significant impact on the financial statements.

Basis of measurement
The measurement basis used in the preparation of these financial statements is historical cost.

Financial instruments
Financial assets
Recognition and derecognition
Financial assets are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) the Company transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Classification and measurement

Applicable from 1 April 2018

Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) Mandatory FVOCI; (iii) Designated FVOCI; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Company's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

subsequent to their initial recognition unless the Company changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Company's financial assets at amortised cost include bank balances, loan advanced to a fellow subsidiary, loan advanced to related companies and due from the ultimate holding company.

Applicable before 1 April 2018

Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition or issue of the financial assets.

Loans and receivables

Loans and receivables including bank balances, loan advanced to a fellow subsidiary, loan advanced to related companies and due from the ultimate holding company are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

The Company's financial liabilities include accrued charges. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets under HKFRS 9

Applicable from 1 April 2018

The Company recognises loss allowances for ECL on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. At each reporting date, the Company measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Company may not receive the outstanding contractual amounts in full if the financial instrument meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company); or

(ii) there is a breach of financial covenants by the counterparty.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Company writes off a financial asset when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Company has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Company's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Applicable before 1 April 2018

At the end of each reporting period, the Company assesses whether there is objective evidence that financial assets are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Cash equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Dividend income

Dividend income from financial assets is recognised when the Company's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Applicable from 1 April 2018

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credited-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Applicable before 1 April 2018

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Foreign currency translation

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in the currency of United States dollars ("US$"), which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews internal and external sources of information to assess whether there is any indication that its non-financial assets may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a 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. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:

  (i) has control or joint control over the Company;

  (ii) has significant influence over the Company; or

  (iii) is a member of the key management personnel of the Company or of the parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

  (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (iii) Both entities are joint ventures of the same third party.

  (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

  (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

  (vi) The entity is controlled or jointly controlled by a person identified in (a).

  (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

  (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to parent of the Company.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted. The directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results of the Company.

2. REVENUE

	2019	2018
	US$	US$
Interest income	**246,115**	245,020

3. OTHER INCOME

	2019	2018
	US$	US$
Exchange gain, net	**-**	181,925

4. OTHER OPERATING EXPENSES

	2019	2018
	US$	US$
Auditor's remuneration	**10,192**	12,192
Exchange loss, net	**265,508**	-
Impairment loss on interest in a subsidiary	**-**	7,750
Impairment loss on loan advanced to a related company	**90,000**	80,000
Other expenses	**125,032**	139,941
	490,732	239,883

5. (LOSS) PROFIT BEFORE TAX

	2019	2018
This is stated after charging:	**US$**	US$
Auditor's remuneration	**10,192**	12,192

6. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Company's profits neither arose in, nor derived from, Hong Kong and therefore was not subject to Hong Kong Profits Tax. In the opinion of the directors, the Company is not subject to taxation in any other jurisdictions in which the Company operates.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Reconciliation of tax expense

	2019 US$	2018 US$
(Loss) Profit before tax	**(244,617)**	187,062
Income tax at applicable tax rate of 16.5% (2018:16.5%)	**(40,361)**	30,865
Non-deductible losses	**40,361**	-
Tax-exempted income	**-**	(30,865)
Income tax expense	**-**	-

7. LOAN ADVANCED TO A FELLOW SUBSIDIARY

The amount is unsecured, interest bearing at 3.5% per annum (2018: 3.5% per annum) and repayable with a call option of 3 days' notice. The total carrying amount approximates its fair value at the end of the reporting period.

8. LOAN ADVANCED TO RELATED COMPANIES

	Note	2019 US$	2018 US$
Loan advanced to a company in which the ultimate holding company has significant influence	8(a)	**21,246,995**	21,156,995
Loan advanced to a company in which the ultimate holding company has joint control	8(b)	**9,582,970**	9,599,888
		30,829,965	30,756,883
Impairment loss		**(21,246,995)**	(21,156,995)
	8(c)	**9,582,970**	9,599,888

8(a) The amount is unsecured, bears interest at LIBOR + 5% per annum (2018: LIBOR + 5% per annum) and has no fixed repayment term.

