IHCL

THE FUTURE CHECKS IN

THE INDIAN HOTELS COMPANY LIMITED

A TATA Enterprise

Subsidiaries Accounts 2017-2018

Paving the way for a bright future

Our achievements of FY 2017-18

RISING EFFICIENCY

NET PROFIT (₹ CRORES)

101

↑129%

on a like-to-like basis

EBITDA MARGIN (%)

18

versus 16% in FY17

OFFSETTING LOWER REVENUE GROWTH

TOTAL REVENUE (₹ CRORES)

4,165

↑4%

on a like-to-like basis

BENEFITTING FROM AN OMNI-CHANNEL REACH

> Brand website and a centralised call centre are the fastest growing channels with the highest average rates in FY 2017-18

> Revenue booked through mobile devices more than doubled over the last year

> 95% response rate achieved on social media channels through the Taj.Live command centre initiative

STRENGTHENING BALANCE SHEET

NET DEBT/ EQUITY (TIMES)

0.45

versus 1.25 times in FY17

RAISING CAPITAL (₹ CRORES)

1,500

via Rights Issue

LOWERING COST OF DEBT (%)

7

from 7.7% in FY17

CONTENTS

DOMESTIC

INTERNATIONAL

BENARES HOTELS LIMITED

Directors and Corporate Information

Board of Directors:
DR. ANANT NARAIN SINGH
(Chairman)
PUNEET CHHATWAL
SHRIRAMAN (Resigned w.e.f. June 19, 2018)
RUKMANI DEVI
MOIZ MIYAJIWALA
ROHIT KHOSLA

Company Secretary
Vanika Mahajan

Auditors
PKF Sridhar & santhanam,LLP
Charted Accountants

Registered Office
Nadesar Palace Compound,
Varanasi – 221 002
Phone: 0542-6660001
CIN – L55101UP1971PLC003480
Website: www.benarashotelslimited.com

Registrar and Share Transfer Agent
The Indian Hotels Company Limited
Mandlik House, Mandlik Road
Mumbai – 400 001
Phone: 022-66651369
Fax: 022-22027442
Email: Investorrelations@tajhotels.com

Board's Report

To the Members

The Directors hereby present the Forty Seventh Annual Report of the Company together with the Financial Statement (Audited Statements of Account) for the year ended 31st March, 2018.

Operating and Financial Results

₹ Lakhs

	2017-18	2016-17
	4827.52	5113.62
Income	**4827.52**	5113.62
Gross Profit for the year	**1214.49**	1538.19
Less: Depreciation	**417.31**	464.85
Less: Interest	**12.32**	-
Profit before tax	**784.85**	1073.34
Less: Provision for Tax		
Current Tax	**301.30**	491.77
Deferred Tax	**(157.00)**	(100.12)
Provision of tax of earlier years (Net)	**(7.74)**	-
Profits after Taxes	**648.29**	681.69
Add: Other Comprehensive Income (Net of Taxes)	**1.07**	(16.61)
Total Comprehensive Income	**649.36**	665.08
Add: Balance brought forward from previous year	**3818.17**	3466.03
Balance available for appropriations	**4467.54**	4131.11
Less: Dividend Paid	**195.00**	260.00
Less: Tax on Dividend	**39.70**	52.93
Less: Amount transferred to General Reserve	**-**	-
Balance Carried forward	**4232.84**	3818.17

OPERATIONS

During the year, the Revenue from Operations dropped by 4.3% as compared to previous year as 55 rooms at The Gateway Hotel, Varanasi were not available due to renovation for part of the year. F&B revenues were almost at par with previous year, though the room revenues decreased by 6% as compared with previous year.

While Nadesar Palace has improved its performance, owing to decrease in Room revenue at The Gateway Hotel, Varanasi and the margins coming under pressure in The Gateway Hotel, Gondia coupled with the drop in Interest income on account of utilization of funds for the renovation projects of Rooms and construction of new banquet hall, the Gross Operating Profit (EBIDTA) for the year was at ₹ 1214.49 Lakh as against ₹ 1538.19 Lakhs in the previous year.

Accelerated depreciation amounting to ₹ 118.90 Lakhs (PY ₹ 187.04 lakhs) in accordance with provisions of schedule II of the Companies Act, 2013 have been charged during the year. Consequently, the profit before tax was at ₹ 784.85 lakh, i.e. 26.88% lower than previous year.

A new banquet hall at The Gateway Hotel, Varanasi has been commissioned and renovation of 55 rooms has also been completed which would help the Company to improve its performance in the coming years.

DIVIDEND

Keeping in view of the performance of the Company, your Directors recommend the payment of dividend @ 150 % (previous year dividend @ 150%) per equity share involving distribution of ₹ 195 lakhs.

PARTICULARS OF EMPLOYEES

The Company had no employees during the year who were in receipt of remuneration aggregating to:

Not less than ₹ 102.00 lakhs for the year, if employed throughout the financial year,

or

Not less than ₹ 8.50 lakhs per month, if employed for part of the financial year.

DIRECTORS

During the year under report, the office of Mr. B.L. Passi, Director fell vacant w.e.f. July 21, 2017, pursuant to Section 167 of the Companies Act, 2013 and Mr. Rakesh Sarna, Director resigned from the Directorship of the Company with effect from September 30, 2017. The Directors place on record their appreciation of the services rendered by Mr. Passi and Mr. Sarna during their tenure as Director of the Company.

In accordance with Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 (SEBI Listing Regulation), Mr. Giridhar Sanjeevi (DIN: 06648008) and Mr. Puneet Chhatwal (DIN: 07624616) were appointed as Additional Directors of the Company with effect from January 25, 2018 and May 10, 2018 respectively on the recommendation of the Nomination & Remuneration Committee. Mr. Giridhar Sanjeevi has since resigned as a Director w.e.f. May 16, 2018 from the Directorship of the Company.

In terms of Section 161 of the Companies Act, 2013 and Article 122 of the Articles of Association of the Company, Mr. Puneet Chhatwal holds office up to the date of the Annual General Meeting of the Company. It is proposed to appoint Mr. Chhatwal as a Director of the Company at the ensuing Annual General Meeting. The Board of Directors commends the appointment of Mr. Chhatwal as a Director of the Company.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Anant Narain Singh (DIN 00114728) Director of the Company is liable to retire by rotation and being eligible seeks reappointment.

KEY MANAGERIAL PERSONNEL

During the year under report, Mr. Ravi Sharma, Chief Financial Officer (CFO) resigned w.e.f. July 16, 2017. He was replaced by Mr. Sopan Kedia as CFO of the Company w.e.f. July 24, 2017. Mr. Ashwani Anand, Chief Executive Officer (CEO) resigned w.e.f. May 3, 2018. He was replaced by Mr. Vijay Partap Shrikent as CEO of the Company w.e.f. May 10, 2018.

In terms of Section 203 of Companies Act, 2013, your Company has Mr. Vijay Partap Shrikent as the Chief Executive Officer (CEO), Mr. Sopan Kedia as the Chief Financial Officer (CFO) and Ms. Vanika Mahajan as the Company Secretary of the Company, as the Key Managerial Personnel of the Company.

INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure 1.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

HOLDING COMPANY

The Indian Hotels Company Limited (IHCL) is the Ultimate Holding Company of the Company.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

The Company held 4 (four) Board Meetings during the financial year under report.

AUDIT COMMITTEE AND VIGIL MECHANISM

In terms of Section 177 of the Companies Act, 2013, your Company has an Audit Committee with Mr. Shriraman, Mr. Moiz Miyajiwala, Mrs. Rukmani Devi and Mr. Rohit Khosla as its members. During the year under report, Mr. B.L. Passi and Mr. Giridhar Sanjeevi ceased to be the members of the Audit Committee consequent to the vacation of office and resignation from the Directorship of the Company respectively.

Your Company has a policy on Vigil Mechanism/Whistleblower Policy to provide a formal mechanism for the Directors and employees to report genuine concerns about any unethical behavior, actual or suspected fraud or violation of your Company's Code of Conduct or ethic's policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee. The provisions of the policy are in line with the provisions of Section 177(9) of the Act and Regulation 22 of the SEBI listing Regulations. The Whistle Blower Policy can be accessed on your Company's website www.benareshotelslimited.com.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013 (the Act), your Company has the Corporate Social Responsibility Committee (CSR) Committee of the Board with Dr. Anant Narain Singh, Mrs. Rukmani Devi and Mr. Rohit Khosla as the members of the Committee. The brief outline of the CSR Policy of your Company and the initiatives undertaken by your Company on CSR activities during the year are set out in "Annexure – 2'' of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of your Company www.benareshotelslimited.com.

NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178(1) of the Companies Act, 2013 (the Act), the Company has a Nomination and Remuneration Committee (NRC) of the Board with Dr. Anant Narain Singh, Mrs. Rukmani Devi and Mr. Shriraman as the members of the Committee. Mr. Giridhar Sanjeevi ceased to be a member of the Nomination & Remuneration Committee consequent to the resignation from the Directorship of the Company. The Committee met four times during the year on 8th May, 2017, 24th July, 2017, 25th January, 2018 and 28th March, 2018.

In terms of the requirement of section 178(3) and SEBI Listing Regulations, the Company has a policy relating to the remuneration for the directors, KMPs and other senior employees. The key features of the said policy are:

- Overall remuneration (sitting fees and Commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company;
- Overall remuneration practices should be consistent with recognized best practices
- Within the parameters prescribed under the law, the payment of sitting fees and commission will be recommended by NRC and approved by the Board.
- The aggregate commission payable to the Directors will be recommended by NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

- The quantum of commission for each director shall be recommended by NRC to the Board based upon the outcome of the evaluation process drive by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by the Directors other than in meetings.

INTERNAL COMPLAINTS COMMITTEE

The Company has an 'Internal Complaints Committee' under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the prevention and redressal of complaints of sexual harassment and for the matters concerned, connected or incidental thereto. No case was reported during the year under review.

DECLARATION BY INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Companies Act, 2013 (the Act), the Independent Directors have given a declaration that they meet the criteria of independence as per Section 149(6) of the Act.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In addition to the Corporate Governance Guidelines discussed and adopted by the Board which, inter alia, included the role, rights and responsibilities of independent directors, the Company has an appropriate ongoing familiarization programme, with respect to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of the familiarization programme are disclosed on the Company's website www.benareshotelslimited.com.

LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186

The Company has not given any loans or guarantees nor has made any investments under Section 186 of the Act during the year under review.

BORROWINGS

During the year under report, the Company has borrowed a sum of ₹ 500.00 Lakhs as a short term Inter Corporate Deposit from a body corporate.

SECRETARIAL AUDIT REPORT

In terms of Section 204(1) of the Companies Act, 2013, M/s A K Bhayana & Associates, Company Secretaries, were appointed by the Company as the Secretarial Auditor. The secretarial audit report as obtained from them is attached to this Report as Annexure 3. The report does not contain any qualifications, reservation or adverse remarks.

ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules 2014 is furnished in Annexure 4 to this Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year under report were at arm's length basis and in the ordinary course of business.

The Company has developed a Related Party Transactions Framework under the Policy on Related Party Transactions, which policy is also available at Company's website www.benareshotelslimited.com, for the purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all the related party transactions is placed before the Audit Committee for its approval on a quarterly basis.

Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the company and its promoters, Directors, Management and/or relatives save and except that the transaction with The Indian Hotels Co. Ltd., the ultimate holding company during the year exceeded 10% of the annual gross turnover of the Company for the previous year, the approval for which was taken from the shareholders by way of a special resolution at the AGM held on August 21, 2015.

CORPORATE GOVERNANCE

As required by SEBI Listing Regulations, the report for the year 2017-18 on Management Discussion and Analysis, Corporate Governance as well as the Auditors' Certificate regarding compliance of conditions of Corporate Governance, forms part of the Annual Report.

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

RISK MANAGEMENT POLICY

Your Company has a Risk Management Policy, pursuant to the provisions of Section 134 of the Act, to identify and evaluate business risks and opportunities for mitigation of the same on a continual basis. This framework seeks to create transparency, minimize adverse impact on business objective and enhance your Company's competitive advantage. The risk management framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

The Key business risks identified by the Company and its mitigation plans are as under:

Strategy Risks: Risk of erosion of market dominance by losing market share, which originates from the choices we make on markets, resources and delivery models that can potentially impact our competitive advantage in the medium and long term. Loss of F&B attractiveness on account of pricing/design/competition.

Industry and Economic Risks: High dependence on US, Europe and East Asian markets for foreign tourists arrival. The economic situation in these parts of the world has a potential impact on the entire tourism industry. Risks arising from the development in the regulatory environment that could impact the Hotel/Tourism Industry. Risks due to geographic concentration of business, primarily in the city of Varanasi.

Operational Risks: High dependence on several technology platforms & systems to operate business – both Internal & External. Cost overruns/delays in completion of projects. Loss of critical/sensitive data due to leakage/loss/hacking. Increase in fixed cost elements beyond entity control. Highly litigious nature of the industry/adverse consequences of litigation against the company. non-renewal of key licenses and NOCs.

Safety and Security Risks: Risks arising from factors such as Fire, Accidents, Electricity mishaps, etc. Business interruption on account of natural calamities/ act of God/riots & strikes/political instability and terrorism.

Resources: Risks arising from sub-optimal succession planning and retention of talent pool. Inappropriate utilization of financial capital, talent and infrastructure.

KEY RISK MANAGEMENT PRACTICES

Risk Identification and Impact Assessment: Risk assessment enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures and included in the risk register. Apart from risk register, internal audit findings also provide input for risk identification and assessment, which is carried out on an annual basis across all functions.

Operational risks are assessed primarily on three dimensions, namely strength of underlying controls, compliance to policies and business procedure effectiveness.

Risk reporting and Disclosure: Risks to the achievement of key business objectives, trend line of risk level, impact and mitigation actions are reported risk level, impact and mitigation action are reported and discussed. The escalation of risk information is timely, accurate and gives complete coverage of the key risks to support management decision making at all levels.

Risk Mitigation and Monitoring: Each Manager creates a risk mitigation plan by employing an effective system of internal controls & checks and balances to mitigate the risks in the most effective manner, including designating responsibilities and providing for upward and onward communication of any significant issues that may merit attention or escalation. All employees actively engage in risk management within their own areas of responsibility.

Integration with Strategy and Business Planning: Identified risks to the business objectives in the near term, medium term and long term are used as one of the key inputs for the development of strategy and annual business plan. Key strategic initiatives are identified to mitigate specific risk.

STATUTORY AUDITORS

PKF Sridhar & Santhanam LLP, Chartered Accountants (Registration No. 003990S/S200018), the Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting. The report of the Statutory Auditors along with the Notes to Schedules is enclosed to this Report and does not contain any qualification, reservation or adverse remark or disclaimer.

The Board has recommended the appointment of PKF Sridhar & Santhanam LLP, Chartered Accountants (Registration No. 003990S/S200018), as the Statutory Auditors

of the Company, for a term of five consecutive years, from the conclusion of this AGM till the conclusion of the 52nd AGM of the Company to be held in the year 2023, for approval of the Members.

CONSERVATION OF ENERGY

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. The Company has implemented following energy conservation initiatives at the hotel:

Replacement of old chiller plants with energy saving advance chiller plants including pumps & cooling towers

Replacement of cold rooms in kitchen, which are energy efficient.

Installation of FCU and LED lights in renovated rooms with higher efficiency.

Installation of LED lights in back office area in place of CFL

TECHNOLOGY ABSORPTION

The activities of the Company do not involve the absorption of technology as envisaged to be furnished pursuant to The Companies (Accounts) Rules, 2014.

FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of the provisions of Section 134(3)(f)(m) of the Companies Act, 2013, read with Rule 8(3)(C) of The Companies (Accounts) Rules, 2014, the foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows is furnished below:-

a) Value of Imports

	31-Mar-18	31-Mar-17
	₹ Lakhs	₹ Lakhs
Stores, Supplies and Spare Parts for Machinery	**8.04**	6.39
Value of Imports (CIF) Capital Imports	**240.07**	35.92
b) Expenditure in Foreign Currency		
Professional and Consultancy Fees	**11.73**	16.24
Other Expenditure in Foreign Currency	**22.48**	48.98
c) Earnings in Foreign Exchange		
Earnings in Foreign Exchange	**726.57**	999.27

DIRECTORS' EVALUATION

The Board of Directors has made the annual evaluation of its own performance and that of its committees and individual directors based on the review conducted by the Nomination & Remuneration Committee by assessing the questionnaires furnished by the directors/members of various committees in respect of their self-assessment as well as the assessment of the Board/Committees followed by the discussions with the directors/members of the Committees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial control and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditor and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability, confirms that:

a). In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b). The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that period;

c). The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d). The Directors have prepared the annual accounts on a going concern basis;

e). The Directors have laid down internal financial controls to be followed by Company and that such internal financial controls are adequate and were operating effectively; and

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

ACKNOWLEDGEMENTS

The Board desires to place on record its appreciation of the services rendered by the employees of the Company during the year under review.

On behalf of the Board of Directors

Dr. Anant Narain Singh
Chairman

Place: New Delhi
Date: 25th May, 2018

Annexure 1

Information under 197 of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars of Disclosures	
The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2017-18.	1. Dr. A. N. Singh 5.2 : 1 2. Mr. Rakesh Sarna N.A. 3. Mr. Shriraman 3.6 : 1 4. Mrs. Rukmani Devi 3.9 : 1 5. Mr. B. L. Passi 0.6 : 1 6. Mr. Rohit Khosla N.A. 7. Mr. Moiz Miyajiwala 0.8: 1 8. Mr. Giridhar Sanjeevi N.A 9. Mr. D. R. Kaarthikeyan. 0.8:1 10 Mr. Puneet Chhatwal N.A.
The percentage increase/ (decrease) in remuneration of each Director*, Chief Financial Officer etc. in the financial year *Directors are entitled to get Commission on the net profit of the Company and the sitting fee for attending the Board / Committee Meetings.	1. Dr. A. N. Singh (22)% 2. Mr. Rakesh Sarna N.A. 3. Mr. Shriraman (3)% 4. Mrs. Rukmani Devi (3)% 5. Mr. Rohit Khosla N.A. 6. Mr. Moiz Miyajiwala N.A. 7. Mr. B. L. Passi (56)% 8. Mr. D.R. Karthikeyan (56)% 9. Mr. Giridhar Sanjeevi N.A. 10 Mr. Puneet Chhatwal N.A. 11. Mr. Ashwani Anand (CEO) 15.9% 12. Mr. Sopan Kedia (CFO) NA 13. Mr. Ravi Sharma (CFO) NA 14. Ms. Vanika Mahajan (CS) 24.1%
The percentage increase in the median remuneration of employees in the financial year	3.3%
The number of permanent employees on the rolls of company for the year 2017-18	162
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in the remuneration of KMP is 2.0%. while the average percentile increase in the salaries of employees other than KMP is 4.75%

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Place : Mumbai
Date : 10th May, 2018

Dr. Anant Narain Singh
Chairman

Annexure 2

Annual Report on Corporate Social Responsibility Activities

[Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A Brief Outline of the Policy

The CSR policy of the Company is aimed to improving the quality of the life of the communities served by us through long term stakeholder value creation. In line with the CSR policy of the Company, the CSR activities/programmes were undertaken in line with and as specified in Schedule VII of the Act to serve and be seen to serve society and community and create and significant and sustained impact in their lives and provide opportunities for Tata employees to contribute to these efforts through volunteering.

