NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. CORPORATE INFORMATION

Asian Hotels (North) Limited ("the Company") is a public limited company domiciled in India and is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company is operating a Five Star Deluxe Hotel, namely Hyatt Regency in Delhi since 1982.

2. BASIS OF PREPARATION

For the year ended 31st March 2018, the Company has prepared its financial statements in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Ind AS). The financial statements have been prepared on historical cost basis, except certain financial assets and liabilities which have been measured at fair value, defined benefits plans and contingent consideration. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

a. Expected to be realized or intended to be sold or consumed in normal operating cycle
b. Held primarily for the purpose of trading
c. Expected to be realized within twelve months after the reporting period, or
d. 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:

a. It is expected to be settled in normal operating cycle
b. It is held primarily for the purpose of trading
c. It is due to be settled within twelve months after the reporting period, or
d. 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.

2A. USE OF ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be different from those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

The areas involving critical estimates or judgments are:

a) Estimation of current tax expense and payable – Refer accounting policies - 3.9
b) Estimated useful life of property, plant & equipment and intangible assets – Refer accounting policies - 3.1
c) Estimation of defined benefit obligation – Refer accounting policies - 3.8
d) Estimation of fair values of contingent liabilities - Refer accounting policies - 3.12
e) Recognition of revenue - Refer accounting policies - 3.4
f) Recognition of deferred tax assets for carried forward tax losses – Refer accounting policies - 3.9
g) Impairment of financial assets – Refer accounting policies - 3.2 & 3.5

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment:

Property, plant and equipment are stated at original cost (including any revalued amount) net of tax / duty credit availed, less accumulated depreciation and accumulated and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment

Tangible Fixed Assets:

(a) Depreciation is charged using straight line method on the basis of the expected useful life as specified in Schedule II to the Act. A residual value of 5% (as prescribed in Schedule II to the Act) of the cost of the assets is used for the purpose of calculating the depreciation charge. 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. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognized prospectively in current and future periods.

(b) Depreciation on leasehold improvements is being charged equally over the period of the lease.

(c) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve and credited to the Other Comprehensive Income based on guidance provided by ''Application Guide on the Provisions of Schedule II to the Companies Act, 2013" issued by the Institute of Chartered Accountants of India read with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2016 as amended by the Companies (Indian Accounting standards) (Amendment) Rules, 2016.

(d) No depreciation is charged on the assets sold/ discarded during the year.

(e) On transition to Ind AS, the Company had elected to measure its Property, Plant and Equipment at cost as per Ind AS. Further, as per the requirement of paragraph 11 of Ind AS 101, outstanding amount in the revaluation reserve is transferred to retained earning account. This is because after transition, the Company is no longer applying the revaluation model of Ind AS 16, instead it has elected to apply the cost model approach.

Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

An item of intangible asset initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the income statement when the asset is derecognized. Intangible fixed assets are amortized on straight line basis over their estimated useful economic life.

Capital Work- in- progress

Capital work- in- progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 "Borrowing Costs". Interest income earned on temporary investment of funds brought in for the project during construction period are set off from the interest expense accounted for as expenditure during the construction period.

3.2 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures it on the basis of discounted cash flows of next five years' projections estimated based on current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

In respect of the subsidiaries assets at each balance sheet date, the impairment testing is based on the realizable value of underlying assets as tested by the Board of Directors of the subsidiary.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive Income (the 'OCI'). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

3.3 Foreign Currency Transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements including receivables and payables which are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that give rise to the translation difference (i.e. translation difference on items whose gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

3.4 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically,

(i) Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer or the agreed milestones are achieved and are net of service tax and Goods and Service Tax (GST), wherever applicable.

(ii) For all debt instruments measured either at amortized cost or at fair value through other comprehensive income [OCI], interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument [for example, prepayment, extension, call and similar options] but does not consider the expected credit losses.

(iii) Dividend income from investments is recognized when the Company's right to receive payment is established which is generally when shareholders approve the dividend.

(iv) Income from generation of electricity is recognized when the actual generated units are transferred and billed to the buyer.

(v) Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

(vi) Excise duty (up to 30th June, 2017) is a liability of the Company, which forms part of the cost of production, irrespective of whether the goods are sold or not. Therefore, the recovery of excise duty flows to the Company on its own account and hence revenue includes excise duty.

3.5 Financial Instruments

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.

A. Financial Assets

a. Initial recognition and measurement:

All financial assets are recognized 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 recognized on the settlement date, trade date, i.e., the date that the Company settle commits to purchase or sell the asset.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

b. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- 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 on acquisition 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 profit or loss. This category generally applies to trade and other receivables.

ii. Debt instruments at fair value through other comprehensive income [FVTOCI]:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income [OCI]. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

iv. Equity instruments measured at fair value through other comprehensive income [FVTOCI]:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has made such election on an instrument by- by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c. Derecognition:

A financial asset is primarily derecognized when:

i. 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.

ii. 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.

d. 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, deposits, trade receivables and bank balance

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

b. Trade receivables or any contractual right to receive cash

c. Financial assets that are debt instruments and are measured as at FVTOCI

d. Lease receivables under Ind AS 17

e. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point c and d provided above. The application of simplified approach requires the company to recognize the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

a. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

B. Financial liabilities:

a. 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.

b. Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

i. 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. 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 profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied for liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

ii. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

iii. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

c. Derecognition:

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 derecognition 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 or loss.

C. Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

D. 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.

3.6 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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:

a. In the principal market for the asset or liability, or

b. 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 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.

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

3.7 Inventories

Inventories are valued at the lower of cost or net realizable value. The cost is determined by weighted average method. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.

3.8 Retirement benefits

Retirement benefit costs for the year are determined on the following basis:

(i) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. There is no obligation other than the contribution payable to the respective fund.

(ii) The Company also provides for retirement benefits in the form of gratuity and compensated absences/ Leave encashment in pursuance of the Company leave rules. The Company's liability towards such defined benefit plans are determined based on valuations as at the Balance Sheet date made by independent actuaries. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset

3.9 Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Company operates. Current tax items are recognized in correlation to the underlying transaction either in P&L, OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized on the basis of reasonable certainty that the company will be having sufficient future taxable profits and based on the same the DTA has been recognized in the books.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes it down to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period and utilize the MAT Credit Entitlement.

3.10 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs which are not specifically attributable to the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a weighted average capitalization rate. The weighted average rate is taken of the borrowing costs applicable to the outstanding borrowings of the company during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized cannot exceed the amount of borrowing costs incurred during that period.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. SIGNIFICANT ACCOUNTING POLICIES ...contd.

3.11 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss from continuing operation and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

3.12 Provisions, Contingent Liabilities and Contingent Assets:

Provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are renewed at each balance sheet date.

3.13 Cash and Cash Equivalents

Cash and cash equivalent comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.14 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.

- 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.
- Lease other than finance lease are operating lease and these leased assets are not recognized in the company's statement of financial position but are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Company is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the primary period of the lease unless another systematic basis is more representative of the time pattern of the user's benefit.

3.15 Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

4. PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lakhs)

	Freehold land	Buildings	Furniture, Fixtures and Furnishing	Plant and Equipments	Office Equipment	Computers	Vehicles	Total	Capital Work-In progress
Cost:									
As at 31st March, 2016	80,074.28	30,995.01	7,928.84	15,947.29	83.30	544.41	1,270.42	1,36,843.55	337.96
Additions	-	572.68	288.48	624.87	3.16	29.27	144.88	1,663.34	931.53
Disposals / transfers	-	1,480.02	431.39	1,263.77	40.61	128.78	328.38	3,672.95	1,129.27
As at 31st March, 2017	**80,074.28**	**30,087.67**	**7,785.93**	**15,308.39**	**45.85**	**444.90**	**1,086.92**	**1,34,833.94**	**140.22**
Additions	-	111.83	42.26	329.38	6.84	6.54	371.23	868.08	549.17
Disposals / transfers		2,292.60	32.49	470.16	-	-	106.25	2,901.50	498.37
As at 31st March, 2018	**80,074.28**	**27,906.90**	**7,795.70**	**15,167.61**	**52.69**	**451.44**	**1,351.90**	**1,32,800.52**	**191.02**
Accumulated depreciation:									
As at 1st April, 2016	-	3,021.35	5,004.16	6,500.27	57.78	475.33	455.87	15,514.76	-
Depreciation charged during the year	-	488.35	531.51	917.19	5.42	30.93	148.23	2,121.63	-
Disposals / transfers	-	78.88	354.73	534.45	34.10	117.14	237.82	1,357.12	-
As at 31st March, 2017	**-**	**3,430.82**	**5,180.94**	**6,883.01**	**29.10**	**389.12**	**366.28**	**16,279.27**	**-**
Depreciation charged during the year	-	461.67	449.41	898.98	6.25	20.33	159.43	1,996.07	-
Disposals / transfers	-	110.72	11.25	103.12	-	-	61.82	286.91	-
As at 31st March, 2018	**-**	**3,781.77**	**5,619.10**	**7,678.87**	**35.35**	**409.45**	**463.89**	**17,988.43**	**-**
Net book value									
As at 31st March, 2017	80,074.28	26,656.85	2,604.99	8,425.38	16.75	55.78	720.64	1,18,554.67	140.22
As at 31st March, 2018	**80,074.28**	**24,125.13**	**2,176.60**	**7,488.74**	**17.34**	**41.99**	**888.01**	**1,14,812.09**	**191.02**