8(b) The amount is unsecured, interest-free and repayable on 31 March 2020 (2018: repayable on 31 March 2020) while the Company has the right to call back the loan with 3 days' notice.

8(c) The total carrying amount approximates its fair value at the end of the reporting period.

9. DUE FROM THE ULTIMATE HOLDING COMPANAY

	2019 US$	2018 US$
Accounts receivable, loans and advance	620,000	620,000
Professional fees and charges payables	(11,078)	(11,023)
	608,922	608,977

The amount is unsecured, interest-free and has no fixed repayment term. The carrying amount approximates its fair value at the end of the reporting period.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

10. SHARE CAPITAL

	2019		2018	
	No. of shares	**US$**	No. of shares	US$
Issued and fully paid:				
At beginning of the year and end of the reporting period	**230,000,000**	**230,000,000**	230,000,000	230,000,000

11. OTHER CASH FLOW INFORMATION

11(a) Cash (used in) generated from operations

	2019	2018
	US$	US$
(Loss) Profit before tax	**(244,617)**	187,062
Exchange loss (gain), net	**153,996**	(159,436)
Impairment loss on loan advanced to a related company	**90,000**	80,000
Impairment on interest in a subsidiary	-	7,750
Interest income	**(246,115)**	(245,020)
Changes in working capital:		
Accounts receivable	-	984,560
Accrued charges	**(1,633)**	(40,630)
Due from fellow subsidiaries	-	2,141,284
Due to a joint venture of a fellow subsidiary	-	(141,875)
Due to related companies	-	(183,848)
Due to the ultimate holding company	**55**	(423)
Cash generated from operations	**(248,314)**	2,629,424

11(b) Changes in liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

Year ended 31 March 2019	Due from the ultimate holding company US$
At beginning of the reporting period	(608,977)
Other changes:	
Changes in working capital	55
Total other changes	55
At end of the reporting period	(608,922)
Year ended 31 March 2018	
At beginning of the reporting period	4,391,446
Changes from financing cash flows:	
Repayment to the ultimate holding company	(5,000,000)
Total changes from financing cash flows	(5,000,000)
Other changes:	(423)
Changes in working capital	(423)
At end of the reporting period	(608,977)

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

12. CONTINGENT LIABILITIES

St. James Court Hotel Limited ("SJCHL"), a fellow subsidiary of the Company, owns the leasehold interest in a property in London, such interest having been assigned to it in an earlier period by an erstwhile subsidiary company on the basis of a license granted by the landlord of the property, Scottish Widows' Fund and Life Assurance Society. The license was granted for such assignment upon the guarantee from the Company for the due performance and observance by SJCHL of the covenants and conditions contained in the license. The obligations of the Company in favour of the landlord shall remain in force throughout the full term of the lease, including any renewals.

13. RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year the Company had the following transactions with related parties:

			2019	2018
(a)	**Related party relationship**	**Nature of transaction**	**US$**	US$
	The ultimate holding company	Business support service fee	**(48,713)**	(49,736)
	Fellow subsidiaries	Loan interest income	**245,000**	245,000

(b) The ultimate holding company has indemnified the Company against any possible losses arising from the loan advanced to a company in which the ultimate holding company has joint control, amounting to US$9,582,970 (2018: US$9,599,888).

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise mainly bank balances, loan advanced to a fellow subsidiary, loan advanced to related companies and due from the ultimate holding company. The main purpose of these financial instruments is to raise and maintain finance for the Company's operations.

The main risks arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors generally adopts conservative strategies on its risk management and limit the Company's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than United States dollars. Related company balances are mainly denominated in Great British Pound ("GBP"), Sri Lanka Rupee ("LKR") and South African Rand ("ZAR"). The management considers the risk relating to foreign currency other than ZAR to be insignificant in view of the outstanding balances and current market condition.