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of Directors is available on the Company's website www.benareshotelslimited.com

2. Composition of the CSR Committee

i) Chairman: Dr. Anant Narain Singh

ii) Member: Mrs. Rukmani Devi

iii) Member: Mr. Rohit Khosla

3. Average Net Profit of the Company for the last three Financial Years: - ₹ 1,272.04 Lakhs

4. Prescribed CSR Expenditure: - ₹ 25.44 Lakhs

5. Details of CSR spent during the Financial Year 2017-18: ₹ 28.78 Lakhs

A) Manner in which the amount spent during the year is detailed below:-

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes	Amount Outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs (₹ Lakhs)	Cumulative expenditure up to 31st March, 2017 (₹ Lakhs)	Amount spent: Direct or through implementing agency
1	Hospitality skill centre set-up cost at Varanasi and food production lab set-up-Training in F&B service, production and Housekeeping trades	Livelhood	Varanasi	6	18.39	18.39	Tata Strive
2	Livelihood Entrepreneurship (HWA partnership program)- handloom weaving and training	Livelihood	Varanasi	11	6.10	6.10	Human Welfare Association (NGO)
3	Traditional Arts and Crafts (OKHAI partnership)- providing marketing assistance through online collaterals and designs for selling weavers sarees on OKHAI website and supporting weavers' livelihood	Livelihood	Varanasi	5.00	-	-	OKHAI
4	Expenditure for cleanliness program at Varanasi Ganga ghats and providing clean drinking water	Responsible Neighbourhood	Varanasi	5.00	4.28	4.28	Direct
	Total			27.00	28.78	28.78	

7. The CSR Committee Responsibility Statement.

The activities of the Company are in compliance with the CSR objectives and CSR policy of the Company

On behalf of the Board of Directors

Rukmani Devi	**Dr. Anant Narain Singh**
Director	Chairman, CSR Committee
(DIN: 00552831)	(DIN: 00114728)

Place : Mumbai
Date : May 10, 2018

Annexure 3 Secretarial Audit Report

The Members,

Benares Hotels Ltd.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BENARES HOTELS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the Company 's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

The Companies Act, 2013 (the Act) and the rules made there-under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d. The SEBI(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e. The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The SEBI (Delisting of Equity Shares) Regulations, 2009; and

h. The SEBI (Buyback of Securities) Regulations, 1998;

i. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and as amended from time to time.

vi. And other applicable laws like Factories Act, 1948, The Payment of Gratuity Act, 1972 and other Labour Laws.

vii. And all other laws applicable to Hospitality and Hotel industry and in particular Food and Beverages, the list of which was provided by the Company.

viii. And all direct tax and indirect tax laws including excise, customs and service tax.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with respective Stock Exchanges.

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

We further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the laws applicable to the Company.

The Company has complied with section 135 of the Companies Act, 2013 read with schedule VII, by constituting a CSR committee and undertaking activities as given in CSR policy. The CSR systems and process of evaluation is in place.

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

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

Majority decision is carried through and recorded as part of the minutes.

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

A K Bhayana & Associates
Company Secretaries

Anil Kumar Bhayana
Prop.
Membership No. FCS1585
CP 624

Date: 10/05/2018 Place: New Delhi

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

The Members,

Benares Hotels Limited.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. We have obtained the Management Representation about the compliance of laws, rules and regulations and other applicable laws.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

A K Bhayana & Associates
Company Secretaries,

Anil Kumar Bhayana
Prop.
Membership No.FCS No. 1585
CP No. 624

Date : 10/05/2018 Place: New Delhi.

Annexure 4

Form No. MGT-9

Extract of Annual Return

(As on the financial year ended on 31/03/2018)
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L55101UP1971PLC003480
ii)	Registration Date	:	03/11/1971
iii)	Name of the Company	:	Benares Hotels Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares/Indian Non-Government Company
v)	Address of the Registered office and contact details	:	Nadesar Palace Compound, Varanasi 221 002 Phone: 0542 6660001
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	The Indian Hotels Co. Ltd. Registrar & Share Transfer Agent Unit: Benares Hotels Limited Mandlik House, Mandlik Road, Mumbai 400 001 e-mail id: investorrelations@tajhotels.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Hoteliering	55101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASOCIATE	% of shares Held	Applicable Section
1	The Indian Hotels Company Limited	L74999MH1902PLC000183	Ultimate Holding	53.70 (together with its subsidiaries)	2 (87)(ii)

IV. SHARE HOLDING PATERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	61487	22550	84037	6.46	61487	22550	84037	6.46	No Change
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	729138		729138	56.09	729138		729138	56.09	No Change
e) Banks/FI									
f) Any Other				0.00				0.00	
Sub-total (A)(1) :-	790625	22550	813175	62.55	790625	22550	813175	62.55	No Change
(2) Foreign									
a) NRIs- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any Other									
Sub-total (A)(2) :-	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Total Shareholding of Promoter (A) = (A)(1) +(A)(2)	790625	22550	813175	62.55	790625	22550	813175	62.55	No Change
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds									
b) Banks/Fi									
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
Sub-total (B)(1) :-									
(2) Non Institutions									
a) Bodies Corp.									
(i) Indian	20099	815	20914	1.61	19394	790	20184	1.55	0.06
(ii) Overseas									
b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	252311	81041	333352	25.64	241210	59159	300369	23.11	(2.54)
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	74092	20000	94092	7.24	90936	20000	110936	8.53	1.29
c) Others									
(i) Trusts	-	-	-		-	-	-		
(ii) Directors & their Relatives	1106	9000	10106	0.78	1871	8200	10071	0.77	0.01
(iii) Non Resident Indians	3258	-	3258	0.25	3538	-	3538	0.27	0.02
(iv) Clearing Members	679	-	679	0.05	117	-	117	0.01	0.04
(v) HUF	24424	-	24424	1.88	23890	-	23890	1.84	0.04
(vi) IEPF	0	0	0	0.00	17780	-	17720	1.36	1.36
Sub-total (B)(2) :-	375969	110856	486825	37.45	398676	88149	486825	37.45	
Total Public Shareholding (B) = (B)(1) + (B)(2)	375969	110856	486825	37.45	398676	88149	486825	37.45	
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A) + (B) + (C)	1166594	133406	1300000	100.00	1189301	110699	1300000	100.00	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change In share Holding during The year
1	Tifco Holdings Limited*	350825	26.99	-	350825	26.99	-	-
2	The Indian Hotels Company Limited	293000	22.54	-	293000	22.54	-	-
3	Piem Hotels Limited	54063	4.16	-	54063	4.16	-	-
4	All India Kashiraj Trust	30000	2.31	-	30000	2.31	-	-
5	Imlak Varanasi Developments Private Limited	1050	0.08	-	1050	0.08	-	-
6	Northern India Hotels Limited	150	0.01	-	150	0.01	-	-
7	Oriental Hotels Limited	50	-	-	50	-	-	-
8	Anant Narain Singh	24000	1.85	-	24000	1.85	-	-
9	M. K. Krishna Priya	17550	1.35	-	17550	1.35	-	-
10	M K Vishnupriya	13000	1.00	-	13000	1.00	-	-
11	Maharaj Kumari Hari Priya**	12450	0.96	-	12450	0.96	-	-
12	Anamika Kunwar	6937	0.53	-	6937	0.53	-	-
13	Maharaj Kumari Har Priya**	5100	0.39	-	5100	0.39	-	-
14	Mahraj Kumari Vishnupriya**	5000	0.38	-	5000	0.38	-	-
	TOTAL	813175	62.55		813175	62.55		

* Tifco Holdings Limited has been amalgamated with The Indian Hotels Company Limited vide NCLT order dated March 8, 2018 with appointed date April 1, 2017 and effective date April 11, 2018.

** Shares held in physical form and not yet dematerialized. The Company has notified these promoters the requirement of getting their shares dematerialized in terms of Regulation 31(2) of SEBI (LODR) Regulations, 2015. The shares, however, are not yet dematerialized despite follow up with them by the COmpany.

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year				

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

Sr. No.	Name	No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year(01-04-17 to 31-03-18)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Brij Raj Singh of Kishangarh	20,000	1.54	01 April 2017				
		20,000	1.54	31 March 2018	0		20,000	1.54
2	Vinodchandra Mansukhlal Parekh	19,252	1.48	01 April 2017				
		19,252	1.48	31 March 2018	0		19,252	1.48
3	Arjun Ramani	18,798	1.45	01 April 2017				
		18,798	1.45	31 March 2018	0		18,798	1.45
4	Raghubirsingh R Gohil	23,802	1.83	01 April 2017				
				24 November 2017	-1,870	Sale	21932	1.69
				16 March 2018	-5,836	Sale	16096	1.24
				23 March 2017	-21	Sale	16075	1.24
		15,960	1.23	31 March 2018	-115	Sale	15960	1.23
5	Dinesh Muktilal Paldiwal	12,440	0.96	01 April 2017				0.00
				07 April 2017	54	Purchase	12494	0.96
				02 June 2017	37	Purchase	12531	0.96
				21 July 2017	10	Purchase	12541	0.96
				27 July 2017	37	Purchase	12578	0.97
				04 August 2017	39	Purchase	12617	0.97
				18 August 2017	69	Purchase	12686	0.98
				25 August 2017	67	Purchase	12753	0.98
				01 September 2017	22	Purchase	12775	0.98
				15 September 2017	5	Purchase	12780	0.98
				22 September 2017	147	Purchase	12927	0.99
				30 September 2017	76	Purchase	13003	1.00
				13 October 2017	94	Purchase	13097	1.01
				20 October 2017	56	Purchase	13153	1.01
				27 October 2017	11	Purchase	13164	1.01
				03 November 2017	100	Purchase	13264	1.02
				17 November 2017	20	Purchase	13284	1.02
				24 November 2017	378	Purchase	13662	1.05
				01 December 2017	19	Purchase	13681	1.05

Sr. No.	Name	No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year(01-04-17 to 31-03-18)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				15 December 2017	75	Purchase	13756	1.06
				05 January 2018	108	Purchase	13864	1.07
		13,864	1.07	31 March 2018	0		13864	1.07
6	Muktilal Ganulal Paldiwal	9,889	0.76	01 April 2017				0.00
				28 April 2017	94	Purchase	9983	0.77
				05 May 2017	55	Purchase	10038	0.77
				12 May 2017	13	Purchase	10051	0.77
				19 May 2017	375	Purchase	10426	0.80
				26 May 2017	17	Purchase	10443	0.80
				02 June 2017	149	Purchase	10592	0.81
				09 June 2017	50	Purchase	10642	0.82
				30 June 2017	19	Purchase	10661	0.82
				14 July 2017	132	Purchase	10793	0.83
				21 July 2017	68	Purchase	10861	0.84
				04 August 2018	25	Purchase	10886	0.84
				18 August 2017	25	Purchase	10911	0.84
				01 September 2017	54	Purchase	10965	0.84
				20 October 2017	38	Purchase	11003	0.85
				27 October 2017	47	Purchase	11050	0.85
				17 November 2017	5	Purchase	11055	0.85
				24 November 2017	28	Purchase	11083	0.85
				08 December 2017	50	Purchase	11133	0.86
				15 December 2017	25	Purchase	11158	0.86
				22 December 2017	6	Purchase	11164	0.86
				30 December 2017	175	Purchase	11339	0.87
				05 January 2018	150	Purchase	11489	0.88
				12 January 2018	50	Purchase	11539	0.89
				25 January 2018	72	Purchase	11611	0.89
				09 February 2018	4	Purchase	11615	0.89
				23 February 2018	89	Purchase	11704	0.90
				02 March 2018	11	Purchase	11715	0.90
		11,715	0.90	31 March 2018	0		11715	0.90
7	Arjun Dunichand Ramani	11,391	0.88	01 April 2017				

Sr. No.	Name	No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year(01-04-17 to 31-03-18)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
		11,391	0.88	31 March 2018	0		11,391	0.88
8	Aditya Deorah *	1,100	0.08	01 April 2017				0.00
				16 March 2018	10,247	Purchase	11347	0.87
		11347	0.87	31 March 2018	0		11347	0.87
9	Sharda Ramani	8,650	0.67	01 April 2017				0.00
		8,650	0.67	31 March 2018	0		8,650	0.67
10	Abhay Krishi Udyog Pvt Ltd	7,648	0.59	01 April 2017				0.00
		7,648	0.59	31 March 2018	0		7,648	0.59
11	Jitendra Mansukhlal Parekh	7,141	0.55	01 April 2017				0.00
		7,141	0.55	31 March 2018	0		7,141	0.55

*Not in the list of Top 10 shareholders as on April 1, 2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2018.

Note – During the year 17,220 Equity Shares of FY 2009-10 have been transferred to IEPF Authority in terms of IEPF Rules.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. Anant Narain Singh (Chairman)				
	At the beginning of the year	24000	1.85	24000	1.85
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No Change		No Change	
	At the End of the year	24000	1.85	24000	1.85
2	Mr. Shriraman (Director)				
	At the beginning of the year	4500	0.35	4500	0.35
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			2080 shares transferred on 17/05/2018	
	At the End of the year			2420	0.19

3	Mrs. Rukmani Devi (Director)				
	At the beginning of the year	1106	0.09	1106	0.09
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No Change		No Change	0.02
	At the End of the year	1106	0.09	1106	0.09

V. INDEBTEDNESS

During the year under report, the Company has borrowed a sum of Rs. 5.00 crores as a short term Inter Corporate Deposit from a body corporate.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: Not applicable

B. REMUNERATION TO OTHER DIRECTORS:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
1.	Independent Directors	Mr. Shriraman	Mr. B L Passi*	Mrs. Rukmani Devi	Mr. Moiz Miyajiwala	Mr. D. R. Karthikeyan**	
	• Fee for attending board / committee meetings • Commission @ (for 2015-16) • Others, please specify	3,00,000 7,75,900	- 1,93,200	3,90,000 7,75,400	2,10,000 20,100	- 2,29,500	9,00,000 19,94,100
	Total (1)	10,75,900	1,93,200	11,65,400	2,30,100	2,29,500	28,94,100
2	Other Non-Executive Directors	Dr. A N Singh	Mr. Rakesh Sarna***	Mr. Rohit Khosla	Mr. Giridhar Sanjeevi****	Mr. Puneet Chhatwal*****	
	• Fee for attending board / committee meetings • Commission @ (for 2015-16) • Others, please specify	3,30,000 12,24,800 -	NA	NA	NA	NA	3,30,000 12,24,800 -
	Total (2)	**15,54,800**		-	- -		**15,54,800**
	Total (B)=(1+2)						**44,48,900**
	Total Managerial Remuneration						**44,48,900**
		Overall Ceiling as per the Act 3% of the net profit of the Company excluding sitting fees					

* Vacation of office u/s 167 of Companies Act, 2013 w.e.f. July 21, 2017

** Resigned wef October 20, 2016

*** Resigned w.e.f. September 30, 2017

**** Appointed w.e.f. January 25, 2018 and resigned w.e.f. May 16, 2018

***** Appointed w.e.f. May 10, 2018

@ An amount of ₹ 23.81 Lakhs has been provided in the books of Account towards the commission payable to the Directors for the financial year ended 31st March, 2018 and shall be paid as may be decided by the Board on the recommendation of the Nomination and Remuneration Committee after adoption of accounts by the shareholders at the Annual General Meeting to be held on August 24, 2018.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO Ashwani Anand	Company Secretary Vanika Mahajan	CFO* Ravi Sharma	CFO* Sopan Kedia	Total
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,96,334	7,22,200	3,23,416	10,81,638	56,23,588
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	89,796	1,05,449	14,538	-	2,09,783
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- Others, specify…					
5	Others, (PF, Superannuation, Gratuity)	3,13,629	34,742	11,193	31,121	3,90,685
	Total	38,99,759	8,62,391	3,49,147	11,12,759	62,24,056

* for the part of the year.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for breach of any Section of Companies Act against the Company of its Directors or other officers in default, if any, during the year.

On behalf of the Board of Directors

Dr. Anant Narain Singh
Chairman

Place: Mumbai
Date: May 10, 2018

INDEPENDENT AUDITOR'S REPORT

To the members of

BENARES HOTELS LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

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

Other Matter

The comparative financial information of the Company for the year ended March 31st,2017 prepared in accordance with Ind AS included in this Statement have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 08th May, 2017 expressed an unmodified opinion.

Our report is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:

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

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

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

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

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

      i. The company has disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements at Note No. 27.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2018.

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

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

S. Ramakrishnan
Partner
Membership No. 018967

Place of Signature: Mumbai
Date: 10 May 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of Benares Hotels Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

i) In respect of its fixed assets:

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

b) The Company has a program of verification of fixed assets in a three year period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Fixed assets have been physically verified by the management during the year as per the said program. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

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

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

iii) In respect of loans given:

a) Based on our audit procedures & according to the information and explanation given to us, the Company has granted loan (unsecured) to a party covered in the register maintained under section 189 and the terms and conditions of the grant of such loan are not prejudicial to the Company's interest.

b) For this loan, the schedule of repayment of principal and payment of interest has been stipulated and the receipt of principal amount and interest, where applicable, is regular.

c) There are no amounts overdue for more than 90 days

iv) Based on our audit procedures & according to the information and explanation given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act have been complied with.

v) Based on our audit procedures & according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the provisions of Section 73 of the Act and Rules made thereunder and hence clause (v) is not applicable.

vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

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

a) The company has generally been regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, service-tax, goods & service tax duty of customs, value added tax, luxury tax and cess with the appropriate authorities during the year and that there are no disputed amounts in respect of these dues which have remained outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.

b) Dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax/ goods and service tax, which have not been deposited on account of any dispute, are stated in the table below:

Name of the statute	Period	Amount (in INR Lakhs)	Forum where the dispute is pending
Income Tax Act, 1961	FY 2012-13	0.98*	CIT- Appeals (Varanasi)
Income Tax Act, 1961	FY 2014-15	58.24*	CIT- Appeals (Varanasi)
Service Tax (Finance Act, 1994)	FY 2012-13 to 2014-15	9.70	Assistant Commissioner, CGST & Central Excise, Audit Circle, Varanasi
Uttar Pradesh Trade Tax Act	FY 2006-07 & FY 2007-08	26.27*	1st Appellate Authority, UP VAT

* net of amounts paid under protest.

viii) Based on our audit procedures and according to the information and explanations given to us, there were no loans or borrowings from financial institutions or government, nor has it issued any debentures during the year. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix) In our opinion and according to the information and explanations given to us, there are no term loans raised or outstanding during the year. The Company did not raise any money by way of public offer. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

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

xi) Based on our audit procedures and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

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

xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any private placement of equity shares during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

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

xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

S. Ramakrishnan
Partner
Membership No. 018967

Place of Signature: Mumbai
Date: 10 May 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of Benares Hotels Limited on the Ind AS financial statements for the year ended March 31, 2018

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

We have audited the internal financial controls over financial reporting of **BENARES HOTELS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

S. Ramakrishnan
Partner
Membership No. 018967

Place of Signature: Mumbai
Date: 10 May 2018

Management Discussion and Analysis

World Economy

The global economic upswing that began around mid-2016 has become broader and stronger. The advanced economies as a group will continue to expand above their potential growth rates this year and next before decelerating, while growth in emerging market and developing economies will rise before levelling off. For most countries, current favorable growth rates will not last. Policymakers should seize this opportunity to bolster growth, make it more durable, and equip their governments better to counter the next downturn.