(a) Building includes leasehold improvement:

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Gross value	**32.42**	32.42
Accumulated depreciation	**31.88**	31.87
Depreciation charge for the year	**0.01**	0.01
Net value	**0.54**	0.55

(b) Vehicles includes those financed:

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Gross value	**1075.23**	761.03
Net value	**817.97**	615.76

(c) Land (freehold) and Plant and Equipments includes assets relating to the business of generation of electricity (Refer Note 36 on Segment Reporting)

Land (freehold)

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Gross value	**34.00**	34.00
Net value	**34.00**	34.00

Plant and Equipments

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Gross value	**1,857.02**	1,857.02
Net value	**974.75**	1,048.24

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

4. PROPERTY, PLANT AND EQUIPMENT ...contd.

(d) Capital Work in Progress consists of :

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Balance at the beginning of the year	**140.22**	337.96
Building under construction	**154.28**	173.08
Technical and consultancy fees	**77.36**	52.81
Kitchen Equipments	**41.60**	49.90
Plant and Machinery under installation	**-**	-
Plumbing and sanitation	**13.68**	5.36
Air conditioning under installation	**80.42**	61.96
Elevators under installation and others	**7.25**	3.95
Furniture and Fixtures	**55.45**	221.95
Fire fighting equipments	**14.13**	93.27
Office, Housekeeping and other equipments	**0.15**	16.62
Music, TV and Cinematograph	**18.83**	104.40
Electrification	**15.12**	23.10
Expenditure during construction {Refer Note (e) below}	**70.90**	125.13
	689.39	1,269.50
Less: Capitalized during the year	**(498.37)**	(1,129.27)
Balance at the end of the year	**191.02**	140.22

(e) All other expenses specifically attributable to construction have been accounted for as expenditure during construction. The Company has prepared the following Statement of Expenditure during construction:

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
STATEMENT OF EXPENDITURE DURING CONSTRUCTION		
Employee benefits and miscellaneous expenses	**30.53**	63.46
Legal and professional charges (Including loan processing and arranging fees)	**32.20**	8.25
Travelling expenses	**0.89**	3.58
Interest expenses	**-**	49.84
Miscellaneous expenses	**7.28**	-
	70.90	125.13

5. NON - CURRENT FINANCIAL ASSETS - INVESTMENTS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Unquoted investments:		
a. Investment in equity instruments		
Subsidiary companies	**54,653.62**	54,653.62
Less: provision for impairment on the value of investment	**(5,119.60)**	(5,119.60)
	49,534.02	49,534.02
Others companies	**142.54**	-
b. Investment in preference shares		
Subsidiary companies	**6,630.39**	6,609.44
	56,306.95	56,143.46
Aggregate amount of unquoted investments	**56,306.95**	56,143.46
Aggregate provision for diminution on value of investments	**5,119.60**	5,119.60

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

5. NON - CURRENT FINANCIAL ASSETS - INVESTMENTS ...contd.

Details of Investments

	Face value per unit in Rs. unless otherwise specified	No. of shares/units	Value	
		As at 31-03-2018	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Unquoted Investments:				
Investment in equity instruments				
Investment in subsidiary company				
Par value of equity shares				
1. Fineline Hospitality & Consultancy Pte Ltd, Mauritius (FHCPL)	USD 1	**9,42,95,582**	**54,653.62**	54,653.62
Less: Provision for Impairment on the value of investment			**(5,119.60)**	(5,119.60)
			49,534.02	49,534.02
Investment in other companies				
2. Sandhya Hydro Power Projects Balargha Pvt. Ltd. *	Rs. 10	**14,24,780**	**142.54**	-
Investment in preference shares				
Investment in subsidiary company				
Fully paid up preference shares				
Fineline Hospitality & Consultancy Pte Ltd, Mauritius (FHCPL) #	USD 1	**1,01,93,679**	**6,630.39**	6,609.44
Total			**56,306.95**	56,143.46

The change in value is solely on account of change in exchange rate on the stated foreign currency amount invested.

* Pursuant to the Power Purchase Agreement (PPA), investment has been made which will entitle the company to consume power, equivalent to a maximum capacity of 1.97 MW

Notes:

(a) The Company presently holds 100% interest in Fineline Hospitality & Consultancy Pte Ltd. (FHCPL), which in turn holds 80% stake in Lexon Hotels Venture Ltd., Mauritius (Lexon); and Lexon in turn holds 99.76% interest in Leading Hotels Limited (Leading). Leading is developing an all Villa Hotel Complex at Goa and an 18 hole, 72 par Championship Golf Course. The said project will be under the management of Four Seasons, a world famed hotel chain and hospitality management company.

(b) The auditors of the subsidiary company, Leading Hotels Limited, in their report had drawn attention to the fact that there were some ongoing legal disputes on its project, and had also indicated that the financial implication of such disputes cannot be ascertained. However, there is an existing overall provision for impairment of Rs. 5,119.60 Lakhs against the investment in the same project, created in earlier years.

6. NON - CURRENT FINANCIAL ASSETS - LOANS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Others:		
Loans to employees	**26.83**	18.90
	26.83	18.90

7. NON - CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Unsecured, considered good, unless otherwise stated	**-**	
Security deposits	**228.32**	95.59
Bank deposits with original maturity greater than 12 months* (See Note - 13)	**-**	50.00
	228.32	145.59
*Includes as margin money deposit against borrowings from banks	-	50.00

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

8. TAXATION - DEFERRED TAX

I. Income tax related items charged or credited directly to profit or loss during the year

Particulars	2017-18	2016-17
Statement of profit or loss		
Current income tax		-
Prior year income tax / (reversal)		(109.72)
Deferred tax expense / (benefit)	**(32.81)**	(1,068.75)
Total	**(32.81)**	(1,178.47)

II. Income Tax Expense

Reconciliation		
Accounting profit / loss before tax	**(274.91)**	(2,739.84)
Applicable tax rate	**31.20%**	30.90%
Computed tax expense	**(85.77)**	(846.61)
Expense not considered for tax purpose	**221.01**	101.09
Income not considered for tax purpose	**(744.45)**	(235.03)
Additional allowance for tax purpose	**(16.55)**	(6.54)
Other timing difference	**(2.11)**	(191.37)

III. Deferred Tax relates to the following:

Particulars	Balance Sheet		Recognized in statement of profit or loss	
	As at 31-03-2018	As at 31-03-2017	**2017-18**	2016-17
Expense allowable on payment basis	**536.62**	533.73	**2.90**	533.73
Unused tax losses / depreciation	**6,685.06**	5,874.50	**810.56**	5,874.50
Minimum alternate tax (MAT) credit	**778.15**	778.15	**-**	-
Depreciation timing difference	**(6,120.12)**	(5,339.48)	**(780.65)**	(5,339.48)
Deferred tax asset / (liability)	**1,879.71**	1,846.90	**32.81**	1,068.75

The Company is having net deferred tax asset (DTA) as on 31st March, 2018 and on the basis of reasonable certainty concept as per Ind-AS provisions, the same has been recognized in the books of account.