At 31 March 2019, if the United States dollars had weakened / strengthened by 22% (2018: 9%) against ZAR with all other variables held constant, the Company's net loss (2018: net profit) for the year would have been US$193,000 lower / higher (2018: US$89,000 higher / lower).

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Company's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period.

Credit risk

The Company's credit risk is primarily attributable to bank balances, loan advanced to a fellow subsidiary and loan advanced to related companies. Substantially all of the Company's bank balances were deposited in creditworthy global financial institutions in Hong Kong, for which management of the Company considers they are without significant credit risk.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

The carrying amount of financial assets recognised on the statement of financial position, which is net of impairment losses, represents the Company's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Loan advanced to a fellow subsidiary / loan advanced to related companies / due from the ultimate holding company
The Company considers that the loan advanced to a fellow subsidiary, loan advanced to related companies and due from the ultimate holding company have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on amounts due from subsidiaries is measured on 12-month ECL and reflects the short maturities of the exposures.

In estimating the ECL, the Company has taken into account the historical actual credit loss experience over the past 2 years and the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The management of the Company considers the ECL of these financial assets to be insignificant after taking into account the financial position and credit quality of the counterparties.

There was no change in the estimation techniques or significant assumptions made during the year.

Liquidity risk
The Company manages its liquidity and cash flows profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled on demand at the end of the reporting period.

15. FAIR VALUE EMASUREMENTS
All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2019 and 2018.

16. CAPITAL MANAGEMENT
The objectives of the Company's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for its shareholder. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholder, return of capital to shareholder or issue new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2019 and 2018.

17. INFORMATION ABOUT THE BENEFITS OF DIRECTORS
The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

(a) Director's remuneration

There is no director remuneration for the year (2018: Nil).

(b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company that were entered into or subsisted during the year (2018: Nil).

(c) Directors' material interests in transactions, arrangements or contracts

The directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: Nil).

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

	Schedule	2019 US$	2018 US$
Revenue	A	**246,115**	245,020
Other income	B	**-**	181,925
Other operating expenses	C	**(490,732)**	(239,883)
(Loss) Profit before tax		**(244,617)**	187,062

	2019	2018
A. REVENUE		
Interest income	**246,115**	245,020
B. OTHER INCOME		
Exchange gain	**-**	181,925
C. OTHER OPERATING EXPENSES		
Auditor's remuneration	**10,192**	12,192
Bank charges	**954**	1,086
Exchange loss, net	**265,508**	-
General administrative expenses	**639**	4,212
Impairment loss on interest in a subsidiary	**-**	7,750
Impairment loss on loan advanced to a related party	**90,000**	80,000
Legal and professional fees	**49,939**	54,901
Withholding taxes	**73,500**	79,742
	490,732	239,883

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended 31 March 2019 and 2018 does not constitute the Company's specified financial statements for those years as defined in section 436 of the HKCO but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

Auditor's reports have been prepared on the specified financial statements for both years.

In respect of the both years, the auditor's report:

- were not qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

Independent Auditor's Report to the Members of BAHC 5 PTE. Limited

(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BAHC 5 Pte. Limited (the "Company''), which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 of the financial statements with respect to the Company's ability to continue as a going concern. The Company incurred a net loss during the year ended 31 March 2019 and, as of that date, the Company's net current liabilities exceeded the current assets, and the accumulated losses exceeded the share capital, respectively as at 31 March 2019. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The validity of the going concern basis on which the financial statements are prepared depends on management's assessment of the Company's ability to operate as a going concern as set forth in Note 2.2 to the financial statements. In the event that the Company is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Independent Auditor's Report (Contd.)