Global growth seems on track to reach 3.9 percent this year and next. Helping to drive this output acceleration is faster growth in the euro area, Japan, China, and the United States, all of which grew above expectations last year, along with some recovery in commodity exporters. Along with China, several other emerging market and developing economies will also do better this year.(Source: World Economic Outlook, IMF, April, 2018)

The upswing in global investment and trade continued in the second half of 2017. At 3.8 percent, global growth in 2017 was the fastest since 2011. With financial conditions still supportive, global growth is expected to tick up to a 3.9 percent rate in both 2018 and 2019.

Indian Economic and Hospitality Scenario

As per both IMF and World Bank reports, India's overall outlook after two sub-par years, impacted by demonetisation and rollout of the Goods and Services Tax (GST), the economy is forecast to grow at a respectable rate of 7.5% p.a. in FY 2018/19.

The introduction of GST, Jan Dhan Yojana, Aadhaar card and the new Insolvency and Bankruptcy Code are structural reforms that are intended to support economic growth. Higher fuel prices and large non-performing assets (NPAs) in banking sector can however impact the growth rate.

Currently, India is the world's seventh-largest economy at USD 2.2 trillion, sitting between France and Italy. A report by World Economic Forum has projected that by 2050, the Indian economy is expected to be the world's second-largest, behind only China.

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country.

The launch of several branding & marketing initiatives by the Government of India provides a focused impetus to growth India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism. India is expected to move up five spots to be ranked among the top five business travel market globally by 2030, as business travel spending in the country is expected to treble until 2030 from US$ 30 billion in 2015

As per both IMF and World Bank reports, India's overall outlook remains positive. Although growth slowed down marginally for a short duration as a result of disruptions to consumption and business activity from the recent withdrawal of high-denomination banknotes from circulation, but the nation's expansion was expected to pick up again as economic reforms kick in. While the growth forecasts were revised down to be just around 7% for 2016-17, it has been assessed at 7.2% and 7.6% for 2017-18 by the IMF and World Bank respectively.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

Electronic tourist authorisations, known as E – Tourist Visa, launched by the Government of India have resulted in increase in number of tourist visa issued in the country, with arrivals through e-visa increasing 57.2 per cent to 1.697 million during CY 2017. During CY 2018 (up to February) arrivals through e-visa increased 60.7 per cent year-on-year to 5,16,000.

In the coming year, Varanasi being the Prime Minister's constituency is expected to receive greater attention in terms of infrastructure, industries and connectivity with major cities in India. The government has also proposed to set up a coordination committee for the integrated promotion of tourism and culture in Varanasi, in order to fully utilize the opportunity of spiritual and religious tourism along the holy river Ganga.

Financial Performance

During the year 2017-18, the total revenues were at ₹ 48.28 Crores as against ₹ 51.13 Crs in 2016-17. The operating expenses (excluding Depreciation) increased from ₹ 35.75 Crs to ₹ 36.13 Crs in the same period while the depreciation decreased from ₹ 4.65 Crores to 4.17 Crores. Resultantly, the Profit before tax registered decrease from ₹ 10.73 Crs in 2016-17 to ₹ 7.85 Crs in 2017-18, whereas Profit after Tax decreased from ₹ 6.82 Crs to ₹ 6.48 Crs. Being a listed company, the Board meetings are held 4 times a year and the results are communicated to the BSE, where the shares are listed.

Internal control systems and their adequacy

Your Company has in place an adequate system of internal controls, with documented procedures covering all functions in the hotel operating units. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies & procedures issued by the Management covering all critical and important activities viz. Revenue Management, Hotel Operations, Purchase, Finance, Human Resources, Safety, etc. These policies & procedures are updated from time to time and compliance is monitored continuously. The Company continues its efforts to align all its processes and controls with global best practices.

Certifications and Awards

Your Company has been participating in the globally recognised 'EarthCheck' benchmarking and certification system. EarthCheck certifications are a result of extensive assessments and audits by Independent Environmental Assessors' - mapping indicators ranging from energy & water consumption, waste management to sensitivity exhibited vis-à-vis social and cultural dimensions in all areas of hotel operations. The Company has been certified EarthCheck 'Gold' for its Gateway Hotel for continuously for the fourth time.

Workforce

Total manpower employed by the company was 305 as on March 31st 2018 at the same level of March 31st 2017.

REPORT ON CORPORATE GOVERNANCE

Philosophy on Corporate Governance

The Company's philosophy envisages the protection and interest enhancement for all the stakeholders, creditors, customers, employees, suppliers and society. The Company continues to maintain steadfast commitment to ethics and code of conduct adhered by the company and endeavors to maximize the Shareholder value while safeguarding and promising the interest of other stakeholders. To meet this objective, complying with legal and regulatory requirements and meeting environmental and local community needs with the highest standards of integrity, transparency and accountability are the integral part of the Corporate Governance Policy.

The Company has complied with the provisions of Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regards to Corporate Governance details of which are as under :

Board of Directors:

1. The Board of Directors comprises Non-Executive Directors, Independent Directors and as well as a Woman Director. Half of the Board of Directors comprises Independent Directors, with the Chairman being a Promoter & Non – executive Director. The Directors possess experience in fields as diverse as hoteliering, finance, management, Agriculture and social service. The experience and wisdom of the Directors, has proved to be of immense assistance to the Company. The details of the Director seeking re-appointment at the ensuing Annual General Meeting has been attached with the notice of the Annual General Meeting. None of the Director is related to each other.

2. "Independent Directors" i.e. Directors who apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which, in the judgment of the Board, may affect the independence of judgement of the Directors, comprise half of the Board. The Board has received the Declaration from all the Independent Directors of the Company under section 149(6) of the Companies Act, 2013 regarding meeting the criteria of independence.

3. During the year under review, the Board of Directors of the Company met four times and the period between any two meetings did not exceed one hundred and twenty days. The dates of the Board Meetings held during each quarter are as follows:

No.	**Date of Meeting**	**For the quarter**
1	May 8, 2017	April to June
2	July 24, 2017	July to September
3	October 27, 2017	October to December
4	January 25, 2018	January to March

As required under SEBI Listing Regulations, all the necessary information was placed before the Board from time to time.

4. The Non-Whole-time Directors of the Company are paid, in addition to commission, sitting fees @ ₹ 30,000/- per meeting for attending meetings of the Board of Directors and various Committee Meetings.

5. None of the Directors of the Board serves as members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per the requirements of SEBI Listing Regulations. "Committees" for this purpose include the Audit Committee and the Stakeholders' Relationship Committee.

6. The details of the above are as follows:-

Board of Directors:

Names	Category	Remuneration paid ₹			No. of outside Directorships		No. of outside Committee positions held		No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 03.08.2017
		Salary & Perks 2017-18	Sitting Fees 2017-18	Commission 2016-17	Indian	Foreign	as Member	As Chairman		
Dr. Anant Narian Singh	Promoter Non-executive	N.A.	3,30,000	12,24,800	5	-	-	-	4	Yes
Mr. Rakesh Sarna*	Promoter Non-executive	N.A.	NA	N.A.	-	-	-	-	2	No

Names	Category	Remuneration paid ₹			No. of outside Directorships		No. of outside Committee positions held		No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 03.08.2017
		Salary & Perks 2017-18	Sitting Fees 2017-18	Commission 2016-17	Indian	Foreign	as Member	As Chairman		
Mr. Shriraman	Independent Non-executive	N.A.	3,00,000	7,75,900	-	-	-	-	3	Yes
Mrs. Rukmani Devi	Independent Non-executive	N.A.	3,90,000	7,75,400	-	-	-	-	4	Yes
Mr. B L Passi**	Independent Non-executive	N.A.	-	1,93,200	-	-	-	-	0	NA
Mr. D.R. Kaarthikeyan***	Independent Non-executive	N.A.	N.A.	2,29,500	-	-	-	-	-	NA
Mr. Rohit Khosla	Promoter Non-executive	N.A.	NA	NA	3	-	-	2	2	Yes
Mr. Moiz Miyajiwala	Independent Non-executive	NA	2,10,000	20,100	3	-	1	1	4	Yes
Mr. Giridhar Sanjeevi$	Promoter Non-executive	NA	NA	NA	6	2	4	1	NA	NA
Mr. Puneet Chhatwal#	Promoter Non-executive	NA	NA	NA	8	1	2	-	NA	NA

* Resigned from the directorship w.e.f. September 30, 2017

** Vacation of office u/s 167 of Companies Act, 2013 w.e.f. July 21, 2017

*** Resigned wef October 20, 2016

$ Appointed as Director w.e.f 25th January, 2018 and resigned on May 16, 2018

Appointed w.e.f. May 10, 2018

NOTE: Traditionally, the Directors are paid commission each year, after the Annual Accounts are approved by the Members at the Annual General Meeting of the Company. A sum of ₹ 23.81 lakhs has been provided as commission to Non – Executive Directors for the year 2017-18.

7. The Company has adopted a Code of Conduct for its Non-Executive Directors and all Non-Executive Directors have affirmed compliance with the said Code. All Senior Management of the Company has affirmed compliance with the Tata Code of Conduct.

8. Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives save and except that the transaction with The Indian Hotels Co. Ltd., the ultimate holding company during the year exceeded 10% of the annual gross turnover of the Company for the previous year, the approval of which was taken from the shareholders by way of a special resolution at the AGM held on August 21, 2015.

Committees of the Board:

The Committees constituted by the Board of Directors of the Company are as under:

1. Audit Committee:

As per Section 177 of the Companies Act, 2013 the Company has an Audit Committee and the Committee has inter alia, the following terms of reference:

i) Reviewing with management the quarterly/annual financial statements before submission to the Board for approval, with particular reference to:-

- Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of clause C of sub section 3 of Section 134 of the Companies Act, 2013
- Any changes in accounting policies and practices and reasons thereof.
- Major accounting entries involving estimates based on exercise of judgment by the Management.
- Qualifications in the draft audit report.
- Significant adjustments made in the financial statements, arising out of audit findings.
- The going concern assumptions
- Compliance with Accounting Standards
- Disclosure on any related party transactions.
- Compliance with Listing and other legal requirements relating to financial statements.

ii) Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems.

iii) Discussion with internal auditors on any significant findings and follow-up thereon.

iv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

v) Discussion with external/statutory auditors before the audit commences, nature and scope of audit, as well as have post-audit discussion to ascertain any area of concern.

vi) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

vii) Review and monitor the auditors independence and performance, and effectiveness of audit process

viii) Examination of the financial statement and auditors' report thereon.

ix) Approval or any subsequent modification of transactions of the company with related parties

x) Scrutiny of Inter corporate loans and investments

xi) Valuation of undertakings or assets of the company, wherever it is necessary

xii) Evaluation of internal financial controls and risk management systems

xiii) Monitoring the end use of funds raised through public offers and related matters

The details of the composition, names of Members of the Audit Committee as well as the number of meetings held and attendance there at during the year are as under:-

NO.	MEMBERS	ATTENDANCE AT AUDIT COMMITTEE MEETINGS HELD ON			
		08.05.2017	24.07.2017	27.10.2017	25.01.2018
1	Mr. B L Passi*	-	NA	NA	NA
2	Mr. Shriraman	✓	-	✓	✓
3	Mr. Rohit Khosla	✓	✓	-	-
4	Mrs. Rukmani Devi	✓	✓	✓	✓
5	Mr. Moiz Miyajiwala (Chairman)	NA	✓	✓	✓
6	Mr. Giridhar Sanjeevi**	NA	NA	NA	NA

* Mr. B.L. Passi ceased to be the Chairman of the Audit Committee consequent to vacation of office u/s 167 of the Companies Act, 2013 w.e.f. July 21, 2017

** Mr. Giridhar Sanjeevi was appointed as a member of the Audit Committee w.e.f. January 25, 2018 and ceased to be a member of the Committee consequent to the resignation from the Directorship of the Company w.e.f. May 16, 2018

Audit Committee meetings are attended by invitation by the VP Finance – Northern Region, Group Internal Audit and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

2. Nomination & Remuneration Committee:

As per Section 178(1) of the Companies Act, 2013 and as per the SEBI Listing Regulations, the Company has a Nomination & Remuneration Committee (NRC) comprising Dr. Anant Narain Singh, Mr. Shriraman, Mr. Giridhar Sanjeevi and Mrs. Rukmani Devi as its members. Mr. Giridhar Sanjeevi ceased to be a member of the Nomination & Remuneration Committee consequent to the resignation from the Directorship of the Company. The Chairman of NRC is elected at every Meeting.

The details of the Committee as well as the number of meetings held and attendance thereat during the year are as under:-

Sr. No.	MEMBERS	ATTENDANCE AT AUDIT COMMITTEE MEETINGS HELD ON			
		08.05.2017	24.07.2017	25.01.2018	28.03.2018
1	Dr. Anant Narain Singh	✓	✓	✓	✓
2	Mr. Shriraman	✓	-	✓	-
3	Mr. Giridhar Sanjeevi	NA	NA	NA	-
4	Mrs. Rukmani Devi	✓	✓	✓	✓

The necessary quorum was present at all the Meetings.

The role of Nomination and Remuneration Committee is as follows

- To identify persons who are qualified to become directors and who are appointed in senior management

- Recommend to the Board the appointment of directors/senior management and their removal

- To carry out the evaluation of every director's performance

- To formulate the criteria for discovering qualification, positive attributes and independence of directors and recommending to the Board the policies relating to remuneration for the directors, KMP and other employees.

Pursuant to Section 178(2) and (3) of the Act, the Company has adopted a Remuneration Policy for Directors, KMPs and other employees based on the recommendations of the Committee which also recommended the criteria for determining qualifications, positive attributes and independence of a director and identified persons who are qualified to become director and who may be appointed in senior management in accordance with the criteria laid down and recommended their appointment and carried out evaluation of every director's performance.

Based on the said policy the Committee had recommended to the Board the payment of commission on the net profit to the directors. The criteria for the remuneration was based on the meetings attended by the directors; contribution at the meetings and the contribution made by them other than in meetings in the ratio of 40%, 40% and 20% respectively.

3. Stakeholders Relationship Committee:

As per Section 178(5), the Company has a Share Transfer & Stakeholders Relationship Committee (SRC) comprising Dr. Anant Narain Singh, Mr. Shriraman and Mr. Rohit Khosla as its members. The scope of the SRC includes the reporting of the status of the shareholders. The brief terms of the reference of the Committee includes resolving grievances of all the shareholders of the Company including complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc. The Committee met twice on May 8, 2017 & January 25, 2018 during the period under review. Dr. Anant Narain Singh, Non-Executive Director, heads the Committee. The Secretary acts as the Compliance Officer to the Committee.

Details of complaints received and resolved during the financial year 2017-18

Share transfers are processed weekly and noted by the SRC. Investor grievances are placed before the SRC. There were no pending investor complaints which remain unresolved. The status of complaints received from shareholders during the year 2017-18 is as under:-

Complaints received	Pending as on March 31, 2018
1	Nil

OTHER COMMITTEES:

4. Corporate Social Responsibility Committee (CSR):

In accordance with the provisions of Section 135 of the Act, the Company has a CSR Committee comprising Dr. Anant Narain Singh - Chairman, Mrs. Rukmani Devi and Mr. Rohit Khosla as its Members. The broad terms of reference of the CSR Committee are as under:

- Formulating and Recommending to the Board, a Corporate Social responsibility Policy which shall indicate the activities to be undertaken by the Company;
- Recommending the amount of expenditure to be incurred on the aforesaid activities;
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time;

During the year, the Committee met twice on May 8, 2017 & January 25, 2018. The necessary quorum was present at all the meetings.

Transfer of unclaimed / unpaid amount to the Investor Educations and Protection Fund:

Pursuant to Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, shares in respect of such dividend which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, vide its Notification dated October 13, 2017 read with the Circular dated October 16, 2017, wherein it was provided that where the period of 7 consecutive years, as above, was completed or being completed during the period from September 7, 2016 to October 31, 2017, the due date of transfer for such shares was October 31, 2017.

In the interest of the shareholders, the Company sends reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/ shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividend and the shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website (https://www.benareshotelslimited.com).

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years. Further shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of the IEPF Authority.

The Company has transferred an amount of ₹ 3,60,945/- to IEPF of the Central Government during the financial year 2017-18.

The Company has also transferred 17,220 Equity Shares of FY 2009-10 to the IEPF Authority.

The members who have a claim on above dividends may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claim shall lie against the Company in respect of the dividends/ shares so transferred.

Given below are the proposed dates for transfer of the unclaimed dividend to the IEPF by the Company:-

Financial Year	Date of declaration of Dividend	Proposed Date of transfer to IEPF*
	10.08.2011	16.09.2018
2010-11	10.08.2011	16.09.2018
2011-12	13.08.2012	19.09.2019
2012-13	16.08.2013	23.09.2020
2013-14	28.08.2014	04.10.2021
2014-15	21.08.2015	27.09.2022
2015-16	12.08.2016	18.09.2023
2016-17	03.08.2017	09.09.2024

* Indicative dates, actual dates may vary

Compliance Officer : **Ms. Vanika Mahajan**
Company Secretary
Benares Hotels Ltd.
Address: Corporate Office, Taj Palace Hotel,
Sardar Patel Marg, New Delhi 110 021
Phone : 011-6650 3704
Fax : 011-2687 6043
E-mail : investorrelations@tajhotels.com

Disclosure regarding Remuneration of Directors & Shares held by them:-

Remuneration to Non-Executive Directors:

The remuneration drawn by the Non-Executive Directors is in the form of commission distributed out of the net profits of the Company subject to a maximum of 3%.The commission payable to Non-Executive Directors is decided by the Board on the recommendation of Nomination & Remuneration Committee and is distributed based on a number of factors, including number of Board and Committee meetings attended, individual contribution thereat etc.

Details of shares of the Company held by the Non-Executive Directors as on March 31, 2018, are as under:

Dr. Anant Narain Singh - 24000

Mr. Shriraman - 2420

Mrs. Rukmani Devi - 1106

Details on General Meetings:

Location, date and time of the General Meetings held in the last 3 years are as under:

Location	**Date**	**Time**	**Special Resolution passed**
Annual General Meetings			
Registered office at Nadesar Palace Compound, Varanasi 221 002	August 3, 2017	3.00 p.m.	-
	August 12, 2016	3.00 p.m.	Approval of payment of commission on Net Profit to Non-Executive Directors
	August 21, 2015	3.00 p.m.	Approval of material related party transactions

The special resolution passed in the Annual General Meeting of the company was passed with requisite majority.

Postal Ballot

The Company did not pass any resolution vide postal ballot during the year.

Means of Communication:

Quarterly, half-yearly and annual results of the Company were published in leading English and vernacular newspapers viz. Financial Express and Hindustan.