9. NON - CURRENT ASSETS - OTHERS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Capital advances		
Considered good	**41.00**	64.84
Considered doubtful	**-**	-
	41.00	64.84
Less: Provision for doubtful advances	**-**	-
	41.00	64.84
Advance income tax (net of provision for taxation)	**1,231.94**	986.26
	1,272.94	1,051.10

10. INVENTORIES

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
(valued at lower of cost and net realizable value)		
Wines and liquor	**550.41**	526.04
Provisions, other beverages and smokes	**189.15**	154.64
Crockery, cutlery, silverware, linen etc.	**338.14**	184.81
General stores and spares	**83.59**	83.40
	1,161.29	948.89

- As per inventory taken and valued by the Management

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

11. TRADE RECEIVABLES

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Unsecured		
Other debts		
Considered good	**1,200.56**	1,089.18
Considered doubtful	**21.35**	21.35
	1,221.91	1,110.53
Less: Provision for doubtful debts	**(21.35)**	(21.35)
	1,200.56	1,089.18
Trade receivables includes:		
Debts related to generation of electricity business (See segment reporting note)	**217.78**	61.15

12. CASH AND CASH EQUIVALENTS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Balances with banks		
In current accounts	**558.93**	1,115.46
Cash in hand	**36.64**	19.90
Cheque in hand	**-**	1.86
	595.57	1,137.22

13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Other balances		
Earmarked balances with banks for:		
Unpaid dividends #	**12.10**	19.67
Bank deposits *	**328.00**	328.05
	340.10	347.72

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2018

# includes excess deposit due to rounding-off of dividend payable on fractional shares	**0.09**	0.09
*includes as margin money deposit against borrowings from banks	**328.00**	328.00
*under lien against guarantee given for loan taken by the company	**-**	-
*against bank guarantee from bank	**-**	0.05

14. CURRENT FINANCIAL ASSETS - LOANS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Unsecured, considered good, unless otherwise stated		
Inter-corporate deposits	**-**	100.00

15. CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Interest accrued on fixed deposits	**-**	6.64
Advances recoverable in cash or kind	**2,569.00**	899.93
Others *	**146.91**	-
	2,715.91	906.57

* Recoverable from DBS Bank on account of withholding tax deposited on their behalf

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

16. CURRENT ASSETS - OTHERS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Unsecured, considered good, unless otherwise stated		
Prepaid expenses	**299.78**	350.77
Balance with statutory authorities	**89.89**	287.51
	389.67	638.28

17. SHARE CAPITAL

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Authorized:		
40,000,000 Equity Shares of Rs. 10 each	**4,000.00**	4,000.00
(40,000,000 Equity Shares of Rs. 10 each as on 31st March, 2017)		
30,000,000 Preference Shares of Rs. 10 each	**3,000.00**	3,000.00
(30,000,000 Preference Shares of Rs. 10 each as on 31st March, 2017)		
Issued, Subscribed and paid-up:		
19,453,229 Equity Shares of Rs. 10 each fully paid up	**1,945.32**	1,945.32
(19,453,229 Equity Shares of Rs. 10 each fully paid up as on 31st March, 2017)		

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning at the end of the year:

Authorized Share Capital	**As at 31-03-2018**		As at 31-03-2017	
	No. of shares	**Rs. (Lakhs)**	No. of shares	Rs. (Lakhs)
(1) Equity Shares				
Balance at the beginning of the year	**4,00,00,000**	**4,000.00**	4,00,00,000	4,000.00
Balance at the end of the year	**4,00,00,000**	**4,000.00**	4,00,00,000	4,000.00
(2) Preference Shares				
Balance at the beginning of the year	**3,00,00,000**	**3,000.00**	3,00,00,000	3,000.00
Balance at the end of the year	**3,00,00,000**	**3,000.00**	3,00,00,000	3,000.00

Issued, subscribed and paid-up capital	**As at 31-03-2018**		As at 31-03-2017	
	No. of shares	**Rs. (Lakhs)**	No. of Shares	Rs. (Lakhs)
(1) Equity Shares				
Balance at the beginning of the year	**1,94,53,229**	**1,945.32**	1,94,53,229	1,945.32
Add: Shares issued during the year	**-**	**-**	-	-
Less: Shares bought back during the year	**-**	**-**	-	-
Balance at the end of the year	**1,94,53,229**	**1,945.32**	1,94,53,229	1,945.32

(b) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. 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. For the year ended 31st March, 2018, the amount of per share dividend proposed as distribution to equity shareholders is Nil (31st March, 2017: Rs. Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

17. SHARE CAPITAL ...contd.

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

	As at 31-03-2018		As at 31-03-2017	
	%	No. of shares	%	No. of shares
Equity Shares of Rs. 10 each fully paid up				
Fineline Holdings Limited, (an overseas promoter entity)	**23.10**	**44,93,145**	23.10	44,93,145
Yans Enterprises (H.K.) Limited, (an overseas promoter entity)	**27.43**	**53,36,880**	27.43	53,36,880
Mr. Shiv Kumar Jatia (Chairman & Managing Director & Promoter)	**13.72**	**26,68,027**	13.72	26,68,027
Asian Holdings Private Limited (a domestic promoter entity)	**8.24**	**16,02,664**	8.24	16,02,664

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

18. OTHER EQUITY

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Capital Reserve		
Opening balance	**1.41**	1.41
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	**1.41**	1.41
Capital Redemption Reserve for redeemed NCPS		
Opening balance	**990.00**	990.00
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	**990.00**	990.00
Securities Premium		
Opening balance	**32,994.83**	32,994.83
Additions during the financial year	-	-
Deductions during the financial year	-	-
Closing balance	**32,994.83**	32,994.83
General Reserve		
Opening balance	**8,863.57**	3,531.55
Additions during the financial year	-	5,332.02
Adjusted to FVTOCI reserve on transition to Ind AS		-
Closing balance	**8,863.57**	8,863.57
Tourism Development Utilized Reserve		
Opening balance	-	5,332.02
Additions during the financial year		-
Deductions during the financial year	-	(5,332.02)
Closing balance	-	-
Revaluation Reserve		
Opening balance	**19,074.94**	19,161.71
Additions during the financial year	-	-
Deductions during the financial year	-	(86.77)
Transferred to Surplus of Profit and Loss *	**(19,074.94)**	
Closing balance	-	19,074.94

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

18. OTHER EQUITY ...contd.	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Surplus in Statement of Profit and Loss		
Opening balance	**9,711.68**	11,273.05
Transferred from Revaluation Reserve	**19,074.94**	-
Profit / (loss) during the year	**(242.10)**	(1,561.37)
Closing balance	**28,544.52**	9,711.68
Fair Value through Other Comprehensive Income [FVTOCI] Reserve		
Opening balance	**501.34**	466.65
Additional depreciation on account of re-valuation	**-**	86.77
Adjusted from surplus in statement of profit and loss		
- Re-measurement gains / (losses) on employee benefits	**32.73**	(52.08)
Deductions during the financial year	**-**	-
Closing balance	**534.07**	501.34
Total of other equity - as at 31st March, 2018	**71,928.40**	72,137.77

* As per Ind AS requirements, the balance lying in revaluation reserve account has been transferred.

19. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Secured Term Loans		
From Banks		
External commercial borrowings		
DBS Bank Limited	**20,151.21**	32,469.35
USD 309.80 Lakhs (Previous Year USD 500.77 Lakhs)		
Other Term Loans		
Axis Bank Limited-Rupee loan	**-**	15,652.69
Bank of Maharashtra - Rupee Loan	**23,898.14**	24,141.00
Yes Bank Limited-Rupee loan	**15,624.13**	16,974.86
Punjab National Bank	**14,619.91**	-
IndusInd Bank	**10,000.00**	-
	84,293.39	89,237.90
Less: Adjustment of transaction costs as per Ind AS 109	**(2,208.13)**	(2,447.95)
	82,085.26	86,789.95
Kotak Mahindra Bank Limited-Rupee loan	**-**	887.31
ICICI Bank Limited- Rupee loan	**141.01**	131.26
HDFC Bank Limited- Rupee loan	**35.24**	48.80
From Financial Institution		
SREI Equipment Finance Ltd - Equipment Loan	**63.69**	96.92
Genesis Finance Company Limited - Rupee loan *For business of generation of electricity (Refer Note on Segment Reporting)*	**447.33**	-
For acquisition of /secured against vehicles		
Kotak Mahindra Prime Limited - Rupee loan	**293.29**	266.83
Toyota Financial Services - Rupee loan	**30.52**	11.60
	83,096.34	88,232.67

Nature of security and terms of repayment for secured current financial liabilities-borrowings:

(a) DBS Bank Limited -External commercial borrowings (carried interest @ 3.25% p.a. plus LIBOR) are secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

19. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS ...contd.