(Incorporated in the Republic of Singapore)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

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 SSAs 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 SSAs, 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  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 and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

ROHAN • MAH & PARTNERS LLP

Public Accountants and

Chartered Accountants

Singapore
4 April 2019

SUBSIDIARIES ACCOUNTS 2018-2019

Statement of Financial Position as at March 31, 2019

	Note	2019 US$	2018 US$
ASSETS LESS LIABILITIES			
Non-Current Asset			
Plant and equipment	4	**72,728,364**	76,264,731
Current Assets			
Cash and cash equivalents	5	**1,532,458**	3,281,410
Current Liabilities			
Other payables	6	**3,685**	2,437
Loans	7	**105,881,472**	104,315,066
		105,885,157	104,317,503
Net Current Liabilities		**(104,352,699)**	(101,036,093)
Net Liabilities		**(31,624,335)**	(24,771,362)
Capital and reserves attributable to equity holders of the Company			
Share capital	8	**1**	1
Accumulated losses		**(31,624,336)**	(24,771,363)
		(31,624,335)	(24,771,362)

The accompanying notes form an integral part of these audited financial statements.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2019

	Note	2019 US$	2018 US$
Continuing operations			
Other income	9	**1,851**	2,750,021
Administrative expenses		**(48,692)**	(4,484)
Other operating expenses	10	**(3,536,367)**	(8,200,357)
Finance costs	11	**(3,269,765)**	(2,975,909)
Loss before taxation		**(6,852,973)**	(8,430,729)
Taxation	12	**-**	-
Loss from continuing operations		**(6,852,973)**	(8,430,729)
Loss for the year		**(6,852,973)**	(8,430,729)
Total comprehensive loss		**(6,852,973)**	(8,430,729)
Loss attributable to:			
Equity holders of the Company		**(6,852,973)**	(8,430,729)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(6,852,973)**	(8,430,729)

The accompanying notes form an integral part of these audited financial statements.

Statement of Changes in Equity for the Year ended March 31, 2019

	Share Capital US$	Accumulated Losses US$	Total US$
As at 1 April 2017	1	(16,340,634)	(16,340,633)
Total comprehensive loss for the year	-	(8,430,729)	(8,430,729)
As at 31 March 2018	1	(24,771,363)	(24,771,362)
Total comprehensive loss for the year	-	(6,852,973)	(6,852,973)
As at 31 March 2019	1	(31,624,336)	(31,624,335)

The accompanying notes form an integral part of these audited financial statements.

Statement of Cash Flows for the Year ended March 31, 2019

	2019 US$	2018 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(6,852,973)**	(8,430,729)
Adjustments for:		
Depreciation of plant and equipment	**3,536,367**	4,225,673
Impairment of plant and equipment	**-**	3,974,684
Interest expense	**3,269,765**	2,975,909
Interest income	**(1,851)**	(21)
Operating (loss)/profit before working capital changes	**(48,692)**	2,745,516
Working capital changes, excluding related to cash:		
Other payables	**1,248**	(166)
Cash (used in)/generated from operations	**(47,444)**	2,745,350
Interest paid	**(1,703,359)**	-
Interest received	**1,851**	21
Net cash (used in)/generated from operating activities	**(1,748,952)**	2,745,371
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	**-**	(610,588)
Net cash used in investing activities	**-**	(610,588)
Net (decrease)/increase cash and cash equivalents	**(1,748,952)**	2,134,783
Cash and cash equivalents at the beginning of year	**3,281,410**	1,146,627
Cash and cash equivalents at the end of year (Note 5)	**1,532,458**	3,281,410

The accompanying notes form an integral part of these audited financial statements.

Notes to Financial Statements for the year ended March 31, 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 CORPORATE INFORMATION

BAHC 5 Pte. Limited is a private limited company incorporated in Singapore with its registered address at 8 Shenton Way #21-07, AXA Tower, Singapore 068811.

The immediate holding company is Piem International (HK) Limited, incorporated in Hong Kong. The Company's penultimate holding company and ultimate holding company are Piem Hotels Limited and The Indian Hotels Co Ltd respectively, both incorporated in India.

On 21 August 2009, the Company was acquired by Piem International (HK) Limited on the basis that the latter's shareholding will only be temporary. The Directors of Piem International (HK) Limited have reiterated, from time to time, its intention to hold the Company's shares on a temporary basis. The Directors of Piem Hotels Limited had also, in the past, issued resolution declaring the temporary nature of its shareholding in the Company. On 24 April 2017, the Directors of Piem International (HK) Limited issued yet another resolution reiterating the temporary nature of its shareholding in the Company and noting that the promoter company of the ultimate holding company is fully financially supporting the Company.