The Annual Report containing, inter alia, the Financial Statement (Audited Accounts), Directors Report (Board's Report), Auditors' Report, Secretarial Audit Report and other important information is circulated to the investors. Management Discussion and Analysis and Corporate Governance Report forms part of the Annual Report. The Annual Report is also available on the Company's web site www.benareshotelslimited.com

Disclosures:

The Board of Directors receive, from time to time, disclosures relating to financial and commercial transactions from Key Managerial Personnel of the Company, where they and / or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The details of the Related Party Transactions are placed before and reviewed by the Company's Audit Committee, in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

The Company has complied with the requirements of the Stock Exchanges/ Securities and Exchange Board of India/statutory authorities on all matters relating to capital markets, during the last 3 years.

Pursuant to the provisions of SEBI Listing Regulations regarding CFO Certification, the CFO has issued a certificate to the Board, for the year ended March 31, 2018.

General Shareholder Information

Annual General Meeting

Date and Time : Friday, August 24 at 3.00 p.m.

Venue : Nadesar Palace Compound Varanasi 221 002

Registered Office : Nadesar Palace Compound Varanasi 221 002

Telephone No. : 91- 542 – 666 0001

Facsimile No. : 91- 542- 2503291

Website : www.benareshotelslimited.com

E-mail : investorrelations@tajhotels.com

Financial Calendar

Financial reporting for:

- Quarter ending 30th June, 2018 on or before August 14, 2018
- Quarter ending 30th September, 2018 on or before November 15, 2018
- Quarter ending 31st December, 2018 on or before February 15, 2018
- Quarter ending 31st March, 2019 on or before May 30, 2019

Financial Year 2018-19

Date of Book Closure August 17, 2018 – August 28, 2018 (both days inclusive)

Dividend Payment Date On or after September 5, 2018

Listing on Stock Exchanges

- Equity Shares : BSE Limited

Corporate identification no. (CIN) L55101UP1971PLC003480

ISIN NO.: INE664001019

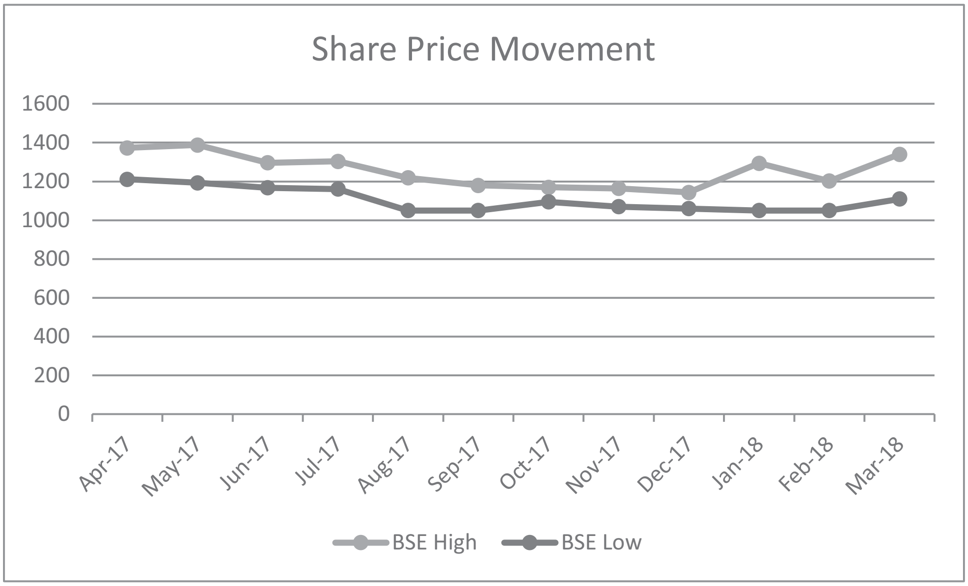
Stock Code: 509438

The Company has paid annual listing fees to BSE Limited in respect of the financial year 2018-19.

Market Price Data:

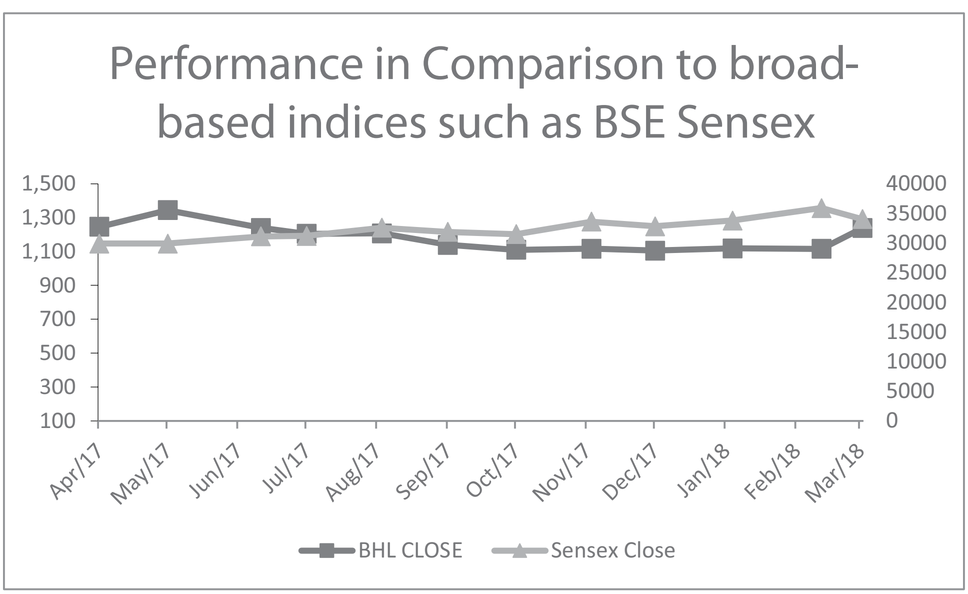
High/Low market price of the Company's shares and performance in comparison to Sensex Indices on BSE Limited, Mumbai during the financial year 2017-18 as furnished below:-

Months	BSE High	BSE Low
	1372.6	1211.05
April 2017	1372.6	1211.05
May 2017	1387.9	1193.05
June 2017	1296	1167.05
July 2017	1303.9	1161
August 2017	1218.4	1050
September 2017	1180	1050
October 2017	1169.75	1095.05
November 2017	1164.4	1070.25
December 2017	1143.6	1060.2
January 2018	1293.8	1050
February 2018	1202	1050
March 2018	1340	1110.05



BHL Distribution of Shareholding as on March 31, 2018

Category of Shareholders	No. of Shares held	% to Paid up capital
	8,13,175	62.55
Promoters	8,13,175	62.55
Directors & their Relatives	10071	0.77
Resident Individuals & HUF		435195
Non-Resident Indians	3538	0.27
Clearing Member	117	0.01
Corporate Bodies	20184	1.55
IEPF	17720	1.36



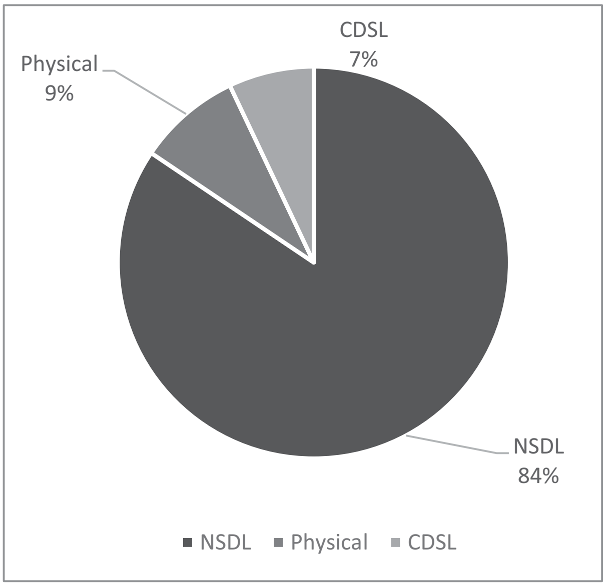
Secretarial Audit

In terms of Section 204 of the Companies Act, 2013 the secretarial audit of the Company for the year 2017-18 has been carried out by the Secretarial Auditor appointed by the Company. The report of the Secretarial Auditor forms part of the Board's Report.

In keeping with the requirement of the SEBI and the Stock Exchanges, a secretarial audit by a practicing Company Secretary is carried out to reconcile the total admitted capital with NDSL and CDSL and the total issued and listed capital. The said audit confirms that the total issued/paid up capital tallies with the total number of shares in physical from and the total number of dematerialized shares held with NSDL and CDSL.

Dematerialization of Shares & Liquidity

As of the end of March 31, 2018, shares comprising approximately 90% of the Company's Equity Share Capital have been dematerialized.



Registrar & Share Transfer Agents - **The Indian Hotels Company Limited**
Mandlik House
Mandlik Raod
Mumbai 400 001.
Phone: 022 - 66651369
Fax: 022 - 22017442

Location of Hotels: The Gateway Hotel Ganges & Nadesar Palace, Varanasi; and The Gateway Hotel, Gondia

Investor Correspondence

For any queries, investors are requested to get in touch at the following addresses –
The Indian Hotels Co. Ltd.
Registrar & Share Transfer Agent
Unit: Benares Hotels Limited
Mandlik House,
Mandlik Road, Mumbai 400 001.

e-mail id: investorrelations@tajhotels.com
OR
Benares Hotels Ltd.
C/o Corporate Office
Taj Palace Hotel
S P Marg
New Delhi 110 021
Phone: 011-66503549

Usage of Electronic Payment modes for making Cash Payments to the Investors

SEBI vide it's Circular No.CIR/MRD/DP/10/2013 dated March 21, 2013 has instructed all companies for making cash payments to the investors, companies whose securities is listed on stock exchange shall use, either directly or through their RTA & STA, any RBI (Reserve Bank of India) approved electronic mode of payment such as ECS[ECS(Local ECS)/RECS(Regional ECS)/ NECS(National ECS)] NEFT etc.

Investors are requested to kindly provide their requisite bank account particulars by quoting their reference folio number(s) in case shares are held in physical form.

In case shares are held in dematerialized form, investors may kindly provide the requisite bank account details to their Depository Participants, to ensure that future dividend payments are correctly credited to the respective account.

Declaration by the Chairman on behalf of the Board of Directors regarding adherence to the CODE OF CONDUCT as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In accordance with SEBI Listing Regulations, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the Financial Year ended March 31, 2018.

For Benares Hotels Limited

Anant Narain Singh
Chairman
(DIN: 00114728)

Independent Auditors' Certificate on Corporate Governance

To
The Members,
Benares Hotels Limited

1. We have examined the compliance of conditions of Corporate Governance by BENARES HOTELS LIMITED ("the Company") for the year ended March 31, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations- 2015").

Management Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations- 2015.

Auditors Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance of the conditions of the Corporate Governance requirements by the Company.
5. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far applicable for the purpose of this certificate and as per the guidance note on Reports or Certificates for special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial information, and other Assurance and related service engagements

Opinion

7. Based on our examination of the relevant records and according to information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations-2015, as applicable, during the year ended March 31, 2018.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

9. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the SEBI Listing Regulations- 2015, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018
K. Manigandan
Partner
Membership No.224762
Place of Signature: New Delhi
Date: 20th June 2018

Balance Sheet as at March 31, 2018

	Note	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Assets			
Non-current assets			
Property, plant and equipment	3	**5,303.68**	3,988.47
Capital work-in-progress		**1,463.98**	352.33
Other Intangible assets	4	**94.94**	116.48
		6,862.60	4,457.28
Financial assets			
Investments		**-**	-
Other financial assets	6	**18.95**	19.35
Advance income tax (net)		**206.14**	228.97
Other non-current assets	7	**396.76**	192.88
		7,484.45	4,898.48
Current assets			
Inventories	8	**124.77**	115.00
Financial assets			
Trade receivables	9	**407.99**	421.05
Cash and cash equivalents	10	**481.51**	175.91
Bank balances other than cash and cash equivalents	11	**158.25**	1,056.64
Loans	5	**-**	1,000.00
Other financial assets	6	**115.76**	88.62
Other current assets	7	**122.18**	119.80
		1,410.46	2,977.02
Total		**8,894.91**	7,875.49
Equity and liabilities			
Equity			
Equity share capital	12	**130.00**	130.00
Other equity	13	**6,400.92**	5,986.25
Total equity		**6,530.92**	6,116.25
Non-current liabilities			
Provisions	14	**32.16**	32.67
Deferred tax liabilities (net)	15	**573.80**	730.39
		605.96	763.06
Current Liabilities			
Financial liabilities			
Borrowings	16	**500.00**	-
Trade payables	17	**607.46**	495.79
Other financial liabilities	18	**469.09**	236.46
Other current liabilities	19	**162.25**	221.42
Provisions	14	**19.23**	42.50
		1,758.03	996.17
Total		**8,894.91**	7,875.49
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003900S/S200018

S. Ramakrishnan
Partner
Membership No. 018967

Date : May 10, 2018
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vanika Mahajan
Company Secretary

Sopan Kedia
Chief Financial Officer

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

	Note	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Income			
Revenue from operations	**20**	**4,742.65**	4,956.92
Other income	**21**	**84.87**	156.70
Total Income		**4,827.52**	5,113.62
Expenses			
Food and beverages consumed	**22**	**496.58**	491.59
Employee benefit expense and payment to contractors	**23**	**952.68**	910.74
Finance costs -(Interest on ICD)		**12.32**	-
Depreciation and amortisation expense		**417.31**	464.85
Other operating and general expenses	**24**	**2,163.78**	2,173.10
Total Expenses		**4,042.67**	4,040.28
Profit/ (Loss) before exceptional items and tax		**784.85**	1,073.34
Exceptional items		**-**	-
Profit/ (Loss) before tax		**784.85**	1,073.34
Tax expenses			
Current tax		**301.30**	491.77
Deferred tax		**(157.00)**	(100.12)
Short provision of tax of earlier years (Net)		**(7.74)**	-
Total		**136.56**	391.65
Profit/ (Loss) after tax		**648.29**	681.69
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**1.48**	(25.34)
Less :-income tax expense		**0.41**	(8.73)
Other comprehensive income for the year, net of tax		**1.07**	(16.61)
Total comprehensive Income for the year		**649.36**	665.08
Earnings per share:			
Basic - (₹)		**49.87**	52.44
Diluted - (₹)		**49.87**	52.44
Face value per ordinary share - (₹)		**10.00**	10.00
Summary of Significant Accounting Policies	**2**		

The accompanying notes form an integral part of the Financial Statements

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003900S/S200018

S. Ramakrishnan
Partner
Membership No. 018967

Date : May 10, 2018
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vanika Mahajan
Company Secretary

Sopan Kedia
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2018

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Cash Flow From Operating Activities		
Net Profit Before Tax	**784.85**	1,073.34
Adjustments For :		
Depreciation and Amortisation	**417.31**	464.85
Finance Cost	**12.32**	-
Provision for Doubtful Debts	**8.89**	0.03
(Gain)/ Loss on sale of assets	**(8.60)**	(0.70)
Interest (Net)	**(63.75)**	(148.05)
Provision for Employee Benefits	**1.48**	5.98
	367.65	322.11
Cash Operating Profit before working capital changes	**1,152.50**	1,395.45
Adjustments For :		
Trade Receivables	**4.17**	(55.06)
Inventories	**(9.77)**	2.16
Non Current- Other Financial Asset	**0.40**	(0.20)
Other non-current assets	**(2.18)**	(179.53)
Current-Other Financial Assets	**(43.96)**	22.59
Other current assets	**(2.38)**	(58.35)
Trade Payables	**111.67**	104.64
Current liabilities- Other Financial Liabilities	**(45.42)**	66.50
Other Current Liabilities & Provisions	**(23.78)**	46.39
	(11.25)	(50.86)
Cash Generated from Operating Activities	**1,141.25**	1,344.59
Direct Taxes Paid	**(270.73)**	(260.00)
Net Cash From Operating Activities (A)	**870.52**	1,084.59
Cash Flow From Investing Activities		
Purchase of Fixed Assets	**(2,834.38)**	(319.51)
Sale of Fixed Assets	**36.30**	4.02
Short Term Inter Corporate Deposits encashed/ (placed)	**1,000.00**	(500.00)
Interest Received	**80.57**	147.24
Bank Balances not considered as Cash and Cash Equivalents	**898.39**	(529.07)
Net Cash Used In Investing Activities (B)	**(819.12)**	(1,197.32)

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Cash Flow From Financing Activities *		
Interest Paid	**(11.10)**	-
Short-term Loans raised / (repaid) (net)	**500.00**	-
Dividend Paid (Including tax on dividend)	**(234.70)**	(312.93)
Net Cash Used In Financing Activities (C)	**254.20**	(312.93)
Net Increase/ (Decrease) in Cash and cash equivalents (A + B + C)	**305.60**	(425.67)
Cash and cash equivalents - Opening (Refer Note 10)	**175.91**	601.58
Cash and cash equivalents - Closing (Refer Note 10)	**481.51**	175.91

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

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003900S/S200018

S. Ramakrishnan
Partner
Membership No. 018967

Date : May 10, 2018
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vanika Mahajan
Company Secretary

Sopan Kedia
Chief Financial Officer

Statement of Changes in Equity as at March 31, 2018

₹ lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus			Grand Total
		Capital Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2016	130.00	0.86	2,167.22	3,466.03	5,764.11
Restated balance at the beginning of the reporting period (April 1, 2016)	**130.00**	**0.86**	**2,167.22**	**3,466.03**	**5,764.11**
Profit for the year ended March 31, 2017	-	-	-	681.69	681.69
Remeasurements of post employment benefit obligation, net of tax of ₹ 8.73 lakhs (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L)				(16.61)	(16.61)
Total Comprehensive Income for the year ended March 31, 2017	**-**	**-**	**-**	**665.08**	**665.08**
Dividends				(260.00)	(260.00)
Tax on Dividend				(52.93)	(52.93)
Balance as at March 31, 2017	**130.00**	**0.86**	**2,167.22**	**3,818.18**	**6,116.26**
Profit for the year ended March 31, 2018	-	-	-	648.29	648.29
Remeasurements of post employment benefit obligation, net of tax of ₹ 0.41 lakhs (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L)				1.07	1.07
Total Comprehensive Income for the year ended March 31, 2018	**-**	**-**	**-**	**649.36**	**649.36**
Dividends			-	(195.00)	(195.00)
Tax on Dividend			-	(39.70)	(39.70)
Balance as at March 31, 2018	**130.00**	**0.86**	**2,167.22**	**4,232.84**	**6,530.92**

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003900S/S200018

S. Ramakrishnan
Partner
Membership No. 018967

Date : May 10, 2018
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vanika Mahajan
Company Secretary

Sopan Kedia
Chief Financial Officer

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

1. Corporate Information

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

The financial statements were approved by the Board of Directors and authorised for issue on 10th May'2018.

2A. Application of new Indian Accounting Standards

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

2B. Significant Accounting Policies

(a) Statement of compliance:

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

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

(b) Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after April 1, 2018.

Ind AS 115- Revenue from Contract with Customers:

Ind AS 115 will supersede the existing revenue recognition standard 'Ind AS 18 – Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company has completed its preliminary evaluation of the possible impact of Ind AS 115 and will adopt it retrospectively with the cumulative effect of initially applying this standard recognised as an adjustment to the opening balance of retained earnings at the date of initial application i.e. April 1, 2018 and accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. This standard is applied retrospectively only to the contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of new standard to be material on its retained earnings and to its net income on an ongoing basis.