Company's investment in foreign subsidiary company. External commercial borrowings are repayable as under: (i) USD 148.97 Lakhs is payable in 18 unequal half yearly installments till March, 2030; (ii) USD 160.83 Lakhs is payable in 11 unequal half yearly installments till March, 2030.

(b) Axis Bank Limited - Rupee Term loan (carried interest @ 11.70% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi; first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in unequal 40 quarterly installments till March, 2030. The loan has been repaid during the year through re-financing by Punjab National Bank (PNB).

(c) Kotak Mahindra Bank Limited - Rupee loan (carried interest @ 11.00% per annum) is secured by exclusive charge mortgage on 3000 sq. ft. of sixth floor of New Tower Block A in Hyatt Regency Delhi and personal guarantee of Chairman and Managing Director, repayable in 38 unequal monthly installments, up to May 2020. The loan has been repaid in full during the year.

(d) Yes Bank Limited - Rupee loan of Rs. 4,651.36 Lakhs (carried interest @ 10.50% - 10.55% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 34 unequal quarterly installments till July, 2030.

(e) Yes Bank Limited - Rupee loan of Rs. 10,972.78 Lakhs (carried interest @ 10.95% - 11.50% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 36 unequal quarterly installments till December, 2030.

(f) Bank of Maharashtra (Term Loan I) of Rs. 19,775 Lakhs (carried interest @ 10.85% - 10.95% per annum) - is secured by 1st pari passu charge on land and building of Hotel Hyatt Regency and personal guarantee of the Chairman & Managing Director. The loan is payable in 48 unequal quarterly installments commencing October, 2018.

(g) Bank of Maharashtra (Term Loan II) of Rs. 4,366 Lakhs (carried interest @ 10.85% - 10.95% per annum) - is secured by 1st pari passu charge on land and building of Hotel Hyatt Regency and personal guarantee of the Chairman & Managing Director. The loan is payable in 48 unequal quarterly installments commencing October, 2018.

(h) Indusind Bank Limited - Rupee loan of Rs. 10,000 Lakhs (carried interest @ 9.50% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 18 unequal half yearly installments till March, 2030.

(i) Punjab National Bank - Rupee loan of Rs. 14,619.91 Lakhs (carried interest @ 9.25% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The loan is repayable in 36 structured quarterly installments till March, 2030.

(j) Genesis Finance Company Limited - Rupee loan for business of generation of electricity (carried interest @ 12.00% per annum) is secured by first charge on plant & machinery pertaining to the windmill situated at Sinner in Maharashtra and personal gaurantee of Chairman & Managing Director. The loan is repayable in 99 unequal monthly installments up to October 2027.

(k) ICICI Bank-Rupee loan (carried interest @ 9.84% per annum) is secured against hypothecation of 8 vehicles. Balance repayable in monthly installments up to December, 2020.

(l) ICICI Bank-Rupee loan (carried interest @ 9.35% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to June, 2021.

(m) ICICI Bank-Rupee loan (carried interest @ 8.51% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2021.

(n) ICICI Bank-Rupee loan (carried interest @ 8.02% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2022.

(o) ICICI Bank-Rupee loan (carried interest @ 8.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2022.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

19. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS ...contd.

(p) ICICI Bank-Rupee loan (carried interest @ 8.01% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to September, 2022.

The aggregate values of the vehicle loans from ICICI Bank aggregate to Rs. 196.61 Lakhs.

(q) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carried interest @ 10.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to December 2018.

(r) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of certain vehicles. Balance repayable in monthly installments up to May 2020.

(s) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to February 2021.

(t) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.48% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to February 2020.

(u) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.25% per annum) is secured against hypothecation of a vehicle. Balance repayable in monthly installments up to October 2019.

(v) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 11.89% per annum) is secured against hypothecation of certain vehicles. Balance repayable in monthly installments up to November, 2019.

(w) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 8.60% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to March 2022.

(x) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 10.33% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to May 2022.

(y) Kotak Mahindra Prime Limited -Rupee loan for acquisition of vehicles (carries interest @ 7.78% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to November 2022.

The aggregate values of the vehicle loans outstanding from Kotak Mahindra Prime Ltd aggregates to Rs. 472.35 Lakhs

(z) BMW Financial Services - Rupee loan of Rs. 2.57 Lakhs for acquisition of vehicles (carried interest @ 12.21% per annum) was secured against hypothecation of certain vehicles. The loan has been fully repaid during the year.

(aa) SREI Equipment Finance Ltd - Rupee Loan of Rs. 96.92 Lakhs for acquisition of equipment (carried interest @ 14.25% per annum) is secured against the power saving equipment acquired from the loan. Balance is payable in equal monthly installments up to October, 2020 starting from December, 2015.

(ab) HDFC Bank Ltd - Rupee loan of Rs. 48.80 Lakhs for acquisition of a vehicle (carried interest @ 11.00% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to May 2021.

(ac) Toyota Financial Services India Ltd - Rupee loan for acquisition of a vehicle (carried interest @ 9.05% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to June 2021.

(ad) Toyota Financial Services India Ltd - Rupee loan for acquisition of a vehicle (carried interest @ 7.74% per annum) is secured against hypothecation of the vehicle financed by the loan. Balance repayable in monthly installments up to October 2022.

The details of repayment of long term borrowings as at 31st March, 2018 are as follow:

Particulars	Up to 1 year (Rs. In Lakhs)	2 to 5 years (Rs. In Lakhs)	Above 5 years (Rs. In Lakhs)	Total (Rs. In Lakhs)
Secured term loans				
From banks	312.03	15,500.71	68,968.93	84,781.67
From financial institution	220.68	532.49	302.34	1,055.51
	532.71	**16,033.20**	**69,271.27**	**85,837.18**

20. NON - CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Security Deposits	**1,827.30**	1,724.98
	1,827.30	1,724.98

The above includes Rs. 178.22 Lakhs (Previous Year Rs. 177.33 Lakhs) received as refundable interest free security deposits against leave and license agreements relating to the shops in Hotel Hyatt Regency and Rs. 1,500 Lakhs (Previous Year Rs. 1,500 Lakhs) received as refundable interest free security deposit for parking space in Serviced Apartment Tower.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

21. NON - CURRENT PROVISIONS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Provision for employee benefit		
Gratuity	**330.82**	335.10
Leave Encashment	**105.82**	88.44
	436.64	423.54

22. CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Secured		
From Banks		
Other Term Loans		
Bank of Maharashtra - Rupee Loan	**242.86**	-
Kotak Mahindra Bank Limited-Rupee loan	**-**	336.90
For acquisition of /secured against vehicles		
ICICI Bank Limited- Rupee loan	**55.61**	38.71
HDFC Bank Limited- Rupee loan	**13.56**	12.11
Overdraft Facilities		
Yes Bank Limited	**2,760.25**	3,399.84
Axis Bank Limited	**1,283.23**	1,005.19
IndusInd Bank	**264.91**	-
	4,620.42	4,792.75
From Financial Institution		
SREI Equipment Finance Ltd - Equipment Loan	**33.22**	28.68
For acquisition of /secured against vehicles		
Kotak Mahindra Prime Limited - Rupee loan	**179.06**	132.68
Toyota Financial Services - Rupee loan	**8.40**	2.94
BMW Financial Services - Rupee loan	**-**	2.58
	220.68	166.88
Unsecured		
Others		
Intercorporate Loans (carry interest @ 10% to 17%)	**1,635.00**	1,545.00
	1,635.00	1,545.00
	6,476.10	6,504.63

Nature of security and terms of repayment for secured current financial liabilities-borrowings:

(a) DBS Bank Limited -Overdraft facilities (carried interest @ 12.00% per annum) and was secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company. The overdraft facility has been withdrawn during the year.

(b) Yes Bank Limited -Overdraft facilities (carried interest @ 11.50% - 11.75% per annum) is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles and power saving equipment), first pari passu charge on current assets, personal guarantee of Chairman & Managing Director and pledge of shares representing Company's investment in foreign subsidiary company.