The principal activity of the Company is to retain ownership of aircraft. There have been no significant changes in the nature of these activities during the year.

The financial statements of the Company for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Directors on 4 April 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, expressed in United States Dollar ("USD" or "US$") are prepared based on the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity except as disclosed in Note 3.

In the current financial year, the Company has adopted all the new and revised FRSs and interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or before 1 April 2018. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2019, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 Jan 2019
Amendments to FRS 109: Prepayment features with negative compensation	1 Jan 2019
Amendments to FRS 28: Long-term interests in Associates and Joint Ventures	1 Jan 2019
INT FRS 123: Uncertainty over Income Tax treatments	1 Jan 2019
Improvements to FRS (March 2018)	1 Jan 2019

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

2.2 Going Concern

The Company's current liabilities exceeded its current assets and the accumulated losses exceeded its share capital as at 31 March 2019. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability as a going concern.

The ability of the Company to continue as a going concern depends on the promoter company of the ultimate holding company continuing to provide financial support and not to recall amounts, if any, due to them until all creditors have been paid.

The validity of the going concern basis on which the financial statements are prepared depends on management's assessment of the Company's ability to operate as a going concern as set forth above. In the event that the Company is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities.

2.3 Plant and Equipment

2.3.1 Measurement

Items of plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2.3.2 Components of Costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.3.3 Depreciation

Depreciation is provided on the straight-line basis so as to write off the cost of assets over their estimated useful lives as follows:

Aircraft	Years : 15

The useful life of aircraft is 15 years with a residual value of 25% of original cost.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.3.4 Subsequent Expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as an expense in the profit or loss during the financial year in which it is incurred.

2.3.5 Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss.

2.4 Financial Instrument

These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018:

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

(a) Financial Assets

Initial Recognition and Measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent Measurement

Investments in Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Investments in Equity Instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) 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 FVPL, directly attributable transaction costs.

Subsequent Measurement

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

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

These accounting policies are applied before the initial application date of FRS 109, 1 January 2018:

(a) 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 FVPL, directly attributable transaction costs.

Subsequent Measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans. Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans are derecognised or impaired, and through the amortisation process.

Loans comprised cash and cash equivalents.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

(b) 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 FVPL, directly attributable transaction costs.

Subsequent Measurement

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

Such financial liabilities comprise other payables and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Current classification of borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the reporting date. When an entity breaches an undertaking under a long-term loan agreement on or before the reporting date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed, after the reporting date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. The liability is classified as current because, at the reporting date, the entity does not have an unconditional right to defer its settlement for at least twelve months after that date. Where the entity expects, and has the discretion, to re-finance or roll over an obligation for at least 12 months after the reporting period under an existing loan facility with the same lender, the liability is classified as non-current.

2.5 Impairment of financial assets

These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018:

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

These accounting policies are applied before the initial application date of FRS 109, 1 January 2018:

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Current classification of borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the reporting date. When an entity breaches an undertaking under a long-term loan agreement on or before the reporting date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed, after the reporting date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. The liability is classified as current because, at the reporting date, the entity does not have an unconditional right to defer its settlement for at least twelve months after that date.

2.6 Income Taxes

(a) Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

2.8 Foreign Currencies transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.9 Fair Value Estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. The quoted market prices used for financial assets held by the Company are the current bid prices; the appropriate quoted market prices for financial liabilities are the current ask prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used where appropriate. Other techniques, such as estimated discounted cash flows, are also used to determine the fair values of the financial instruments.

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The fair values of non-current receivables for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Company for similar financial instruments.