Ind AS 21 – The effect of changes in Foreign Exchange rates (Appendix B)

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

A number of other standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments are expected to have any material effect on the company's financial statements.

(c) Basis of preparation and presentation:

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

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

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

Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions

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

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

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

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

(d) Critical accounting estimates and judgments:

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

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

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

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

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

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

(e) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Interest

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

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

i. Provident Fund

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

ii. Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment subject to a cap (currently INR 20 lakhs). The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. Compensated Absences

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

iv. Short Term Obligations

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

(g) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation made at the group level, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

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

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

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

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

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

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

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

(h) Intangible Assets:

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

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

iv) the ability to measure the development expenditure reliably.

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

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

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

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

(i) Impairment of assets:

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

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

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

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

(j) Foreign Currency Translation:

The functional currency of the Company is Indian rupee.

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were fair value measured.

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

(k) Non-current assets held for sale:

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

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

(l) Assets taken on lease:

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

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

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

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

(m) Inventories:

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

(n) Government Grants:

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

(o) Income Taxes:

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

i. Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

ii. Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

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

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

Minimum Alternative Tax (“MAT”) credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period in which such credit can be set off under the income tax law. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

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

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

the amount of the obligation can be made. If the effect of the time value of money is material, the non – current provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

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

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

(q) Borrowing Costs:

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

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

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

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(s) Cash Flow Statement:

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

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

(t) Earnings Per Share:

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

(u) Segment Reporting:

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

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

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

(v) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

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

b) Trade receivables.

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Loans and borrowings

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

₹ lakhs

	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost							
At April 1, 2016	13.05	2,495.59	1,578.15	313.72	64.29	0.16	4,464.96
Additions	-	83.29	114.74	23.58		-	221.60
Adjustment	-	-	-	-	-	-	-
Transition							
Disposals	-	1.29	1.40	1.18	-	0.04	3.90
At March 31, 2017	**13.05**	**2,577.59**	**1,691.49**	**336.12**	**64.29**	**0.12**	**4,682.66**
Additions	-	641.11	637.09	446.15	12.13	-	1,736.47
Adjustments							-
Disposals		142.87	75.79	32.19	0.82	-	251.67
At March 31, 2018	**13.05**	**3,075.83**	**2,252.78**	**750.07**	**75.59**	**0.12**	**6,167.46**
Depreciation							
At April 1, 2016	-	52.72	141.04	40.89	14.88	-	249.53
Charge for the year	-	187.00	182.80	61.21	14.23	0.01	445.25
Disposals	-	0.04	0.06	0.47	-	0.01	0.59
At March 31, 2017	**-**	**239.68**	**323.78**	**101.62**	**29.11**	**-**	**694.20**
Charge for the year (Refer Foot Note (i))		157.17	164.11	57.58	14.70	-	393.55
Disposals		137.65	59.19	26.43	0.70	-	223.97
At March 31, 2018	**-**	**259.20**	**428.70**	**132.78**	**43.11**	**-**	**863.78**
Net Block							
At March 31, 2017	**13.05**	**2,337.91**	**1,367.71**	**234.49**	**35.18**	**0.12**	**3,988.46**
At March 31, 2018	**13.05**	**2,816.63**	**1,824.08**	**617.30**	**32.48**	**0.12**	**5,303.68**

Footnotes :

(i) During the year, the company has charged accelerated depreciation amounting to INR 118.90 Lakhs (PY 187.04 lakhs) in accordance with provisions of schedule II of the Companies Act, 2013, in respect of assets which have been identified to have a shorter useful life, considering factors such as planned renovation in near future or other factors.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 4 : Intangible Assets (Acquired) - Softwares

	₹ lakhs
Cost	
At April 1, 2016	141.42
Additions	11.03
Disposals	-
At March 31, 2017	**152.45**
Additions	2.22
Adjustments	-
Disposals	-
At March 31, 2018	**154.67**
Amortisation	
At April 1, 2016	16.38
Charge for the year	19.59
Disposals	-
At March 31, 2017	**35.97**
Charge for the year	23.76
Disposals	
At March 31, 2018	**59.73**
Net Block	
At March 31, 2017	**116.48**
At March 31, 2018	**94.94**

Note 5 : Loans

	31-Mar-18 **₹ lakhs**	31-Mar-17 ₹ lakhs
Current		
(Unsecured, considered good unless stated otherwise)		
Related Parties		
Roots Corporation Limited	-	500.00
Taj Air Limited	-	500.00
Others	-	-
	-	**1,000.00**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 6 : Other Financial Assets		
(Unsecured, considered good unless stated otherwise)		
A) Non Current		
Deposits with Public Bodies and Others at amortised costs		
Public Bodies and Others	**18.95**	19.35
	18.95	**19.35**
B) Current		
Deposit with public bodies and others		
Others	**2.63**	1.60
	2.63	1.60
Other advances		
Considered good	**30.22**	3.18
Interest receivable		
Related Parties (Refer Note 30)	**-**	6.03
Bank Deposits	**2.31**	13.10
	2.31	19.13
On Current Account dues :		
Related Parties (Refer Note 30)	**64.73**	47.95
Others	**15.87**	16.76
	80.60	**64.71**
	115.76	**88.62**

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 7 : Other Assets		
(Unsecured, considered good unless stated otherwise)		
A) Non Current		
Capital Advances	**318.45**	116.75
Export incentive receivable	**67.34**	50.16
Deposits with Government Authorities	**10.97**	25.97
	396.76	**192.88**
B) Current		
Prepaid Expenses	**41.44**	53.56
Indirect tax recoverable	**68.92**	21.98
Advance to Suppliers	**11.82**	44.04
Advance to Employees	**-**	0.22
	122.18	**119.80**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 8 : Inventories (At lower of cost and net realisable value)		
Food and Beverages	**49.94**	45.65
Stores and Operating Supplies	**74.83**	69.35
	124.77	115.00

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 9 : Trade and other receivables		
(Unsecured)		
Considered good*	**407.99**	421.05
Considered doubtful	**23.32**	14.43
	431.31	435.48
Less : Provision for Debts doubtful of recovery	**23.32**	14.43
	407.99	421.05

*For related party balances refer Note 30.

Footnote:

i) Provision for Doubtful Debts

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Opening Balance	**14.43**	14.40
Add: Provision during the year	**12.09**	4.34
	26.52	18.74
Less: Bad Debts written off against past provisions	**-**	1.22
Less: Reversal of provision no longer required	**3.19**	3.09
Closing Balance	**23.32**	14.43

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 10 : Cash and Cash Equivalents		
Cash on hand	**5.83**	8.62
Balances with bank in current account	**174.17**	98.14
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**301.51**	69.15
	481.51	175.91

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 11 : Bank Balances Other than Cash and Cash Equivalents		
Other Balances with banks		
Call and Short-term deposit accounts*	**110.83**	1,010.97
Earmarked balances	**47.42**	45.67
	158.25	1,056.64

*includes FDRs having maturity less than 12 months of INR 31.46 lakhs which are under lien for issuance of Bank Guarantees.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 12 : Share Capital		
Authorised Share Capital		
Ordinary Shares		
15,00,000 (Previous Year- 15,00,000) Ordinary Shares of ₹ 10/- each	**150.00**	150.00
	150.00	150.00
Issued Share Capital		
13,00,000 (Previous Year- 13,00,000) Ordinary Shares of ₹ 10/- each	**130.00**	130.00
	130.00	130.00
Subscribed and Paid Up		
13,00,000 (Previous Year- 13,00,000) Ordinary Shares of ₹ 10/- each	**130.00**	130.00
[Refer Footnote (4)]	**130.00**	130.00

Footnotes:

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

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

Particulars	Opening Balance	Fresh issue	Closing Balance
Ordinary shares			
Year ended 31-03-2018			
- Number of shares	13.00	-	13.00
- Amount (Rupees)	130.00	-	130.00
Year ended 31.03.2017			
- Number of shares	13.00	-	13.00
- Amount (Rupees)	130.00	-	130.00

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

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

Name of the Company	No. of Shares 31-Mar-18	No. of Shares 31-Mar-17
Holding Company		
The Indian Hotels Company Limited [Refer Footnote (5)]	293,000	293,000
Subsidiaries of Holding Company		
TIFCO Holdings Limited [Refer Footnote (5)]	350,825	350,825
Piem Hotels Limited	54,063	54,063
Northern India Hotels Limited	150	150
Associate of Holding Company		
Oriental Hotels Limited	50	50

(4) Shareholders holding more than 5% shares in the Company :

The Indian Hotels Company Limited	293,000	293,000
% of Holding	22.54%	22.54%
TIFCO Holdings Limited	350,825	350,825
% of Holding	26.99%	26.99%

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

TIFCO Holdings Limited has been amalgamated with The Indian Hotels Company Limited vide NCLT Order dated 08th March 2018 with appointed date 01st April 2017.

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

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 13 : Other Equity		
a) Reserves & Surplus		
Capital Reserve	0.86	0.86
General Reserve		
Opening Balance	2,167.22	2,167.22
Less : Dividend/Tax on Dividend	-	-
Closing Balance	**2,167.22**	**2,167.22**
Retained Earnings		
Opening Balance	3,818.18	3,466.03
Add: Current year profits	649.36	665.08
Less : Final Dividend	(195.00)	(260.00)
Less : Tax on Dividend	(39.70)	(52.93)
Closing Retained Earnings	**4,232.84**	**3,818.17**
Total	**6,400.92**	**5,986.25**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 14 : Provisions		
A) Long term provisions		
Employee Benefit Obligation (Non-current)		
Compensated absences	**32.16**	32.67
	32.16	32.67
B) Short term provisions		
Employee Benefit Obligation (Current)		
Compensated absences	**5.93**	5.47
Gratuity	**13.30**	37.03
	19.23	42.50

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 15 : Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	**648.53**	842.41
Total (A)	**648.53**	842.41
Deferred Tax Assets:		
Provision for Employee Benefits	**10.60**	13.20
OCI- Defined Benefit Obligations	**(0.41)**	11.08
Provision for doubtful debts	**6.49**	4.99
Others	**58.05**	82.74
Total (B)	**74.73**	112.02
Net Deferred Tax Liabilities (A-B)	**573.80**	730.39

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Foot Note:

Financial liabilities

Net debt reconciliation

Particulars	**31-Mar-18**	**31-Mar-17**
a) Net debt	**₹ lakhs**	**₹ lakhs**
Cash and cash equivalents	481.51	175.91
Current Investment	-	-
Short Term Borrowings	(500.00)	-
Long term Borrowings (Including Current portion)	-	-
Net (debt)/ Cash & Cash Equivalents	(18.49)	175.91
b) Other financial Liability		
Unclaimed Deposits/Interest	-	-
Derivative	-	-
Interest Accrued	(1.22)	-
Total Other financial Liability	(1.22)	-
Grand Total	(19.71)	175.91

	Accrued during the Year		**Paid during the Year**	
Interest expenses	**31-Mar-18**	**31-Mar-17**	**31-Mar-18**	**31-Mar-17**
On Long term borrowings	-	-	-	-
On Short term borrowings	12.32	-	11.10	-
FV Changes for Derivatives (i.e. IRS)	-	-	-	-
Other Interest costs	-	-	-	-
Total	12.32	-	11.10	-

	Other Assets		**Borrowings**	**Total Net borrowings**	**Other financial Liability**	**Grand Total**
	Cash and cash equivalents	**Current Investment**	**Short Term Borrowings**		**Interest Accrued**	
Net (debt)/ Cash & Cash Equivalents as at 1 April 2016	601.58	-	-	601.58	-	601.58
Cash Flows				-	-	-
Increase/(Decrease) in cash and cash equivalents	(425.67)	-	-	(425.67)	-	-425.67
Borrowings	-	-	-	-	-	-
Repayment	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
(Net debt)/ Cash & Cash Equivalents as at 31 March 2017	175.91	-	-	175.91	-	175.91
Net (debt)/ Cash & Cash Equivalents as at 1st April 2017	175.91	-	-	175.91	-	175.91
Cash Flows						
Increase/(Decrease) in cash and cash equivalents	305.60	-	(500.00)	(194.40)	-	-194.40
Borrowings	-	-	-	-	-	-
Repayment	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	-	-	-	(12.32)	(12.32)
Interest paid	-	-	-	-	11.10	11.10
(Net debt)/ Cash & Cash Equivalents as at 31 March 2018	481.51	-	(500.00)	(18.49)	(1.22)	(19.71)

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	31-Mar-18	31-Mar-17
	₹ lakhs	₹ lakhs
Note 17: Trade Payables		
Micro and Small Enterprises	5.11	-
Vendor Payables	360.62	197.82
Accrued expenses and others	241.73	297.97
	607.46	**495.79**

Footnotes:

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

(ii) For related party balances refer Note 30.

	31-Mar-18	31-Mar-17
	₹ lakhs	₹ lakhs
Note 18: Other financial liabilities		
Current financial liabilities		
Payables on Current Account dues :		
Related Parties	-	1.28
Others	2.85	2.25
	2.85	3.53
Deposits from others		
Unsecured	33.79	34.25
	33.79	34.25
Interest accrued but not due on borrowings	1.22	-
Creditors for capital expenditure *	302.33	84.67
Unclaimed dividend	47.42	45.67
Employee related liabilities	72.33	61.16
Others	9.15	7.18
Total	**469.09**	**236.46**

*Includes payable to MSMED Vendors of INR 4.98 lakhs (PY Nil)

	31-Mar-18	31-Mar-17
	₹ lakhs	₹ lakhs
Note 19 : Other current Liabilities		
Current		
Income received in advance	-	0.60
Advances collected from customers	114.49	142.34
Statutory dues	47.76	78.48
	162.25	**221.42**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 20: Revenue from Operations		
Room Income, Food, Restaurants and Banquet Income	**4,497.82**	4,684.13
Shop rentals	**58.50**	65.45
Membership fees	**-**	0.87
Others	**186.33**	206.47
Total	**4,742.65**	**4,956.92**

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 21 : Other Income		
Interest Income from financial assets at amortised cost		
Inter-corporate deposits		
Deposits with banks	**33.17**	57.15
Deposits with Related Parties	**28.90**	90.90
Others	**-**	-
Total	**63.75**	148.05
Profit on sale of assets (Net)	**8.60**	0.70
Others	**12.52**	7.95
Total	**84.87**	156.70

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 22 : Food and Beverages Consumed		
Opening Stock	**45.65**	51.18
Add : Purchases	**500.87**	486.06
	546.52	537.24
Less : Closing Stock	**49.94**	45.65
Food and Beverages Consumed	**496.58**	491.59

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 23 : Employee Benefit Expense and Payment to Contractors		
Salaries, Wages, Bonus etc.	**542.88**	478.46
Company's Contribution to Provident and Other Funds	**43.19**	34.63
Reimbursement of Expenses on Personnel Deputed to the Company	**171.30**	158.54
Payment to Contractors	**56.09**	84.26
Staff Welfare Expenses	**139.22**	154.85
Total	**952.68**	**910.74**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

		31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Note 24 : Other operating and general expenses			
(i)	Operating expenses consist of the following :		
	Linen and Room Supplies	**81.89**	70.11
	Catering Supplies	**36.71**	30.16
	Other Supplies	**5.53**	8.36
	Fuel, Power and Light (Refer footnote (i))	**417.47**	401.77
	Repairs to Buildings	**51.68**	57.01
	Repairs to Machinery	**87.07**	92.52
	Repairs to Others	**9.82**	23.72
	Garden Expenses	**57.06**	51.75
	Linen and Uniform Washing and Laundry Expenses	**61.91**	66.70
	Payment to Orchestra Artistes and Security Charges	**45.96**	47.84
	Guest Transportation	**42.38**	52.31
	Travel Agents' Commission	**37.13**	47.95
	Discount to Collecting Agents	**32.37**	29.43
	Other Operating Expenses	**100.59**	110.49
	Total	**1,067.55**	**1,090.12**
(ii)	General expenses consist of the following :		
	Rent	**19.08**	19.50
	Licence Fees	**36.68**	34.67
	Rates and Taxes	**122.79**	98.29
	Insurance	**12.67**	10.99
	Advertising and Publicity	**183.42**	165.78
	Management Fee Expenses	**305.64**	337.02
	Reimbursable Fees Expenses- Corporate Services and CRS/ CIS	**95.06**	99.41
	Printing and Stationery	**19.51**	19.51
	Passage and Travelling	**20.33**	32.43
	Provision for Doubtful Debts/ Bad debts written off (Refer Note 9)	**8.89**	4.91
	Expenditure on Corporate Social Responsibility (Refer Footnote (iii))	**28.78**	29.81
	Professional Fees	**47.34**	28.96
	Outsourced Support Services	**23.71**	18.24
	Exchange Loss (Net)	**0.11**	0.15
	Payment made to Statutory Auditors (Refer Footnote (iv))	**6.02**	4.10
	Directors' Fees and Commission	**36.19**	47.90
	Other Expenses	**130.03**	131.31
		1,096.23	1,082.98
	Total	**2,163.78**	**2,173.10**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Footnotes:

(i) Expenditure recovered from other parties :

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Fuel, Power and Light	**19.86**	14.65
Total	**19.86**	**14.65**

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

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Employee benefits expense	**107.04**	-
Rent, Rates and Taxes	**-**	-
Fuel, power and light	**9.57**	-
Depreciation	**-**	-
Other expenses (Net)	**8.48**	-
Total	**125.09**	**-**

(iii) Corporate Social Responsibility Expenditure	**31-Mar-18** ₹ **lakhs**	**31-Mar-17** ₹ lakhs
Amount required to be spent as per Section 135 of the Act	**25.44**	27.09
Amount spent during the year on:		
(i) Construction/acquisition of an asset	**-**	-
(ii) On purposes other than (i) above	**28.78**	29.81

(iv) Payment made to Statutory Auditors:

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
As auditors*	**3.70**	2.50
As tax auditors	**1.30**	1.00
For other services	**0.80**	0.50
For Reimbursement of Expenses	**0.22**	-
Service tax on above [Net of credit availed]	**-**	0.10
	6.02	4.10

* The payment to the auditor includes amount paid to the previous auditor of ₹ 1.42 lakhs.)