(c) Axis Bank Limited - Overdraft facilities (carried interest @ 11.40% per annum) and is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

22. CURRENT FINANCIAL LIABILITIES - BORROWINGS ...contd.

charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director, pledge of shares representing Company's investment in foreign subsidiary company.

(d) Indusind Bank Limited - Overdraft facilities (carried interest @ 9.50% per annum) and is secured by first pari passu charge of land & building of Hotel Hyatt Regency Delhi and unsold area of New Tower Block A in Hyatt Regency Delhi, first pari passu charge on movable fixed assets (Excluding vehicles, windmills and power saving equipment), first pari passu charge on current assets (Present and Future), personal guarantee of Chairman & Managing Director, pledge of shares representing Company's investment in foreign subsidiary company.

23. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Due to micro and small enterprises	**-**	-
Due to other than micro and small enterprises	**4,742.45**	4,121.43
	4,742.45	4,121.43

The disclosure pursuant to the said Act is as under:

DISCLOSURE UNDER MSMED ACT, 2006	**2017-18 (Rs. In Lakhs)**	2016-17 (Rs. In Lakhs)
(a) Principal amount due to suppliers under MSMED Act, 2006	**-**	-
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	**-**	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	**-**	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	**-**	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	**-**	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	**-**	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under	**-**	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

24. CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31-03-2018 (Rs. In Lakhs)	**As at** 31-03-2017 (Rs. In Lakhs)
Security deposits	**63.26**	51.95
Interest accrued but not due on borrowings	**878.69**	1,237.07
Payables for capital goods	**170.88**	198.43
Employee Dues	**320.83**	521.28
Other payables	**108.04**	148.38
Unpaid/unclaimed dividend	**12.01**	19.58
	1,553.71	2,176.69

25. OTHER CURRENT LIABILITIES

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Advance from customers *	**5,093.47**	1,816.48
Statutory liabilities	**1,546.45**	1,690.73
Other liabilities	**2,220.20**	2,041.46
	8,860.12	5,548.67

* Advance from customers include advance received upon execution of agreement to sale related to apartments amounting to Rs. 4,235.78 Lakhs (Previous year ended March 31, 2017: Rs. 897.25 Lakhs)

26. SHORT TERM PROVISIONS

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
Provision for employee benefit		
Gratuity	**243.33**	242.83
Leave Encashment	**11.25**	10.17
	254.58	253.00

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

27. REVENUE FROM OPERATIONS

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
ROOMS, FOOD, BEVERAGES AND OTHER SERVICES		
Room income	**10,182.91**	10,583.60
Wines and liquor	**3,310.13**	2,188.81
Food, other beverages, smokes and banquets	**9,774.44**	8,789.46
Communications	**22.20**	38.87
Others*	**4,154.29**	3,518.09
	27,443.97	25,118.83
*Includes related to generation of electricity business	**226.54**	265.79

28. OTHER INCOME

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
Interest Received/Receivable		
From banks	**26.06**	56.14
From others	**17.61**	6.23
Excess provisions / credit balances no longer required written back	**120.50**	406.59
Net gain on sale of fixed assets	**2,328.03**	430.15
Net gain on foreign currency transaction and translation (other than finance cost)	**37.30**	9.90
Miscellaneous income *	**581.46**	67.41
	3,110.96	976.42

* Miscellaneous Income includes income from derivative transactions amounting to Rs. 462.56 Lakhs (Previous year : NIL)

29. CONSUMPTION OF PROVISIONS, BEVERAGES, SMOKES & OTHERS

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
WINES AND LIQUOR		
Opening Stock	**526.04**	378.24
Add : Purchases	**1,206.35**	997.12
	1,732.39	1,375.36
Closing Stock	**(550.41)**	(526.04)
	1,181.98	849.32
PROVISIONS, OTHER BEVERAGES AND SMOKES		
Opening Stock	**154.64**	151.52
Add : Purchases	**2,484.70**	2,263.52
	2,639.34	2,415.04
Closing Stock	**(189.15)**	(154.64)
	2,450.19	2,260.40
Excise duty expense	**9.57**	35.97
	3,641.74	3,145.69
Percentage of total consumption between:		
Indigenous 63.99% (Previous Year 76.77%)	**2,324.37**	2,387.33
Imported 36.01% (Previous Year 23.23%)	**1,307.80**	722.39

30. EMPLOYEE BENEFITS EXPENSES

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
Salaries and wages	**4,640.33**	4,187.78
Contribution to provident and other funds	**224.93**	218.27
Contract labour and services	**1,051.22**	871.14
Staff welfare expense	**450.59**	450.08
Recruitment and training	**25.27**	40.40
	6,392.34	5,767.67

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

31. FINANCE COSTS

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
Interest expenses	**8,732.24**	9,207.04
Other borrowing costs (including bank charges)	**1,118.24**	466.18
Applicable net loss / (gain) on foreign currency transactions and translation {Refer Note 3.10 on borrowing costs}	**(18.36)**	226.99
	9,832.12	9,900.21

32. OTHER EXPENSES

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
OPERATING, ADMINISTRATION AND GENERAL EXPENSES		
Linen, room, catering and other supplies/services	**1,073.00**	950.54
Operating equipment and supplies written off	**168.46**	291.19
Power, fuel and light (net)	**1,658.37**	1,465.16
Repairs, maintenance and refurbishing *	**914.00**	857.52
Rent	**472.03**	173.88
Rates and taxes	**374.48**	208.87
Insurance	**90.00**	99.35
Data processing charges	**268.87**	187.84
Legal and professional charges	**481.49**	409.24
Payment to the auditors**	**38.97**	39.62
Stationery and printing	**97.09**	105.82
Travelling and conveyance	**353.77**	229.84
Guest transportation	**189.75**	183.47
Communication (including telephones for guests)	**182.85**	145.54
Technical services	**992.04**	1,007.51
Advertisement, publicity and business promotion	**445.48**	507.12
Commission and brokerage	**960.69**	865.13
Charity and donation	**5.51**	4.97
Corporate Social Responsibility (Refer Note 39)	**-**	-
Bad debts / advances written off	**-**	28.87
Provision for doubtful debts / advances	**35.98**	32.07
Miscellaneous	**164.74**	106.34
	8,967.57	7,899.89
* includes:		
Repairs to buildings	**218.80**	207.24
Repairs to machinery	**537.91**	472.02
**Payments to the auditors for (including taxes)		
- statutory audit	**29.50**	28.75
- tax audit fee	**4.72**	4.60
- limited review fees	**3.54**	3.45
- certification work	**0.12**	1.01
- out of pocket expenses	**1.09**	1.81
	38.97	39.62

33. EARNINGS PER EQUITY SHARE

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
Profit/(loss) available for equity shareholders	**(242.10)**	(1,561.37)
Weighted average numbers of equity shares outstanding	**1,94,53,229**	1,94,53,229
Nominal value per equity share (in Rupees)	**10.00**	10.00
Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)	**(1.24)**	(8.03)

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

34. CONTINGENT LIABILITIES AND COMMITMENTS		As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
(a)	Claims against the Company not acknowledged as debts * * pertains to cases filed by certain employees of the Company.	**20.00**	20.00
(b)	Service tax demand not provided for * * pertains to a demand raised by Service Tax Authorities amounting to Rs. 401.10 Lakhs which includes penalty demand of Rs. 250.00 Lakhs and excluding interest for earlier years up to 2007, against which the Company has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi on 11th March 2014. Since the Company had already deposited the service tax payable, as determined by the tax authorities, before issuance of the show cause notice for levy of the penalty, it is contesting before the above appellate authorities that it is not liable to pay any penalty and interest.	**254.53**	254.53
(c)	Additional bonus liability for the financial year 2014-15 owing to amendment made in "The Payment of Bonus Act, 1965" w.r.e.f. 1st April, 2014, has not been provided for as the matter is subjudice before various High Courts in the country.	**-**	-
(d)	Relating to an accident in the hotel premises, a writ petition has been filed with Delhi High Court by a relative of the injured person, and the Company has been made one of the respondents. The same relative has also filed a consumer complaint/petition, before the National Consumer Dispute Redressal Commission (NCDRC), against the Hyatt Hotels Corporation, Chicago and Hotel Hyatt Regency, Delhi, seeking compensation for the above injured person on various counts. Any consequence on the outcome of the above writ petition and the Consumer complaint before the NCDRC can not be ascertained.	**-**	-
(e)	Based on enquiries made by Department of Revenue Intelligence ('DRI'), the Director General of Foreign Trade, New Delhi ('DGFT') had issued a notice dated 15.12.2017 for recovery of benefits of Duty Free Credit Scripts (DFC's) under Served From India Scheme ('SFIS') announced through Foreign Trade Policies of 2004-09 and 2009-14. The Company has disputed the said recovery notice by way of a WRIT petition in the Delhi High Court and has obtained a stay, and the matter is pending adjudication. Thereafter, the DRI, Ahmedabad Unit issued a Show Cause Notice ('SCN') dated 10.01.2018 for recovery of customs duty saved by the Company using above DFC's. The Company has appropriately replied to the above SCN. In a similar matter, the Supreme Court has admitted a Special Leave Petition which is also pending adjudication	**-**	-

Notes:

(a) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings.