2.10 Related Parties

A related party is defined as follows:

1 (a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);or

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.11 Employee Benefits

2.11.1 Defined Contribution Costs

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.11.2 Short-term Employee Benefits

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

2.12 Share Capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.13 Provisions

(a) General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Borrowing costs

All borrowings costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

3 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key Source of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated Useful Life of Plant and Equipment

Estimated useful life for plant and equipment is based on the Company's assessment of the expected usage of the asset and expect wear and tear of the asset. The depreciation is charged against the fixed assets to show utilisation of the assets. The estimation of depreciation and useful life requires use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of plant and equipment and depreciation expenses in the period in which such estimates has been changed.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Depreciation of Plant and Equipment

Plant and equipment are depreciated on a straight-line basis less residual value of 25% of cost over their estimated useful lives. Management estimates the useful lives of plant and equipment to be within 15 years. The carrying amount of the Company's plant and equipment as at 31 March 2019 is US$72,728,364 (2018: US$76,264,731). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual lives of these assets, therefore future depreciation charges could be revised.

4 PLANT AND EQUIPMENT

2019	**Aircraft US$**
Cost	
At beginning of year	117,465,088
Accumulated Depreciation	
At beginning of year	26,529,840
Depreciation	3,536,367
At end of year	30,066,207
Accumulated Impairment	
At beginning and end of year	14,670,517
Carrying Amount	
At end of year	72,728,364
2018	
Cost	
At beginning of year	116,854,500
Addition	610,588
At end of the year	117,465,088
Accumulated Depreciation	
At beginning of year	22,304,167
Depreciation	4,225,673
At end of year	26,529,840
Accumulated Impairment	
At beginning of year	10,695,833
Addition	3,974,684
At end of year	14,670,517
Carrying Amount	
At end of year	76,264,731

The Aircrafts are held in trust by a bank not in individual capacity, but as owner trustee and registered with the Federal Aviation Administration (FAA) in the United States of America.

Included in plant and equipment is an aircraft with carrying amount of US$14,686,887 (2018: US$15,000,000) pledged to secure the loan which are set out in Note 7.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

5 CASH AND CASH EQUIVALENTS

	2019 US$	2018 US$
Cash at bank	**1,532,457**	3,281,409
Cash on hand	**1**	1
	1,532,458	3,281,410

6 OTHER PAYABLES

	2019 US$	2018 US$
Accruals	**3,685**	2,437

7 LOANS

	2019 US$	2018 US$
Principal		
Secured loan - LIBOR plus 3.5%*	**30,727,553**	30,727,553
Unsecured loan - LIBOR plus 4%	**901,935**	901,935
Unsecured loan - 2.1%	**65,000,000**	65,000,000
	96,629,488	96,629,488
Accrued interest	**9,251,984**	7,685,578
	105,881,472	104,315,066

The loan amounts are repayable within 12 months. However, the lenders have agreed not to recall the loans during that period.

* The loan is secured by the Company's aircraft (Note 4).

8 SHARE CAPITAL

	2019		2018	
	No. of shares	**US$**	No. of shares	US$
Ordinary shares issued and fully paid:				
At beginning and end of the year	**1**	**1**	1	1

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

9 OTHER INCOME

	2019 US$	2018 US$
Interest income	**1,851**	21
Liquidated damages received ^	**-**	2,750,000
	1,851	2,750,021

^ These are the liquidated damages received from a third party upon termination of the aircraft purchase agreement dated 30 May 2017 for the sale of one of the Company's aircraft due to default by the third party.

10 OTHER OPERATING EXPENSES

	2019 US$	2018 US$
Depreciation expense	**3,536,367**	4,225,673
Impairment loss	**-**	3,974,684
	3,536,367	8,200,357

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

11 FINANCE COSTS

	2019	2018
	US$	US$
Interest on loans	**3,269,765**	2,975,909

12 TAXATION

Major components of income tax expense are as follows:

	2019	2018
	US$	US$
Current year taxation	**-**	-

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follow:

	2019	2018
	US$	US$
Loss before taxation	**(6,852,973)**	(8,430,729)
Current tax expense on loss before tax at 17%	**(1,165,005)**	(1,433,224)
Adjustments:		
Non-deductible expenses	**1,165,320**	1,900,728
Non-taxable income	**(315)**	(467,504)
	-	-