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 25: Tax Disclosures

i) Income Tax recognised in Profit or loss:

₹ lakhs

Particulars	31-Mar-18	31-Mar-17
Current Tax		
In respect of the current year	**301.30**	482.24
In respect of earlier years	**(7.74)**	
Resulting from reversal of provision for tax for earlier years		-
Other demands and tax paid for earlier years	**-**	9.53
	293.56	491.77
Deferred Tax		
In respect of the current year		
Set off of carried forward losses (unabsorbed deduction u/s 35AD)	**-**	-
Other items includes the impact on account of change in tax rates	**(157.00)**	(100.12)
Total tax expense recognised in the current year relating to continuing operations	**136.56**	391.65

ii) Reconciliation of tax expense with the effective tax:

₹ lakhs

Particulars	31-Mar-18	31-Mar-17
Profit before tax from continuing operations (a)	**784.85**	1073.34
Income tax rate as applicable (b)	**33.06%**	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**259.50**	371.46
Permanent tax differences due to:		
Effect of expenses that are not deductible in determining taxable profit	**17.84**	10.66
Others	**(3.26)**	-
Deferred Tax reversal		
Net Impact of the change in the tax rates*	**(129.77)**	-
Prior year taxes	**(7.74)**	9.53
Income tax expense recognised in profit or loss (relating to continuing operations)		
Total tax expense recognised in the current year	**136.56**	391.65

Foot Note:

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

iii) Income tax recognised in other comprehensive income:

₹ lakhs

Particulars	**31-Mar-18**	31-Mar-17
Deferred tax		
(a) Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	0.41	(8.73)
	0.41	**(8.73)**

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

₹ lakhs

March 31, 2018	**Opening Balance**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance**
Deferred tax liabilities/ assets in relation to:				
Property, Plant and equipment & Intangible Assets	842.41	(193.88)	-	648.53
Provision for Employee Benefits	(13.20)	2.60	-	(10.60)
Provisions for Defined benefit obligations	(11.08)	11.08	0.41	0.41
Others (Expenses disallowed to be allowed in future)	(87.74)	23.20	-	(64.54)
Total Deferred Tax Liability	**730.39**	**(157.00)**	**0.41**	**573.80**

₹ lakhs

March 31, 2017	**Opening Balance**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance**
Deferred tax liabilities/ assets in relation to:				
Property, Plant and equipment & Intangible Assets	921.76	(79.35)	-	842.41
Provision for Employee Benefits	(11.48)	(1.72)	-	(13.20)
MAT Credit Entitlement*	(269.44)	-	-	-
Provisions for Defined benefit obligations	(2.35)	-	(8.73)	(11.08)
Others (Expenses disallowed to be allowed in future)	(68.69)	(19.05)	-	(87.74)
Total Deferred Tax Liability	**569.80**	**(100.12)**	**(8.73)**	**730.39**

Footnote:

* Opening MAT credit has been fully adjusted against the provisions for Current year Tax liability, in accordance with the provisions of Income Tax Act.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 26: Operating Lease

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

₹ lakhs

Particulars	31-Mar-18	31-Mar-17
Not later than one year	**27.05**	28.07
Later than one year but not later than five years	**135.32**	106.07
Later than five years	**292.97**	318.75
	455.34	452.89

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

a) On account of Income Tax matters in dispute:

i. In respect of matters which have been decided in the Company's was earlier favour by both CIT-A and ITAT, but the Hon'ble Allahabad High Court has referred the case back to CIT-A for reconsideration of the facts involved– ₹ Nil Lakhs (previous year - ₹ 167.97 Lakhs).

ii. In respect of other matters for which Company's appeals are pending with appellate authorities against the order of the assessing officer – ₹ 241.78 Lakhs (previous year –₹ 12.79 Lakhs)

b) On account of other disputes in respect of:

i. Service Tax – ₹ 9.70 Lakhs (previous year – ₹ 28.78 Lakhs)

ii. Sales tax – ₹ 36.27 Lakhs (previous year – ₹ 39.19 Lakhs)

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

c) Others

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

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

(ii) the proceedings are in early stages;

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

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

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

Note 28: Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 64.82 Lakhs (Previous year – ₹ 547.25 Lakhs).

Note 29: Segment Reporting

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments' (Ind AS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

30 (a) Related party transactions

Details of related parties:

(i) Holding Company

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

(ii) Fellow subsidiaries

KTC Hotels Limited
United Hotels Limited
Roots Corporation Limited
Piem Hotels Limited
Taj Trade and Transport Company Limited
Inditravel Limited
Northern India Hotels Limited
Taj Enterprises Limited
Luthria & Lalchandani Hotel & Properties Private Limited
Skydeck Properties and Developers Private Limited
Sheena Investments Private Limited
ELEL Hotels & Investments Limited
Taj International Hotels (H.K) Limited
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited
IHMS LLC - San Francisco
IHMS LLC - USA
PIEM International Hotels (H.K) Limited
BAHC 5
United Overseas Holdings Inc.

(iii) Directors who hold the office during the year:

Dr. Anant Narain Singh, Chairman
Mr. Shriraman, Non Executive Director & Independent Director#
Mrs. Rukmani Devi, Non Executive & Independent Director#
Mr. Rohit Khosla, Executive Director
Mr. Moiz Miyajiwala, Non Executive Director & Independent Director#
Mr. Giridhar Sanjeevi, Additional Director
Mr. Rakesh Sarna, Director*
Mr. B.L. Passi Non Executive Director & Independent Director*#
* For Part of the year

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

(iv) Key Management Personnel (KMP) :

Mr. Ashwani Anand (Chief Executive Officer)
Mr. Sopan Kedia (Chief Financial Officer)*
Mr. Ravi Sharma (Chief Financial Officer)*
Ms. Vanika Mahajan (Company Secretary)

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Notes to Financial Statements for year ended March 31, 2018 (Contd.)

* For Part of the year

(v) Firms/ Corporation in which Directors are interested

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

(vi) Relatives of the Directors

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

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

Taj Air Limited
Tata Consultancy Services Limited
Taj GVK Hotels and Resorts Limited
Taj Kerala Hotels and Resorts Limited
Oriental Hotels Limited
Tata Teleservices Limited
Tata SIA Airlines Limited
TC Travel and Services Limited (part of the year)
Tata Capital Limited
Tata International Limited

(viii) Others

Hotel Taj Ganges Employee Gratuity Trust

Notes to Financial statements for the year ended March 31, 2018 (Contd.)

Terms and conditions of transactions with related parties:

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

30 Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:

(b)

₹ lakhs

Sr. No.	Particulars	Holding Company		Fellow subsidiaries, JV, Associates of the Holding company & Entity with significant influence or their subsidiaries/JV		Key Management Personnel (KMP)		Entities in which Directors are interested/ Relatives of Directors		Directors		Others	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Transactions during the year:												
1	ICD received during the year	-	-	500.00	-	-	-	-	-	-	-	-	-
2	Repayment of ICD received during the year	-	-	1,000.00	-	-	-	-	-	-	-	-	-
3	ICD Placed during the year	-	-	-	500.00	-	-	-	-	-	-	-	-
4	Interest income on ICD	-	-	28.90	90.96	-	-	-	-	-	-	-	-
5	Interest expense on ICD	-	-	12.32	-	-	-	-	-	-	-	-	-
6	KMP remuneration (Foot Note -1)	-	-	-	-	62.24	60.46	-	-	-	-	-	-
7	Other Reimbursement to KMPs					0.70	-						
8	Director Sitting Fees	-	-	-	-	-	-	-	-	12.30	14.70	-	-
9	Director Commission on cash basis	-	-	-	-	-	-	-	-	32.19	38.59	-	-
10	License Fees	-	-	-	-	-	-	14.74	13.71	14.74	13.71	-	-
11	Management fees expenses paid/accrued	305.64	330.18	-	-	-	-	-	-	-	-	-	-
12	Fees paid for other services/accrued	209.37	219.33	26.80	20.75	-	-	-	-	-	-	-	-
13	Deputed Staff Expense at cost	137.52	145.90	40.32	26.82	-	-	-	-	-	-	-	-
14	Deputed Staff Expense Recoverable			20.44	-								
15	Purchase of Capital Assets	5.28	-	-	-	-	-	-	-	-	-	-	-
16	Other Reimbursable Expense at cost	93.78	1.32	8.85	-	-	-	-	-	0.94	-	-	-
17	Other Operating Income- Rooms (including tax)	-	-	14.63	10.01	-	-	-	-	-	-	-	-
18	Other Income Earned/ Recoveries made	-	-	4.74	5.09	-	-	-	-	-	-	-	-
19	Dividend Paid	43.95	58.60	60.76	81.02	-	-	13.72	17.63	4.13	5.92	-	-
20	Contribution to Gratuity Trust on Cash Basis	-	-	-	-	-	-	-	-	-	-	37.03	17.03

		Holding Company		Fellow subsidiaries, JV, Associates of the Holding company & Entity with significant influence or their subsidiaries/JV		Key Management Personnel (KMP)		Entities in which Directors are interested		Directors		Others	
Sr. No.	**Particulars**	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Balances outstanding at the end of the year:												
1	Borrowings	-	-	500.00	-	-	-	-	-	-	-	-	-
2	Current Account Receivable	53.72	44.33	11.01	3.62	-	-	-	-	-	-	-	-
3	Trade Payables	152.02	-	1.71	-	-	-	5.09	-	6.41	-	-	-
4	Trade Receivables	-	-	4.71	-								
5	Current Account Payables	-	-	-	3.73	-	-	-	-	-	-	-	-
6	Loans made - ICD Receivable	-	-	-	1,000.00	-	-	-	-	-	-	-	-
7	Interest Payable	-	-	1.22	-	-	-	-	-	-	-	-	-
8	Interest Receivable	-	-	-	6.03	-	-	-	-	-	-	-	-

Foot Note:

1. KMP Remunerations paid as reimbursement to IHCL.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

30 (c) Details of material transactions with related party during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:

₹ lakhs

S.No.		Entities	31-Mar-18	31-Mar-17
		Material transactions during the year		
1		**The Indian Hotels Company Limited (IHCL)**		
	i	Management and operating Fees	305.64	330.18
	ii	Fee for other Services	209.37	219.33
	ii	Deputed staff Salaries/ Inner Circle Reimbursements	231.29	145.90
	iv	Purchase of Capital Asset- Baggage scanner	5.28	-
	v	Miscellaneous Expense	-	1.32
	vi	Dividend Paid	43.95	58.60
		Fellow Subsidiary company		
2		**Roots Corporation Limited**		
	i	ICD Placed	-	500.00
	ii	ICD Repayment received	500.00	-
	iii	Interest Income Received	26.71	36.59
	iv	Paid for other services	0.05	-
3		**United Hotels Limited**		
	i	ICD Received	500.00	-
	ii	Interest Expense	12.32	-
	iii	Deputed Staff Expense payable	7.58	4.11
	iv	Reimbursement of Expenses payable	-	0.16
	v	Reimbursement of Expenses recoverable	0.87	0.09
4		**TIFCO Holdings Limited**		
	i	Dividend Paid	52.62	70.17
		Subsidiary of Entity having significant influence (Tata Sons Limited)		
5		**Taj Air Limited**		
	i	Interest Income Received	2.19	54.37
	ii	ICD Repayment received	500.00	
6		**KMP Remuneration - paid as reimbursement to IHCL**		
	i	Ashwani Anand	39.00	33.64
	ii	Ravi Sharma	3.49	19.87
	iii	Sopan Kedia	11.13	-
	iv	Vanika Mahajan	8.62	6.95

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

			31-Mar-18	₹ lakhs 31-Mar-17
7	**Directors**			
	Dr. Anant Naraian Singh			
	i	License Fees	14.74	13.71
	ii	Sitting Fees	3.30	4.20
	iii	Non Executive Director Commission	12.25	15.83
	iv	Dividend Paid	3.60	4.80
	Shriraman			
	i	Sitting Fees	3.00	3.00
	ii	Non Executive Director Commission	7.76	8.11
	iii	Dividend Paid	0.36	0.90
	Rukmani Devi			
	i	Sitting Fees	3.90	3.90
	ii	Non Executive Director Commission	7.75	8.10
	iii	Travel Expenses reimbursement	0.94	-
	iv	Dividend Paid	0.17	0.22
	Moiz Miyajiwala			
	i	Sitting Fees	2.10	0.60
	ii	Non Executive Director Commission	0.20	-
	B.L. Passi			
	i	Sitting Fees	-	1.20
	ii	Non Executive Director Commission	1.93	3.19
	D.R. Kaarthikeyan (resigned w.e.f. 20th Oct'16)			
	i	Sitting Fees	-	1.80
	ii	Non Executive Director Commission	2.30	3.37
8	**Entities Controlled by the Directors - License Fees paid/ accrued**			
	i	Maharaja Prabhu Naraian Physical Cultural trust	3.68	3.43
	ii	Aditya Dairies Private Limited	7.37	6.86
	iii	Ananta Electrical Lamp Works Limited	3.68	3.49

S.No.	**Entities**		**31-Mar-18**	**₹ lakhs** **31-Mar-17**
	Balances outstanding at the end of the year:			
1	**The Indian Hotels Company Limited (IHCL)**			
	i	Management and operating fees payable	152.02	-
	ii	Receivable on Current account dues	53.72	44.33
2	**United Hotels Limited**			
	i	ICD received	500.00	-
	ii	Interest Expense payable	1.22	
	iii	Payable on Current account dues	0.60	1.22
3	**Payables to Directors & Entities in which Directors are related**			
	i	Dr. Anant Naraian Singh	6.27	-
	ii	Rukmani Devi Singh	0.14	-
	iii	Maharaja Prabhu Naraian Physical Cultural trust	1.16	-
	iv	Aditya Dairies Private Limited	2.62	-
	v	Ananta Electrical Lamp Works Limited	1.31	-

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 31 : Employee Benefits

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

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Provident Fund	32.38	31.16

(b) The Company operates post retirement defined benefit plans as follows :-

Funded : Post Retirement Gratuity

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

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

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Present Value of Funded Obligations	180.72	163.94
Fair Value of Plan Assets	167.42	126.91
Net (asset) / Liability - Current	13.30	37.03

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

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Current Service Cost	12.81	10.44
Interest on Net Defined Benefit Liability	1.97	1.24
Total	**14.78**	**11.69**

(iii) Amount recorded in Other Comprehensive Income

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Changes in financial assumptions	(4.21)	12.28
Changes in demographic assumptions	3.34	-
Experience Adjustments	7.75	12.69
Actual return on plan assets less interest on plan assets	(8.36)	0.37
Total	**(1.48)**	**25.34**

(iv) Reconciliation of Net Liability/ Asset

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Opening Net Benefit Liability	37.03	18.36
Expense charged to profit and loss	14.78	11.69
Amount recognized outside profit and loss	(1.48)	25.33
Employer Contribution	(37.03)	(18.36)
Closing Net Defined Benefit Liability/ (Asset) - Current	13.30	37.03

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(v) Reconciliation of Defined Benefit Obligation

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Opening Defined Benefit Obligation	163.94	146.58
Current Service Cost	12.81	10.45
Past Service Cost	-	-
Interest on defined benefit obligation	11.20	10.86
Actuarial Losses / (Gain) arising from change in financial assumptions	(4.22)	12.28
Actuarial Losses / (Gain) arising from change in demographic assumptions	3.34	-
Actuarial Losses / (Gain) arising on account of experience adjustments	7.75	12.69
Benefits Paid	(23.97)	(28.91)
Liabilities assumed / (settled)*	9.87	-
Closing Defined Benefit Obligation	180.72	163.94

* on account of business combination or inter group transfer

(vi) Reconciliation of Fair Value of Plan Assets

	31-Mar-18 ₹ lakhs	31-Mar-17 ₹ lakhs
Opening Fair Value of Plan Assets	126.91	128.22
Employer Contribution	37.03	18.35
Interest on plan assets	9.22	9.61
Re-measurements due to Actual return on plan assets less interest	8.36	(0.37)
Benefits Paid	(23.97)	(28.91)
Liabilities assumed / (settled)*	9.87	-
Closing Fair Value of Plan Assets	167.42	126.91

* on account of business combination or inter group transfer

(vii) Description of Plan Assets

	31-Mar-18	31-Mar-17
Government of India Securities	0%	0%
Corporate Bonds	0%	0%
Special Deposit Scheme	5%	7%
Equity	0%	0%
Others - Bank FDR	95%	93%
Grand Total	100%	100%

(viii) Actuarial Assumptions

	31-Mar-18	31-Mar-17
Discount rate (p.a.)	7.55%	7.30%
Salary Escalation Rate (p.a.)	Staff- 4.00% Executive-5.00%	Staff- 4.00% Executive-5.00%

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

(ix) Maturity Profile

Maturity Profile	**Amount in ₹ lakhs**
Expected benefits for year 1	29.14
Expected benefits for year 2	24.01
Expected benefits for year 3	6.29
Expected benefits for year 4	38.11
Expected benefits for year 5	18.70
Expected benefits for year 6	19.52
Expected benefits for year 7	11.20
Expected benefits for year 8	28.08
Expected benefits for year 9	19.38
Expected benefits for year 10 & above	123.40

The weighted average duration to the payment of these cash flows is 6.09 years.

(x) Effect of Change in Key Assumptions

Year Ended 31st March 2018

Particulars	**Discount Rate**	**Salary Escalation Rate**
Impact of increase in 50 bps on DBO	-2.97%	3.21%
Impact of decrease in 50 bps on DBO	3.13%	-3.06%

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

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

Information disclosed above is to the extent provided by actuary.

Exposure to Risks:

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

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

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

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Other regulatory matters

Note 32: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ lakhs

Particulars	31-Mar-18	31-Mar-17
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	10.09	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due & payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

Note 33: Earnings Per Share (EPS):

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

₹ lakhs

Particulars	31-Mar-18	31-Mar-17
Profit/ (Loss) after tax –(₹)	648.29	681.69
Number of Ordinary (Equity) Shares in lakhs	13	13
Weighted Average Number of Ordinary (Equity) Shares in lakhs:		
Considered in calculation of Basic EPS	13	13
Considered in calculation of Diluted EPS	13	13
Face Value per Ordinary (Equity) Share (₹)	10	10
Earnings Per Share (₹):		
Basic	49.87	52.44
Diluted	49.87	52.44

Note 34: Financial Instruments

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

Financial assets and liabilities

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

₹ lakhs

Particulars	31-Mar-18	31-Mar-17
Financial assets:		
Cash and cash equivalents	481.51	175.91
Bank Balances other than Cash & Cash Equivalents	158.25	1,056.64
Trade Receivables	407.99	421.05
Loans & Advances	-	1,000.00
Other financial assets - Non Current*	18.95	19.34
Other financial assets - Current*	115.76	88.62
Total	**1,182.46**	**2,761.56**
Financial liabilities:		
Borrowings	500.00	-
Trade Payables	607.46	495.79
Other financial liabilities - Non Current*	-	-
Other financial liabilities - Current*	469.09	236.46
Total	**1,576.55**	**732.25**

Fair value of Financial Instruments measured at amortised cost :

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 35: Financial Risk Management

(a) Financial risk management:

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

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

Market risk

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

Credit risk

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

₹ lakhs

Particulars	**31-Mar-18**	31-Mar-17
Opening provision for doubtful debts	14.43	14.40
Add- Provision made during the year	12.09	4.34
Less: Debtors written off against past provision	-	1.22
Less: Provision written back	3.19	3.09
Closing provision for doubtful debts	23.32	14.43

Trade receivables

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

Particulars	**31-Mar-18**	31-Mar-17
No of Customers who owed more than 10% of the Total receivables	-	-
Contribution of Customers in owing more than 10% of Total receivables	-	-

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Financial instruments and cash deposits

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

Liquidity risk

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

₹ lakhs

Inter Corporate Deposits	**Interest rate %**	**Due in 1st year**
Year ended 31 March 2018		
United Hotels Limited	9%	500.00
Total		500.00
Year ended 31 March 2017		-
Total		-

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

₹ lakhs

Contractual Maturity of Financial Liabilities:	**Due in 1st year**	**Due in 2nd year**	**Due in 3rd to 5th year**	**Total**
Year ended 31 March 2018				
Borrowings (for renewal)	500.00	-	-	500.00
Trade and other payables	607.46	-	-	607.46
Other financial liabilities - Non Current	-	-	-	
Other financial liabilities - Current	469.09	-	-	469.09
Year ended 31 March 2017				
Borrowings (for renewal)	-	-	-	-
Trade and other payables	495.79	-	-	495.79
Other financial liabilities - Non Current	-	-	-	-
Other financial liabilities - Current	236.46	-	-	236.46

Note 36: Guarantees given

Bank Guarantees of ₹ 29.22 lakhs (PY - ₹ 28.14 lakhs) have been given by the company to various government authorities & other parties. These guarantees were issued against the Fixed Deposits of ₹ 31.46 lakhs made with the bank.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 37: There are no financial liabilities and assets that are set off as at 31st March 2018 and 31st March 2017.