COMMITMENTS

			As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for:		**277.24**	77.04
(b)	Future commitments in respect of assets acquired under Finance Schemes:			
	Minimum installments	payable within one year	**363.92**	294.79
		later than one year but not later than five years	**631.00**	636.69
	Present value of minimum installments	payable within one year	**289.85**	217.70
		later than one year but not later than five years	**563.75**	555.40

35. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 17 LEASES OPERATING LEASE COMMITMENS			As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
(a)	Future minimum lease amounts receivable by the Company in respect of non-cancellable operating leases (other than land) for shops and apartments entered into by the Company:			
		Not later than one year	**66.12**	103.71
		Later than one year and not later than five years	**134.69**	118.13
		More than five years	**-**	-
(b)	Future minimum lease amounts payable by the Company in respect of non-cancellable operating leases (other than land) for other services (including rented premises) entered into by the Company :			
		Not later than one year	**532.68**	309.32
		Later than one year and not later than five years	**2,850.63**	622.77
		More than five years	**3,511.86**	323.96

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

36. SEGMENT REPORTING

The Company operates only in one reportable segment, i.e. Hospitality/Hotel Business at one location, namely New Delhi (India). The other business segment, i.e. power generation, though governed by different sets of risks and returns, however, is not a reportable segment as defined under the Indian Accounting Standard Ind AS - 108 "Operating Segments", and therefore, no separate disclosures have been made. The assets, liabilities and revenues relating to the said power generation business have, however, been disclosed in the accounts separately. The above treatment is in accordance with the guiding principles enunciated in the said Ind AS.

37. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

The Company has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

- Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 198.63 Lakhs (Previous Year Rs. 197.56 Lakhs)

(b) Defined benefit plans

- Gratuity
- Compensated absences - Earned leave

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.71% p.a. (Previous Year 7.50% p.a.) compound has been used.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

The assumptions used are summarized in the following table:

	Gratuity (Unfunded)		**Compensated Absences Earned Leave (Unfunded)**	
	As at 31-03-2018	As at 31-03-2017	**As at 31-03-2018**	As at 31-03-2017
Discount rate(per annum)	**7.71%**	7.50%	**7.71%**	7.50%
Future salary increase	**5.00%**	5.00%	**5.00%**	5.00%
Expected rate of return on plan assets	**NA**	NA	**NA**	NA
Mortality Rates	**100% of IALM (2006 - 08)**	100% of IALM (2006 - 08)	**100% of IALM (2006 - 08)**	100% of IALM (2006 - 08)
Retirement age	**58 Years**	58 Years	**58 Years**	58 Years
Withdrawal rates				
- Up to 30 years	**3.00%**	3.00%	**3.00%**	3.00%
- From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%	1.00%

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

37. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS ...contd.

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	As at 31-03-2018	As at 31-03-2017	**As at 31-03-2018**	As at 31-03-2017
	(Rs. In Lakhs)	(Rs. In Lakhs)	**(Rs. In Lakhs)**	(Rs. In Lakhs)
Change in present value of the defined benefit obligation during the year				
Present value of obligation as at the beginning of the year	**577.93**	515.15	**98.61**	101.06
Interest Cost	**43.34**	41.21	**7.39**	8.08
Current Service Cost	**47.86**	39.27	**29.85**	21.32
Benefits Paid	**(62.27)**	(69.78)	**(42.34)**	(34.46)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	**(5.48)**	13.24	**(2.38)**	4.57
Actuarial (Gain)/Loss on arising from Experience Adjustment	**(27.25)**	38.85	**25.92**	(1.96)
Present value of obligation as at the end of the year	**574.13**	577.93	**117.05**	98.61
Change in fair value of plan assets during the year				
Fair Value of plan assets at the beginning of the year	**NA**	NA	**NA**	NA
Interest Income	**NA**	NA	**NA**	NA
Contributions by the employer	**NA**	NA	**NA**	NA
Benefits paid	**NA**	NA	**NA**	NA
Return on plan assets	**NA**	NA	**NA**	NA
Fair Value of plan assets at the end of the year	**NA**	NA	**NA**	NA
Net Asset/ (Liability) recorded in the Balance Sheet				
Present value of obligation as at the end of the year	**(574.13)**	(577.93)	**(117.05)**	(98.61)
Net Asset/ (Liability)-Current	**(243.33)**	(242.83)	**(11.25)**	(10.17)
Net Asset/ (Liability)-Non-Current	**(330.82)**	(335.10)	**(105.82)**	(88.44)
Expenses recorded in the Statement of Profit & Loss during the year				
Interest Cost	**43.34**	41.21	**7.39**	8.08
Current & Past Service Cost	**47.86**	39.27	**29.85**	21.32
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	**-**	-	**(2.38)**	4.57
Actuarial (Gain)/Loss on arising from Experience Adjustment	**-**	-	**25.92**	(1.96)
Total expenses included in employee benefit expenses	**91.20**	80.48	**60.78**	32.02
Recognized in Other Comprehensive Income during the year				
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	**(5.48)**	13.24	**-**	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	**(27.25)**	38.85	**-**	-
Recognized in Other Comprehensive Income	**(32.73)**	52.08	**-**	-
Maturity profile of defined benefit obligation				
Within 12 months of the reporting period	**243.33**	242.83	**11.25**	10.17
Between 2 and 5 years	**68.21**	40.43	**12.24**	13.83
Between 6 and 10 years	**262.62**	294.67	**93.58**	74.61
Quantitative sensitivity analysis for significant assumption is as below:				
Increase/ (decrease) on present value of defined benefit obligation at the end of the year				
Half percentage point increase in discount rate	**(12.78)**	13.43	**(5.33)**	(4.57)
Half percentage point decrease in discount rate	**13.69**	14.40	**5.81**	4.97
Half percentage point increase in salary increase rate	**13.99**	14.68	**5.94**	5.07
Half percentage point decrease in salary increase rate	**13.16**	(13.80)	**(5.48)**	(4.69)

Expected contribution to the defined benefit plan for the next reporting period

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

37. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS ...contd.

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
Expected contribution to the defined benefit plan for the next reporting period (Gratuity)	**167.78**	81.77
"Expected contribution to the defined benefit plan for the next reporting period (Compensated Absences Earned Leave)"	**85.66**	32.23

38. CORPORATE SOCIAL RESPONISIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee. As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend at least 2% of the average net profits determined under section 198 of the Companies Act 2013 during the immediately three financial years. However, due to inadequacy of profits as per Section 198 of the Companies Act, 2013, the company is not required to spend any amount on CSR activities for Financial Year 2017-18.