13 FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	2019	2018
Financial Assets	US$	US$
Loans and receivables:		
Cash and cash equivalents	**1,532,458**	3, 281,410
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Other payables	**3,685**	2,437
Loans	**105,881,472**	104,315,066
	105,885,157	104,317,503

Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are credit, foreign currency, liquidity and interest rate risks. The policies of managing each of these risks are summarised below:

Credit Risk

Credit risk refers to the risk that counter parties may default on their contractual obligations resulting in a financial loss to the Company. As there are no trade receivable and cash and bank balances are placed with reputable local financial institutions, the Company has no exposure to credit risk.

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Foreign Currency Risk

Foreign exchange risk arises from change in foreign exchange rates that may have an adverse effect on the Company in the current reporting period and in the future years. The Company has no significant exposure to foreign currency risk.

The Company's exposure to foreign currency is as follows:

	US$
2019	
Other payables	**(3,685)**
2018	
Other payables	(2,437)

Sensitivity analysis

A 5% strengthening of United States Dollar against the following currency at the reporting date would increase/(decrease) equity and profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss after tax US$
2019	
Singapore dollar	**184**
2018	
Singapore dollar	122

A 5% weakening of United States Dollar against the above currency would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The tables below set out the Company's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Variable Rates		Fixed Rates		
	Less than 1 year US$	2 to 5 years US$	Less than 1 year US$	2 to 5 years US$	Total US$
2019					
Liabilities					
Loans	(31,629,488)	-	(65,000,000)	-	(96,629,488)
2018					
Liabilities					
Loans	(31,629,488)	-	(65,000,000)	-	(96,629,488)

Notes to Financial Statements for the year ended March 31, 2019 (Contd.)

Sensitivity analysis

An increase in 100 basis point ("bp") (1%) in interest rate at the reporting date would increase/(decrease) equity and profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss (after tax) US$
2019	
Loans	966,295
2018	
Loans	966,295

A decrease in 100 bp (1%) would have had the equal but opposite effect as shown above, on the basis that all other variables remain constant.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalent.

No maturity analysis is presented as all financial assets and liabilities are due within 12 months.

14 FAIR VALUE

Cash and cash equivalents and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Loans

The carrying amounts of loans approximate their fair values as they are subject to interest rates close.

15 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximise shareholder's value.

The Company manages its capital structure and make adjustments to it, in light of changes in the working capital requirements, business performance and economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2019 and 31 March 2018.

16 EXPLANATION OF ADOPTION OF NEW STANDARDS

The Company applied the following standards that are mandatorily effective for annual periods beginning on or after 1 January 2018:

(a) FRS 109 Financial Instruments

(b) INT FRS 122: Foreign currency transactions and advance considerations

The application of the above standards and interpretations do not have a material effect on the financial statements.

To the Members

The directors are pleased to present their statement to the members together with the audited financial statements of the BAHC 5 Pte. Limited (the "Company") for the financial year ended 31 March 2019.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, as the promoter company of the ultimate holding company is expected to continue providing financial support and not to recall amounts due to them, if any, until all creditors have been paid, there are reasonable grounds to believe that the Company will be able to pay its debt as and when they fall due.

2 DIRECTORS

The directors of the Company in office at the date of this statement are:

Rajeshkumar Harshadrai Parekh

Ivy Ong Lay Kuan

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

4 DIRECTORS' CONTRACTUAL BENEFITS

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

5 SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6 AUDITOR

The auditor, Messrs. Rohan · Mah & Partners LLP has expressed its willingness to accept re-appointment.

THE BOARD OF DIRECTORS

Rajeshkumar Harshadrai Parekh
Director

Ivy Ong Lay Kuan
Director
Singapore,
4 April 2019

THE INDIAN HOTELS COMPANY LIMITED

MANDLIK HOUSE, MANDLIK ROAD, MUMBAI - 400 001.

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/Concept, content and design at AICL (hello@aicl.in)