Note 38: Dividends

Dividends paid during fiscal 2018 represent an amount of ₹ 195 Lakhs @ ₹15/- per equity share towards dividend for fiscal 2017. Dividends paid during fiscal 2017 represent an amount of ₹ 260 Lakhs @ ₹20/- per equity share towards dividend for fiscal 2016.

The dividends declared by Benares Hotels Limited are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of Benares Hotels Limited. Subsequent to March 31, 2018, the Board of Directors of Benares Hotels Limited have proposed a dividend of ₹ 195 Lakhs (₹ 15 per share) in respect of fiscal 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 234.70 Lakhs, inclusive of corporate dividend tax of ₹ 39.70 Lakhs. Remittance of dividend within India is exempt from tax in the hands of shareholders.

Note 39: Capital Management

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

The Company has borrowings of ₹ 500.00 lakhs (previous year: ₹ Nil lakhs) as at the end of the reporting period. Accordingly, the Company has 0.07 gearing ratio as at 31- Mar -2018 and Nil as at 31- Mar -2017.

Note 40: The disclosure required to be made in terms of Schedule V of SEBI (Listing Obligation And Disclosure Requirement) 2015 is not applicable to the company.

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003900S/S200018

S. Ramakrishnan
Partner
Membership No. 018967

Date : May 10, 2018
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vanika Mahajan
Company Secretary

Sopan Kedia
Chief Financial Officer

INDITRAVEL LIMITED

Directors and Corporate Information

Board of Directors:

Mr. Faisal Momen (DIN: 00064878)
Mr. Nabakumar Shome (DIN: 03605594)
Mr. Himanshu Jain (DIN: 06890639)

Registered Office:

Mandlik House, Mandlik Road,
Mumbai – 400 001.
Tel.: 022-66395515 Fax: 022-22027442
CIN: U74999MH1981PLC023924
Email: investorrelations@tajhotels.com

Auditors:

M/s. Chandrashekar Iyer & Co.
Chartered Accountants

Bankers:

State Bank of India
HDFC Bank Limited

Board's Report

To the Members,

The Directors have pleasure in presenting the Thirty-Eighth Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2018

Financial Results

The Company's financial performance, for the year ended March 31, 2018 is summarized below:

Figures in ₹

Particulars	2017-18	2016-17
Total Income	70,31,496	78,54,926
Profit/ (Loss) before Exceptional and Extra-ordinary Items and Tax	**(64,58,728)**	**4,66,911**
Exceptional Items (Provision for diminution in value of Investment)	-	-
Profit/ (Loss) before Tax	**(64,58,728)**	**4,66,911**
Current Tax (including tax on discontinued operations)	-	-
Deferred Tax	61,373	(3,80,737)
Minimum Alternate Tax Credit	-	-
Short Provision of Tax of earlier years (Net)	-	(12,74,333)
Profit/ (Loss) after Tax from continuing operations	**(63,97,355)**	**(11,88,159)**
Profit/ (Loss) from discontinuing operations	**(21,36,212)**	**(51,11,025)**
Tax credit of discontinuing operations	-	-
Profit/ (Loss) for the year	**(85,33,567)**	**(62,99,184)**

Review of Business Operations and State of Company's Affairs

The Profit / (Loss) after Tax of the Company stood at ₹ (0.85) crore [P.Y ₹ (0.63) crores].

No material changes and commitments have occurred between the end of the financial year to which these financial statements relate and the date of this Report, which affect the financial position of the Company.

Dividend

On account of the loss reported by the Company, no dividend has been recommended for the financial year 2017-18.

Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary or Joint Venture Company. Taj Enterprises Limited is an Associate of the Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('the Act'), a statement containing salient features of the financial statements of the Company's Associate in Form AOC-1 is attached to the financial statements of the Company.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company takes all efforts towards conservation of energy and technology absorption. There were no foreign exchange earnings and expenditure during the year under review.

Risk Management

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors ('CSFs') and Key Performance Indicators ('KPIs') identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Board.

Corporate Social Responsibility

Pursuant to the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility Committee comprising Mr. Faisal Momen, Mr. Nabakumar Shome and Mr. Himanshu Jain, Directors of the Company.

However, in view of discontinuation of the operations of the Company effective December 1, 2014, which has in turn resulted into a loss for the year under review, the Company has been unable to spend any amounts towards Corporate Social Responsibility.

Particulars of Loans, Guarantees or Investments

The Company has not given any guarantees nor made any investments under Section 186 of the Act during the year under review. The particulars of Inter-Corporate Loans made by the Company are furnished in Note No. 6 of the Notes to Accounts.

Borrowings

The Company does not have any borrowings.

Related Party Transactions

All Related Party Transactions that were entered into during the financial year were at Arm's Length Basis and in the Ordinary Course of Business.

The Company has developed a Related Party Transactions Framework for purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all Related Party Transactions is placed before the Board of Directors for their approval on a quarterly basis.

Directors

The Board comprises of Mr. Faisal Momen, Mr. Nabakumar Shome and Mr. Himanshu Jain. In accordance with the Act and the Articles of Association of the Company, one of the Directors viz. Mr. Faisal Momen retires by rotation and is eligible for re-appointment as Director.

Your approval for his re-appointment as Director has been sought in the Notice convening the Annual General Meeting ('AGM') of the Company.

Board Meetings

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, four Board Meetings were convened and held i.e. on May 4, 2017, July 20, 2017, October 30, 2017 and January 23, 2018. The intervening gap between the Meetings did not exceed the period prescribed under the Act.

Auditors

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Auditors' Report.

The Members are requested to appoint M/s. Chandrashekar Iyer & Co., Chartered Accountants (Firm Registration No. 114260W) as the Statutory Auditors for the financial year 2018-19, to hold office from the conclusion of this AGM till the conclusion of the Thirty-Ninth AGM of the Company and authorize the Board of Directors to fix their remuneration.

M/s. Chandrashekar Iyer & Co., Chartered Accountants have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

Share Capital

As on March 31, 2018, the issued, subscribed and paid-up share capital of the Company comprised of 7,20,012 Equity Shares of ₹ 10 each aggregating ₹ 72,00,120/-. The Company has not issued any shares during the year under review.

The Company has neither bought back its shares, nor has it issued any Sweat Equity or Bonus Shares or provided Stock Option to its employees during the year under review. None of the Directors of the Company hold shares of the Company as on March 31, 2018.

Extract of Annual Return

The details forming part of the extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules 2014, is annexed herewith.

Staff

The Company does not have any employee drawing salary in terms of the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Compliance with Secretarial Standards on Board Meetings and General Meetings

The Company has complied with Secretarial Standards issued by The Institute of Company Secretaries of India on Board Meetings and General Meetings.

Directors' Responsibility Statement

Based on the existing system of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal and Statutory Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

(i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there are no material departures;

(ii) it has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the loss of the Company for that period;

(iii) it has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) it has prepared the annual accounts on a going concern basis;

(v) it has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

General

The Directors state that no disclosure or reporting is required in respect of the following items:

1. Disclosure on Deposits covered under Chapter V of the Act as the Company has not accepted any deposits from public.
2. The provisions relating to Secretarial Audit, appointment of Key Managerial Personnel, constitution of Audit Committee & Nomination and Remuneration Committee and Vigil Mechanism are not applicable to the Company.
3. During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

On behalf of the Board of Directors

Nabakumar Shome	**Himanshu Jain**
Director	Director
(DIN: 03605594)	(DIN: 06890639)

Mumbai, April 20, 2018

Registered Office:
Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U74999MH1981PLC023924
Tel. No.: 022 66395515
Fax No.: 022 22027442
Email: investorrelations@tajhotels.com

A TATA Enterprise
tata150.com

Annexure to Board's Report

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details

i)	CIN:	U74999MH1981PLC023924
ii)	Registration Date:	February 19, 1981
iii)	Name of the Company:	Inditravel Limited
iv)	Category / Sub-Category of the Company:	Indian Non-Government Company Limited by Shares
v)	Address of the Registered office and contact details:	Mandlik House, Mandlik Road, Mumbai- 400 001.
vi)	Whether listed company:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	NA

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1.	No business activities carried out during the year	NA	NA

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai 400 001.	L74999MH1902PLC000183	Holding	96.67% (together with subsidiaries)	2(87)(ii)
2.	Taj Enterprises Limited Taj Palace Hotel, Sardar Patel Marg, Diplomatic Enclave, New Delhi 110 021.	U55101DL1979PLC009746	Associate	24.90%	2(6)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of shares held at the beginning of the year (i.e. 01/04/17)				No. of shares held at the end of the year (i.e. 31/03/18)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	0	6,96,012	6,96,012	96.67	0	6,96,012	6,96,012	96.67	0
e) Banks / FIs									
f) Any Other									
Sub-total (A)(1)	**0**	**6,96,012**	**6,96,012**	**96.67**	**0**	**6,96,012**	**6,96,012**	**96.67**	**0**
2. Foreign									
a) NRIs									
- Individuals									
b) Other									
- Individuals									
c) Bodies Corp.									
d) Banks / FIs									
e) Any Other									
Sub-total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	**0**	**6,96,012**	**6,96,012**	**96.67**	**0**	**6,96,012**	**6,96,012**	**96.67**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FIs									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	24,000	24,000	3.33	0	24,000	24,000	3.33	0
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2)	**0**	**24,000**	**24,000**	**3.33**	**0**	**24,000**	**24,000**	**3.33**	**0**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**0**	**24,000**	**24,000**	**3.33**	**0**	**24,000**	**24,000**	**3.33**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**0**	**7,20,012**	**7,20,012**	**100**	**0**	**7,20,012**	**7,20,012**	**100**	**0**

(ii) Shareholding of Promoters:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (i.e. 01/04/17)			Shareholding at the end of the year (i.e. 31/03/18)			% change in share-holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	The Indian Hotels Company Limited	2,40,004	33.34	Nil	2,40,004	33.34	Nil	Nil
2.	Tifco Holdings Limited[1]	99,005	13.75	Nil	99,005	13.75	Nil	Nil
3.	Taj Trade and Transport Company Limited	72,001	10.00	Nil	72,001	10.00	Nil	Nil
4.	Piem Hotels Limited	1,89,002	26.25	Nil	1,89,002	26.25	Nil	Nil
5.	Taj Enterprises Limited	72,000	10.00	Nil	72,000	10.00	Nil	Nil
6.	Northern India Hotels Limited	24,000	3.33	Nil	24,000	3.33	Nil	Nil
	Total	**6,96,012**	**96.67**	**Nil**	**6,96,012**	**96.67**	**Nil**	**Nil**

[1] Tifco Holdings Limited (Tifco) has been amalgamated with The Indian Hotels Company Limited (IHCL) with effect from April 11, 2018 vide National Company Law Tribunal Order dt. March 8, 2018 (w.e.f. the Appointed Date April 1, 2017). The transmission of shares from Tifco to IHCL has been approved by the Board of Directors of the Company on April 20, 2018.

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

Sr. No.	Particulars	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	No Change			
2.	Date wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
3.	At the end of the year				

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

Sr. No.	Lake Palace Hotels & Motels Pvt. Limited	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	24,000	3.33	24,000	3.33
2.	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus / sweat equity etc.)	Nil	Nil	Nil	Nil
3.	At the end of the year (or on the date of separation, if separated during the year)	24,000	3.33	24,000	3.33

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
2.	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
3.	At the end of the year	Nil	Nil	Nil	Nil

V. Indebtedness

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**
Change in Indebtedness during the Financial Year ● Addition ● Reduction				
Net Change	**Nil**	**Nil**	**Nil**	**Nil**
Indebtedness at the end of the Financial Year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify		
5.	Others, please specify		
	Total	**Nil**	**Nil**

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors	Total Amount
Independent Directors • Fees for attending Board / Committee Meetings • Commission • Others, please specify		
Other Non-Executive Directors • Fees for attending Board / Committee Meetings • Commission • Others, please specify		
Total	**Nil**	**Nil**

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify		
5.	Others, please specify		
	Total	**Nil**	**Nil**

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018

On behalf of the Board of Directors

Nabakumar Shome
Director
(DIN: 03605594)

Himanshu Jain
Director
(DIN: 06890639)

Mumbai, April 20, 2018

Registered Office:
Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U74999MH1981PLC023924
Tel. No.: 022 66395515
Fax No.: 022 22027442
Email: investorrelations@tajhotels.com

Independent Auditor's Report

To the Members of INDITRAVEL LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Inditravel Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Financial Statements and for Internal financial controls over financials reporting

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

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit and to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatementand whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements and adequacy of the internal financial controls system over financial reporting and their operating effectiveness . Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exits, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:

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

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

    c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

e) on the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) In our opinion considering nature of business, size of operation and organizational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

   i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 22 to the Ind AS financial statements;

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

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

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

(Chandrashekhar Iyer)
Partner
Membership No.47723

Mumbai
April 20, 2018

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018, we report that:

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

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

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

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

iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clauses (a) , (b) and (c) of clause (iii) of paragraph 3 of the said order are not applicable.

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

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of service tax, Goods and Service Tax (GST) customs duty, excise duty were outstanding, as at March 31, 2018 for a period of more than six months from the date they became payable.

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

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

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

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

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

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

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

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

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

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

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

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

(Chandrashekhar Iyer)
Partner
Membership No.47723

Mumbai
April 20, 2018

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Balance Sheet as at March 31, 2018

CIN No. U74999MH1981PLC023924

	Note	March 31, 2018 ₹	March 31, 2017 ₹
Assets			
Non-current assets			
Property, plant and equipment	**3**	**4,555,829**	4,878,640
Investment Property		**2,566,108**	2,608,067
Intangible assets	**4**	**10,079**	11,585
		7,132,016	7,498,292
Financial assets			
Investments	**5**	**62,712,233**	62,712,233
Income Tax Assets		**43,139,811**	40,419,152
Deferred Tax Assets (Net)	**7**	**1,308,494**	1,247,121
Total non-current assets		**114,292,554**	111,876,798
Current assets			
Financial assets			
Investments	**8**	**20,314,377**	19,434,213
Trade receivables	**9**	**-**	-
Cash and cash equivalents	**10**	**414,177**	1,316,767
Bank balances other than cash and cash equivalents	**11**	**2,106,000**	4,736,584
Loans	**6**	**43,267,221**	48,313,765
Other current assets	**12**	**-**	227,096
Total current assets		**66,101,774**	74,028,425
Total		**180,394,328**	185,905,223
Equity and liabilities			
Equity			
Equity share capital	**13**	**7,200,120**	7,200,120
Other equity	**14**	**162,103,792**	170,637,359
Total equity		**169,303,912**	177,837,479
Non-current liabilities			
Financial liabilities			
Provisions	**15**	**2,859,067**	2,868,166
Total non-current liabilities		**2,859,067**	2,868,166
Current Liabilities			
Financial liabilities			
Trade payables	**16**	**2,977,151**	3,955,692
Provisions	**15**	**83,178**	80,360
Other current liabilities	**17**	**5,171,020**	1,163,526
Total current liabilities		**8,231,349**	5,199,578
Total		**180,394,328**	185,905,223
Summary of significant accounting policies	**2**		

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

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

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

Place : Mumbai
Dated : April 20, 2018

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Himanshu Jain
Director
DIN : 06890639

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

CIN No. U74999MH1981PLC023924

	Note	March 31, 2018	March 31, 2017
Income		₹	₹
Revenue from operations		-	-
Other income	18	**7,031,496**	7,854,926
Total Income		**7,031,496**	7,854,926
Expenses			
Employee benefit expense	19	**4,198,795**	5,268,829
Depreciation and amortisation expense		**265,382**	312,694
Other operating and general expenses	20	**9,161,069**	1,647,234
Total Expenses		**13,625,246**	7,228,757
Profit/ (Loss) before exceptional items and tax		**(6,593,751)**	626,169
Exceptional items		**-**	-
Profit/ (Loss) before tax		**(6,593,751)**	626,169
Tax expense			
Current tax			
Deferred tax		**(61,373)**	380,737
Short / (Excess) provision for the earlier years		-	1,274,333
Total		**(61,373)**	1,655,070
Profit/ (Loss) after tax for the year from continuing operations		**(6,532,378)**	(1,028,901)
Profit/ (Loss) from discontinuing operations	21	**(2,136,212)**	(5,111,025)
Tax credit of discontinuing operations		**-**	-
Profit/ (Loss) from discontinuing operations (after tax)		**(8,668,590)**	(6,139,926)
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**135,023**	(159,258)
		135,023	(159,258)
Total comprehensive Income for the period		**(8,533,567)**	(6,299,184)
Profit/ (Loss) for the period attributable to:			
Owners of the Company		**(8,668,590)**	(6,139,926)
Total Comprehensive Income for the period attributable to			
Owners of the Company		**(8,533,567)**	(6,299,184)
Earnings per share:			
Basic - (₹)		**(12.04)**	(8.53)
Diluted - (₹)		**(12.04)**	(8.53)
Face value per ordinary share - (₹)		**10**	10
Summary of Significant Accounting Policies	2		

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

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

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

Place : Mumbai
Dated : April 20, 2018

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Himanshu Jain
Director
DIN : 06890639

Cash Flow Statement for the year ended March 31, 2018

CIN No. U74999MH1981PLC023924

	March 31, 2018 ₹	March 31, 2017 ₹
Cash Flow From Operating Activities		
Profit Before Tax	**(8,729,963)**	(4,484,856)
Adjustments For :		
Provision for Diminution in value of long term Investments	**-**	-
Depreciation and Amortisation	**366,263**	432,647
Provision for Doubtful Debts and Advances	**-**	-
Loss on sale of assets	**-**	-
Dividend Income	**(1,430,930)**	(2,272,785)
Interest Income	**(4,080,640)**	(4,971,343)
Sundry Credit balance written back	**(1,519,926)**	(607,421)
Asset written off	**-**	-
Provision for Contingencies	**-**	-
Provision for doubtful advances	**(7,232,200)**	-
Provision for Employee Benefits	**314,902**	709,633
	(13,582,531)	(6,709,269)
Cash Operating Profit before working capital changes	**(22,312,493)**	(11,194,125)
Adjustments for (increase)/ decrease in operating assets:		
Trade Receivables	**-**	43,503
Short-term loans and advances	**12,159,318**	(556,903)
Loans and advances	**-**	1,187,041
Other Current Assets	**227,096**	(225,716)
	12,386,414	447,925
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**541,398**	(1,010,635)
Short term provisions	**2,818**	6,937
Long term provisions	**(188,978)**	816,787
Other Current Liabilities	**4,007,494**	(1,753,338)
	4,362,732	(1,940,249)
Cash Generated from Operating Activities	**(5,563,347)**	(12,686,449)
Direct Taxes (Paid)/ Refunded	**(2,720,659)**	(1,034,922)
Net Cash Generated From Operating Activities (A)	**(8,284,006)**	(13,721,371)

Cash Flow Statement for the year ended March 31, 2018 (Contd.)