Gross amount required to be spent by the Company during the year: Rs. NIL (Previous year - Rs. NIL)

39. EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
(a) Value of imports calculated on CIF basis		
Food and beverages	**224.61**	130.11
Stores and spares	**101.30**	40.61
Capital goods	**270.95**	360.91
Beverages - through canalising agencies	**1,138.49**	719.97
(b) Expenditure in foreign currency	**-**	-
Technical services (Royalty)	**61.13**	128.97
Technical services (Professional and consultation fees)	**105.10**	306.16
Interest	**1,318.02**	1,522.55
Others		
- Advertisement and publicity	**103.40**	56.52
- Commission and brokerage	**267.98**	166.06
- Recruitment and training	**-**	-
- Miscellaneous	**539.56**	152.53
(c) Earning in foreign currency		
Revenue from operations (As reported by the management of the Company and certified by an independent Chartered Accountant)	**13,247.27**	14,788.97
(d) Details of dividends paid to Non-Resident Shareholders holding shares on repatriation basis:		
Final Dividend - Equity		
(i) Financial Year to which dividend relates	**-**	-
(ii) Number of non-resident shareholders	**-**	-
(iii) Number of shares held by them	**-**	-
(iv) Rupees (in Lakhs) equivalent of amount paid in foreign currency	**-**	-
(v) Amount in Rupees (in Lakhs) remitted to banks /addresses in India for which the company does not have information as to the extent to which remittance in foreign currencies have been made by or on behalf of the non-resident shareholders	**-**	-

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

40. DERIVATIVE INSTRUMENTS

The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2018 and 31st March, 2017 are as under:

	As at 31st March, 2018		As at 31st March, 2017	
	Foreign Currency	**(Rs. In Lakhs)**	Foreign Currency	(Rs. In Lakhs)
Receivables				
Loans and advances given				
(in USD)	**1,65,465**	**107.63**	63,345	41.07
(in EURO)	**-**	**-**	1,21,243	83.96
Investment in CRPS (in USD)	**1,01,93,679**	**6,630.39**	1,01,93,679	6,609.44
Payables				
Trade payables				
(in USD)	**36,76,458**	**2,391.32**	30,34,698	1,967.66
Payable for capital goods				
(in USD)	**15,980**	**10.39**	-	-
(in SEK)	**28,667**	**2.24**	28,667	2.08
External Commercial Borrowings (ECBs)				
(in USD)	**3,09,80,836**	**20,151.21**	5,00,77,191	32,469.35
Interest on ECBs				
(in USD)	**7,69,738**	**500.67**	10,44,866	677.48

41. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24

(a) Related Parties

- Subsidiaries	Fineline Hospitality & Consultancy Pte Limited Lexon Hotel Ventures Limited Leading Hotels Limited	
- Key Management Personnel	Mr. Shiv Kumar Jatia Ms. Anita Thapar Mr. Amritesh Jatia Mr. Dipendra B Goenka Mr. Dinesh Kumar Jain Mr. Lalit Bhasin Mr. Dinesh Chandra Kothari Mr. Pinaki Misra Mr. Ranjan Kishore Bhattacharya Mr. Prakash Chandra Sharma	Chairman & Managing Director Whole Time Director Non-Executive Director Non-Executive Director Company Secretary Independent Director Independent Director Independent Director Independent Director Chief Financial Officer
- Relative of Key Management Personnel	Mr. Amritesh Jatia Mrs. Archana Jatia Mr. Ramesh Jatia	Director and son of Mr. Shiv Kumar Jatia Wife of Mr. Shiv Kumar Jatia Brother of Mr. Shiv Kumar Jatia
- Entities controlled by Directors or their relatives (with whom transactions entered into during the financial year)	Ascent Hotels Private Limited Bhasin & Co. Binaguri Tea Company Private Limited Energy Infrastructure (I) Limited Magus Estates & Hotels Limited Godfrey Philips India Limited	

(b) Transactions with related parties:

	Subsidiaries		Key Management Personnel and their relatives		Entities controlled by Directors or their relatives		Total	
	2017-18	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17
	(Rs. In Lakhs)	(Rs. In Lakhs)	**(Rs. In Lakhs)**	(Rs. In Lakhs)	**(Rs. In Lakhs)**	(Rs. In Lakhs)	**(Rs. In Lakhs)**	(Rs. In Lakhs)
Room, Food, Beverages and other services	**7.02**	29.47	**32.10**	-	**0.17**	2.62	**39.29**	32.09
Remuneration	**-**	-	**338.13**	293.01	**-**	-	**338.13**	293.01
Professional Charges	**-**	-	**-**	-	**4.38**	4.53	**4.38**	4.53
Director's Sitting fees	**-**	-	**16.80**	0.40	**-**	-	**16.80**	0.40

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

41. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24 ...contd.

Balance Outstanding

	Payable		Receivable	
	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)	**As at 31-03-2018 (Rs. In Lakhs)**	As at 31-03-2017 (Rs. In Lakhs)
Subsidiaries	**-**	-	**7.02**	-
Key Management Personnel and their relatives	**147.66**	147.66	**7.02**	-
Entities controlled by Directors or their relatives	**-**	0.10	**-**	0.14
Total	**147.66**	147.76	**14.04**	0.14

Note:

(i) The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged/ terms thereof and approved the same.

(ii) The details of guarantees and collaterals extended by the related parties in respect of borrowings of the Company have been given at the respective notes.

(c) Disclosure in respect of related party-wise transactions

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
Room, Food, Beverages and other services		
Leading Hotels Limited	**7.02**	29.47
Energy Infrastructure (I) Limited	**-**	0.14
Bhasin & Co.	**0.17**	0.16
Mr. Dinesh Kumar Jain	**0.08**	0.02
Godfrey Philips India Limited	**-**	2.31
Mr. Pinaki Misra	**32.02**	-
Remuneration		
Mr. Shiv Kumar Jatia*	**198.14**	181.12
Ms. Anita Thapar*	**23.39**	21.56
Mr. Dinesh Kumar Jain	**49.70**	50.37
Mr. Prakash Chandra Sharma	**66.90**	39.96
Professional Charges		
Bhasin & Co.	**4.38**	4.53
Director's Sitting fees		
Mr. Ranjan Kishore Bhattacharya	**4.80**	0.40
Mr. Lalit Bhasin	**6.80**	4.00
Mr. Pinaki Misra	**3.20**	0.60
Mr. Dinesh Chandra Kothari	**2.00**	1.60
Mr. Amritesh Jatia	**-**	0.20
Mr. Dipendra B Goenka	**-**	0.20

Balance Outstanding

	Payable		Receivable	
	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)	**As at 31-03-2018 (Rs. In Lakhs)**	As at 31-03-2017 (Rs. In Lakhs)
Leading Hotels Limited	**-**	-	**7.02**	-
Energy Infrastructure (I) Limited	**-**	-	**-**	0.14
Bhasin & Co.	**-**	0.10	**-**	-
Mr. Shiv Kumar Jatia	**112.36**	112.36	**-**	-
Mr. Amritesh Jatia	**8.13**	8.13	**-**	-

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

41. RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24 ...contd.

	Payable		Receivable	
	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)	**As at 31-03-2018 (Rs. In Lakhs)**	As at 31-03-2017 (Rs. In Lakhs)
Mr. Ramesh Jatia	**1.89**	1.89	**-**	-
Mr. Raj Kumar Jatia	**8.61**	8.61	**-**	-
Mr. Dinesh Chandra Kothari	**8.13**	8.13	**-**	-
Mr. Dipendra B Goenka	**0.05**	0.05	**-**	-
Mr. Pinaki Misra #	**-**	-	**7.02**	-
Mr. Lalit Bhasin	**8.49**	8.49	**-**	-

Note: The above transactions excludes changes due to exchange rate fluctuation.
* These include Provident Fund paid / payable by the employer.
# Amounts have been subseqently paid

42. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

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

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

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

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

I. Figures as at March 31, 2018

Financial Instrument		Carrying Amount					Fair value			
		FVTPL	FVOCI	Total Fair Value	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i)	Investments	-	142.54	142.54	56,164.41	56,306.95	-	-	142.54	142.54
(ii)	Loans	-	-	-	26.83	26.83	-	-	26.83	26.83
(iii)	Others	-	-	-		-	-	-	-	-
Current Assets										
Financial Assets										
(i)	Trade Receivables	-	-	-	1,200.56	1,200.56	-	-	-	-
(ii)	Cash and Cash Equivalents	-	-	-	595.57	595.57	-	-	-	-
(iii)	Bank Balance other than (ii) above	-	-	-	340.10	340.10	-	-	-	-
(iv)	Loans	-	-	-	-	-	-	-	-	-
(v)	Others	-	-	-	2,715.91	2,715.91	-	-	-	-
		-	**142.54**	**142.54**	**61,043.38**	**61,185.92**	**-**	**-**	**169.37**	**169.37**

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

42. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS ...contd.

Financial Instrument	Carrying Amount					Fair value			
	FVTPL	FVOCI	Total Fair Value	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Liabilities									
Financial Liabilities									
(i) Borrowings	-	-	-	83,096.34	83,096.34	-	-	-	-
(ii) Others	-	-	-	1,827.30	1,827.30	-	-	1,827.30	1,827.30
Current Liabilities									
Financial Liabilities									
(i) Borrowings	-	-	-	6,476.10	6,476.10	-	-	-	-
(ii) Trade Payables	-	-	-	4,742.45	4,742.45	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	1,553.71	1,553.71	-	-	-	-
	-	**-**	**-**	**97,695.90**	**97,695.90**	**-**	**-**	**1,827.30**	**1,827.30**

II. Figures as at March 31, 2017

Financial Instrument	Carrying Amount					Fair value			
	FVTPL	FVOCI	Total Fair Value	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets									
Financial Assets									
(i) Investments	-	-	-	1,18,554.67	1,18,554.67	-	-	-	-
(ii) Loans	-	-	-	18.90	18.90	-	-	18.90	18.90
(iii) Others	-	-	-	145.59	145.59	-	-	-	-
Current Assets									
Financial Assets									
(i) Trade Receivables	-	-	-	1,089.18	1,089.18	-	-	-	-
(ii) Cash and Cash Equivalents	-	-	-	1,137.22	1,137.22	-	-	-	-
(iii) Bank Balance other than (ii) above	-	-	-	347.72	347.72	-	-	-	-
(iv) Loans	-	-	-	100.00	100.00	-	-	-	-
(v) Others	-	-	-	906.57	906.57	-	-	-	-
	-	**-**	**-**	**1,22,299.85**	**1,22,299.85**	**-**	**-**	**18.90**	**18.90**
Non Current Liabilities									
Financial Liabilities									
(i) Borrowings	-	-	-	88,232.67	88,232.67	-	-	-	-
(ii) Others	-	-	-	1,724.98	1,724.98	-	-	1,724.98	1,724.98
Current Liabilities									
Financial Liabilities									
(i) Borrowings	-	-	-	6,504.63	6,504.63	-	-	-	-
(ii) Trade Payables	-	-	-	4,121.43	4,121.43	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	2,176.69	2,176.69	-	-	-	-
	-	**-**	**-**	**1,02,760.40**	**1,02,760.40**	**-**	**-**	**1,724.98**	**1,724.98**

During the reporting period ending March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES ...contd.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in it total portfolio.

The company is not exposed to significant interest rate risk as at the specified reporting date.

Refer Note 19 and Note 22 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Foreign currency risk

The Company operates locally, however, the nature of its operations requires it to transact in in several currencies and consequently the Company is exposed to foreign exchange risk in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

I. Foreign Currency Exposure

Refer Note 41 for foreign currency exposure as at March 31, 2018 and March 31, 2017 respectively.

II. Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on the profit before tax

Currency	2017-18		2016-17	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(163.16)	163.16	(284.64)	284.64
Euro	-	-	0.84	(0.84)
GBP	-	-	-	-
SGD	-	-	-	-
SEK	(0.02)	0.02	(0.02)	0.02
Total	**(163.18)**	**163.18**	(283.82)	283.82

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk the company compares the risk of a default occurring an the asset at the reporting date with the risk of default as the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to mere its obligation,

(iv) Significant increase in credit risk on other financial instruments of the same counterparty.

(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES ...contd.

I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

(Rs. In lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017
Non-current financial assets - Loans	**26.83**	18.90
Current financial assets - loans	**-**	100.00
Total (A)	**26.83**	118.90

II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)

Particulars	As at 31-03-2018	As at 31-03-2017
Trade Receivables	**1,200.56**	1,089.18
Total (A)	**1,200.56**	1,089.18
Grand Total (A+B)		

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due

(Rs. In lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017
Up to 3 months	**616.82**	320.10
3 to 6 months	**128.25**	292.44
More than 6 months	**347.47**	476.64
Total	**1,092.54**	1,089.18

IV. Provision for expected credit losses again "II" and "III" above

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	**As at 31-03-2018**			As at 31-03-2017		
	Less than 1 year	**1 to 5 years**	**Total**	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	**-**	**83,096.34**	**83,096.34**	-	88,232.67	88,232.67
Non-current financial liabilities - Others	**-**	**1,827.30**	**1,827.30**	-	1,724.98	1,724.98
Current financial liabilities - Borrowings	**6,476.10**	**-**	**6,476.10**	6,504.63	-	6,504.63
Current financial liabilities - Trade Payables	**4,742.45**	**-**	**4,742.45**	4,121.43	-	4,121.43
Current financial liabilities - Others	**1,553.71**	**-**	**1,553.71**	2,176.69	-	2,176.69
Total	**12,772.26**	**84,923.64**	**97,695.90**	12,802.75	89,957.65	1,02,760.40

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES ...contd.

Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	As at 31-03-2018	As at 31-03-2017
Total Debt	**89,572.44**	94,737.30
Equity	**73,873.72**	74,083.09
Capital and net debt	**1,63,446.16**	1,68,820.39
Gearing ratio	**54.80%**	56.12%

44. Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped or reclassified to confirm to Ind AS presentation requirements.

The accompanying notes are integral part of the financial statements

"As per our report of even date attached"
For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm Registration Number: 102511W

ON BEHALF OF THE BOARD OF DIRECTORS

HARISH B PATEL
Partner
Membership Number: 014427

SHIV KUMAR JATIA
Chairman & Managing Director
DIN: 00006187

DR. LALIT BHASIN
Director & Chairman of
Audit Committee
DIN: 00001607

PRAKASH SHARMA
Vice President- Finance
(Chief Financial Officer)

DINESH KUMAR JAIN
Vice President-Corporate Affairs &
Company Secretary
M. No.: FCS 6224

Place: New Delhi
Dated: 28th May, 2018

FORM AOC-1

{Pursuant to first proviso to sub-section (3) of Sectiion 129 read with Rules 5 of Companies (Accounts) Rules, 2014

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

Name of Subsidiary	**Fineline Hospitality & Consultancy Pte Ltd**		**Lexon Hotel Ventures Limited**		**Leading Hotels Limited**
Date since acquired	**18.10.2010**		**29.01.2013**		**29.01.2013**
	INR in Lakhs	USD in Lakhs	INR in Lakhs	USD in Lakhs	INR in Lakhs
1. Reporting Period	31st March, 2018		31st March, 2018		31st March, 2018
2. Share Capital	67,964.10	1,044.89	1.07	0.02	2,087.69
3. Other Equity	(2,964.34)	(45.57)	12,594.73	193.63	7,756.23
4. Total Assets	65,045.82	1,000.03	13,410.11	206.17	36,207.96
5. Total Liabilities	46.06	0.71	814.30	12.52	26,364.04
6. Investments	65,044.10	1,000.00	13,335.77	205.03	0.00
7. Turnover	0.00	0.00	0.00	0.00	0.00
8. Profit / (Loss) before taxation	(5.21)	(0.08)	(74.87)	(1.16)	(84.43)
9. Provision for taxation	0.00	0.00	0.00	0.00	0.00
10 Profit / (Loss) after taxation	(5.21)	(0.08)	(74.87)	(1.16)	(84.43)
11. Total Comprehensive Income		(0.08)		(1.16)	(82.57)
12. Proposed Dividend	-	-	-	-	-
13. % of shareholdings	100.00		80.00		79.81

Notes:

i) Converted into Indian Rupees at the closing exchage rate USD 1 = INR 65.0441 and average rate USD 1 = INR 64.4474

ii) These Financial statements of Subsidiaries (other than Leading Hotels Limited) have not been been audited by the auditors of the Company, i.e, Dhirubhai Shah & Doshi. The same have been audited by other auditors.

iii) Leading Hotels Limited is developing an all villa hotel complex, including an 18 hole golf course at Goa and has yet to commence operation.

iv) The Company has not divested its interest in any subsidiary during the year under review.

ON BEHALF OF THE BOARD OF DIRECTORS

SHIV KUMAR JATIA
Chairman & Managing Director
DIN: 00006187

DR. LALIT BHASIN
Director & Chairman of
Audit Committee
DIN: 00001607

PRAKASH SHARMA
Vice President- Finance
(Chief Financial Officer)

DINESH KUMAR JAIN
Vice President-Corporate Affairs
& Company Secretary
Membership Number: FCS 6224

Place: New Delhi
Dated: 28th May, 2018