	March 31, 2018	March 31, 2017
	₹	₹
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	-	-
Sale of Property, Plant and Equipment	-	-
Purchase of current Investments	**(880,164)**	(895,870)
Sale of current Investments	-	-
Interest Received	**4,200,066**	4,470,462
Dividend Received	**1,430,930**	2,272,785
Fixed deposits matured	**2,630,584**	-
Bank Balances not considered as Cash and Cash Equivalents	-	23,333,563
Net Cash Generated/(Used) In Investing Activities (B)	**7,381,416**	29,180,940
Cash Flow From Financing Activities		
Long/ Short Term Deposits Refunded by companies	-	-
Long/ Short Term Deposits placed with companies	-	-
Dividend paid	-	(15,165,361)
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	**(15,165,361)**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(902,590)**	**294,208**
Cash and Cash Equivalents - Opening	**1,316,767**	**1,022,559**
Cash and Cash Equivalents - Closing	**414,177**	**1,316,767**

Summary of Significant Accounting Policies 2

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

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

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

Place : Mumbai
Dated : April 20, 2018

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Himanshu Jain
Director
DIN : 06890639

Notes to Financial Statements for year ended March 31, 2018

1. Corporate Information

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

2. Statement of significant accounting policies

(a) Statement of compliance:

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

(b) Basis of preparation and presentation:

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

(c) Critical accounting estimates and judgements

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

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

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

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

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.
- All assets and liabilities are classified into current and non current generally on the criteria of realisation / settlement within twelve months period from the Balance sheet date.

d) Revenue recognition:

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

Interest

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

Dividend

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

(e) Property, Plant and Equipment:

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

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

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

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

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

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

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

(f) Intangible Assets:

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

Nature of Assets	Useful life adopted
Software and Licences	6 years

(g) Impairment of assets:

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

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

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

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

(h) Foreign Currency Translation :

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Initial Recognition

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

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

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

(i) Non-current assets held for sale

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

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

(j) Income Taxes:

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

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

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

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

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

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

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

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

Contingent assets are not recognized in the financial statements.

(l) Employee Benefits

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

(ii) Gratuity Fund

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

(iii) Compensated Absences

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

(iv) Other Employee Benefits

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

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

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(n) Cash Flow Statement:

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

(o) Earnings Per Share:

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

(p) Financial Instruments:

Financial Assets:

Classification:

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost:

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Equity investments

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

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset,

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

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

b) Trade receivables.

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Derecognition

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

Offsetting of financial instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

₹

	Improvements to leasehold buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost						
At April 1, 2016	4,191,193	1,398,295	59,244	5,917	-	5,654,649
Additions						-
Adjustment						-
Disposals/ Transfer						-
At March 31, 2017	**4,191,193**	**1,398,295**	**59,244**	**5,917**	**-**	**5,654,649**
Additions						-
Adjustments						-
Disposals/ Transfer						-
At March 31, 2018	**4,191,193**	**1,398,295**	**59,244**	**5,917**	**-**	**5,654,649**
Depreciation						
At April 1, 2016	77,994	305,154	4,695	426	-	388,269
Charge for the year	77,994	304,625	4,695	426		387,740
Adjustments						-
Disposals						-
At March 31, 2017	**155,988**	**609,779**	**9,390**	**852**	**-**	**776,009**
Charge for the year	58,498	259,193	4,694	426		322,811
Adjustments						-
Disposals						-
At March 31, 2018	**214,486**	**868,972**	**14,084**	**1,278**	**-**	**1,098,820**
Net Block						
At March 31, 2017	**4,035,205**	**788,516**	**49,854**	**5,065**	**-**	**4,878,640**
At March 31, 2018	**3,976,707**	**529,323**	**45,160**	**4,639**	**-**	**4,555,829**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 4 : Intangible Assets (Acquired)

₹

	Software	Total
Cost		
At April 1, 2016	50,955	50,955
Additions		-
Adjustments		-
Disposals	-	-
At March 31, 2017	50,955	50,955
Additions	-	-
Adjustments		-
Disposals	-	-
At March 31, 2018	50,955	50,955
Amortisation		
At April 1, 2016	36,422	36,422
Charge for the year	2,948	2,948
Adjustments		-
Disposals	-	-
At March 31, 2017	**39,370**	**39,370**
Charge for the year	1,506	1,506
Adjustments		-
Disposals	-	-
At March 31, 2018	**40,876**	**40,876**
Net Block		
At March 31, 2017	**11,585**	**11,585**
At March 31, 2018	**10,079**	**10,079**

Note 5 : Investments

	March 31, 2018		March 31, 2017	
Non Current Investments	**Holdings As at**	₹	Holdings As at	₹
Fully Paid Unquoted Equity Instruments Investments in Other companies (At Cost)				
Taj Enterprises Ltd. Shares of Rs 100/- each fully paid-up*	12,450	**21,240,860**	12,450	21,240,860
Taj Trade & Transport Company Ltd. shares of Rs 10/- each fully paid-up	550,766	**28,311,373**	550,766	28,311,373
Taj Safaris Ltd. of Rs 10/- each, fully paid-up **	6,580,000	**65,800,000**	6,580,000	65,800,000
	7,143,216	**115,352,233**	7,143,216	115,352,233
Total Non-current Investments - Gross		**115,352,233**		115,352,233
Less : Provision for Diminution in value of Investments **		**(52,640,000)**		(52,640,000)
Total Non-current Investments - Net		**62,712,233**		**62,712,233**

Footnotes :

1) Aggregate of Unquoted Investments - Gross	115,352,233	115,352,233
2) Aggregate amount of impairment in value of investments	(52,640,000)	(52,640,000)

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Note 6 : Loans		
A) Current		
(Unsecured, considered good unless stated otherwise)		
Loans and Advances to Employees	**-**	-
Related Parties	**43,050,252**	47,977,370
Interest Receivable	**216,969**	336,395
Others (Considered Doubtful)	**7,232,200**	-
	50,499,421	48,313,765
Less:		
Provision for Doubtful Advances	**(7,232,200)**	-
	43,267,221	48,313,765

	March 31, 2018 ₹	March 31, 2017 ₹
Note 7 : Deferred Tax Assets / (Liabilities) (Net)		
Deferred Tax Assets:		
Provision for Employee Benefits	**556,789**	586,155
Others	**1,428,339**	1,324,473
Total (B)	**1,985,128**	1,910,628
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	**676,634**	663,507
Total (A)	**676,634**	663,507
Net Deferred Tax Assets /(Liabilities) (A-B)	**1,308,494**	1,247,121

Note 8 : Investments

	March 31, 2018		March 31, 2017	
Current Investments	**Holdings As at**	₹	Holdings As at	₹
Investments in Mutual Fund Units (Unquoted)				
Birla Sun Life Cash Plus	**202,593**	**20,314,377**	193,963	19,434,213
TOTAL		**20,314,377**		19,434,213
1) Aggregate amount of cost of quoted Investments		**20,314,377**		19,434,213
2) Aggregate market value of quoted Investments		**20,314,377**		19,434,213

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018	March 31, 2018
	₹	₹
Note 9 : Trade and other receivables		
Considered Good	-	-
Considered doubtful	**7,807,181**	7,807,181
	7,807,181	7,807,181
Less : Provision for Debts doubtful of recovery	**(7,807,181)**	(7,807,181)
	-	-

	March 31, 2018	March 31, 2018
	₹	₹
Note 10 : Cash and Cash Equivalents		
Cash on hand		
Cheques, Drafts on hands	-	341,860
Balances with bank in current account	**414,177**	974,907
	414,177	1,316,767

	March 31, 2018	March 31, 2018
	₹	₹
Note 11 : Bank Balances Other than Cash and Cash Equivalents		
Other Balances with banks		
Call and Short-term deposit accounts more than 3 months and less than 12 months	**2,106,000**	4,736,584
	2,106,000	4,736,584

	March 31, 2018	March 31, 2018
	₹	₹
Note 12 : Other Assets		
Current		
Prepaid Expenses	-	227,096
	-	227,096

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Share capital consist of the following	March 31, 2018 ₹	March 31, 2017 ₹
Note 13 : EQUITY SHARE CAPITAL		
Share Capital		
1 Authorised Share capital		
a) Equity Shares		
750000 (Previous Year 750000) Equity Shares of Rs. 10 each	**7,500,000**	7,500,000
b) Preference Shares		
12000000 (Previous Year 12000000) 6 % Cumulative Optionally Convertible Preference Shares of Rs. 10 each	**120,000,000**	120,000,000
c) Unclassified Shares		
17250000 (Previous Year 17250000) Unclassified Shares of Rs. 10 each	**172,500,000**	172,500,000
	300,000,000	300,000,000
2 Issued, Subscribed and Paid up		
a) Equity Shares		
720012 (Previous Year 720012) Equity Shares of Rs. 10 each fully paid	**7,200,120**	7,200,120
	7,200,120	7,200,120

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

Name of the Company	March 31, 2018		March 31, 2017	
	No. of Shares	**% holding**	No. of Shares	% holding
Equity share of Rs 10/-each fully paid				
The Indian Hotels Company Limited	**240,004**	**33.34%**	240,004	33.34%
TIFCO Holding Lmited	**99,005**	**13.75%**	99,005	13.75%
Taj Trade and Transport company Limited	**72,001**	**10.00%**	72,001	10.00%
Piem Hotels Limited	**189,002**	**26.25%**	189,002	26.25%
Taj Enterprises Limited	**72,000**	**10.00%**	72,000	10.00%

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

	March 31, 2018		March 31, 2017	
	No. of Shares	**₹**	No. of Shares	₹
Opening Balance	**720,012**	**7,200,120**	720,012	7,200,120
Add : Issued during the year	**-**		-	
Less : Redeeemed / Bought Back	**-**		-	
Closing Balance	**720,012**	**7,200,120**	720,012	7,200,120

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

	March 31, 2018		March 31, 2017	
Name of the Company	**No. of Shares**	**holding**	No. of Shares	holding
Shares held by Ultimate Holding Company				
The Indian Hotels Company Limited	**240,004**	**33.34%**	240,004	33.34%
	240,004	**33.34%**	240,004	33.34%
Shares held by Subsidiary of Ultimate Holding Company				
Piem Hotels Limited	**189,002**	**26.25%**	189,002	26.25%
Taj Trade and Transport Company Limited	**72,001**	**10.00%**	72,001	10.00%
TIFCO Holding Limited	**99,005**	**13.75%**	99,005	13.75%
Taj Enterprises Limited	**72,000**	**10.00%**	72,000	10.00%
Northen Indian Hotels Limited	**24,000**	**3.33%**	24,000	3.33%
	456,008	**63.33%**	456,008	63.33%

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note: 14 Statement of Changes in Equity ₹

Particulars	Equity Share Capital Subscribed	Other Equity Reserves and Surplus				Total
		Capital Reserve	General Reserve	Other reserves	Retained Earnings	
Balance as at March 31, 2016	**7,200,120**	**1,550,000**	**51,918,242**	**120,000,000**	**8,633,662**	**199,302,024**
Profit for the year ended March 31, 2017					(6,139,926)	(6,139,926)
Other Comprehensive Income for the year ended March 31, 2017, net of taxes, (excluding actuarial gain/ losses, given below)						-
Remeasurements of post employment benefit obligation, net of tax					(159,258)	(159,258)
Total Comprehensive Income for the year ended March 31, 2017	**-**	**-**	**-**	**-**	**(6,299,184)**	**(6,299,184)**
Dividends				-	(12,600,210)	(12,600,210)
Tax on Dividend				-	(2,565,151)	(2,565,151)
Balance as at March 31, 2017	**7,200,120**	**1,550,000**	**51,918,242**	**120,000,000**	**(2,830,883)**	**177,837,479**
Profit for the year ended March 31, 2018					**(8,668,590)**	**(8,668,590)**
Other Comprehensive Income for the year ended March 31, 2018, net of taxes, (excluding actuarial gain/ losses, given below)						-
Remeasurements of post employment benefit obligation, net of tax					135,023	135,023
Total Comprehensive Income for the year ended March 31, 2018	-	-	-	-	(8,533,567)	(8,533,567)
Balance as at March 31, 2018	**7,200,120**	**1,550,000**	**51,918,242**	**120,000,000**	**(11,364,450)**	**169,303,912**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Note 15 : Provision		
A) Long term provisions		
Employee Benefit Obligation (Non-current)		
Leave Encashment	**679,893**	706,220
Gratuity	**2,179,174**	2,161,946
	2,859,067	2,868,166
B) Short term provisions		
Employee Benefit Obligation (Current)		
Leave Encashment	**71,494**	70,694
Gratuity	**11,684**	9,666
	83,178	80,360

	March 31, 2018 ₹	March 31, 2017 ₹
Note 16 : Trade Payables		
Micro and Small Enterprises	**-**	-
Vendor Payables	**265,276**	129,638
Accrued expenses and others	**2,711,875**	3,826,054
	2,977,151	3,955,692

	March 31, 2018 ₹	March 31, 2017 ₹
Note 17 : Other non financial Liabilities		
Current		
Statutory dues	**775,006**	107,940
Related Parties	**21,014**	261,281
Others	**4,375,000**	794,305
	5,171,020	1,163,526

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Note 18 : Other Income		
Interest Income from financial assets at amortised cost		
Interest Income on		
Deposits with banks (Tax deducted at source ₹ 33,788/- (Previous Year ₹ 71,792/-)	**350,228**	735,502
Deposits with Related Parties	**3,730,412**	4,235,841
Total	**4,080,640**	4,971,343
Dividend received on Investment carried at cost		
Dividend Income - Non-Current (Non Trade)	**550,766**	1,376,915
Dividend Income - Current Investment	**880,164**	895,870
Miscellaneous Income	**1,519,926**	610,798
Total	**7,031,496**	7,854,926

	March 31, 2018 ₹	March 31, 2017 ₹
Note 19 : Employee Benefit Expense and Payment to Contractors		
Salaries, Wages, Bonus etc.	**3,389,155**	3,642,887
Company's Contribution to Provident and Other Funds	**550,340**	961,504
Reimbursement of Expenses on Personnel Deputed to the Company	**-**	475,661
Staff Welfare Expenses	**259,300**	188,777
Total	**4,198,795**	5,268,829

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Note 20 : Other expenses		
Other expenses consist of the following :		
Rent Rates and Taxes	**96,363**	48,109
Repairs and Maintenance	**-**	39,500
Insurance	**278,255**	85,282
Legal and Professional Charges	**788,176**	651,292
Payment made to Statutory Auditors (Refer Footnote (i))	**118,000**	115,000
Provision for contingency expenses	**512,890**	-
Provision for Doubtful Advances	**7,232,200**	-
Miscellaneous Expenses	**135,185**	708,051
Total	**9,161,069**	1,647,234

Footnotes:

(i) Payment made to Statutory Auditors:

	March 31, 2018 ₹	March 31, 2017 ₹
As auditors	**118,000**	115,000
	118,000	115,000

Note 21 : Profit/ (Loss) on Discontinued Operations

	March 31, 2018 ₹	March 31, 2017 ₹
Income from discontinued operation		
Rental Income	**365,000**	360,000
Miscellaneous Income	**282,016**	-
	647,016	360,000
Expenses from discontinued operation		
Salaries, Wages, Bonus etc.	**1,910,766**	1,523,201
Reimbursement of Expenses on Personnel Deputed to the Company	**-**	3,787,411
Rates and taxes	**629,875**	-
Legal & Professional Expenses	**82,500**	
Electricity	**59,206**	40,460
Depreciation	**100,881**	119,953
	2,783,228	5,471,025
Total	**(2,136,212)**	(5,111,025)

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

22. Contingent Liabilities:

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

Particular	**March 31, 2018** ₹	March 31, 2017 ₹
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
(i) Income tax demand under appeal	**46,03,585**	46,03,585
	46,03,585	46,03,585

Employee Related Matters

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

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

23. Deferred Tax:

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

Particulars	**March 31, 2018** ₹	March 31, 2017 ₹
Deferred tax Assets:		
Gratuity & Leave Encashment	**439,391**	469,886
Bonus	**117,398**	116,269
Unabsorbed Depreciation	**1,350,339**	1,247,223
Others	**78,000**	77,250
Total of Deferred tax assets (A)	**1,985,128**	1,910,628
Deferred tax liabilities:		
Depreciation on Fixed assets	**(676,634**	(663,507
Total of Deferred tax liabilities (B)	**(676,634)**	(663,507)
Deferred tax net - Assets / (Liabilities) - (A-B)	**1,308,494**	1,247,121

No deferred tax asset has been created in respect of carried forward business loss and capital loss as there is no virtual certainty of having adequate taxable profit in the near future to realise such asset

24. Particulars of earnings per share :

Particulars	**March 31, 2018** ₹	March 31, 2017 ₹
Net profit /(loss) for the year as per the statement of profit and loss	(8,668,590)	(6,139,926)
Profit / (loss) to equity share holders	(8,668,590)	(6,139,926)
Weighted average number of equity shares	720,012	720,012
Nominal value per share	10	10
Earnings per share – Basic & Diluted	(12.04)	(8.53)

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

25. Closure of Units:

a) The Company discontinued its printing, electroplating and other operations and Car Hire division with effect from March 2001 and December 2014 respectively. As at March 31, 2018, the Company carried the following assets and liabilities of discontinued operations:

Particulars	March 31, 2018		March 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Divisions				
Printing		58,669		58,669
Others	6,548,815	4,375,000	6,649,270	253,000
Car Hire	100,000		100,000	843,014
Total	**6,648,815**	**4,433,669**	**6,749,270**	**1,154,683**

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

The Company has incurred Loss of ₹ 21,36,212/- (Previous Year Loss of ₹ 51,11,025/-) from discontinued business, which is included in the Profit and Loss Account, break-up of which is given as under:

Particulars	March 31, 2018			March 31, 2017		
	Revenue	**Expenses**	**Profit/(Loss)**	Revenue	Expenses	Profit/(Loss)
Divisions						
Printing	**-**	**-**	**-**	-	-	-
Others	**647,016**	**872,462**	**(225,446)**	360,000	160,413	199,587
Car Hire	**-**	**1,910,766**	**(1,910,766)**	-	5,310,612	(5,310,612)
Total	**647,016**	**2,783,228**	**(2,136,212)**	360,000	5,471,025	(5,111,025)

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

27. During the year the company has entered into a collaborative agreement for development of property and registered a general power of attorney in favour of the Builder / Developer. The company has received ₹40 lacs as nonrefundable interest free security deposit which shall form part of the total consideration as against the rights in the property to be transferred in favour of the builder on completion of the building. Necessary entries as per the terms of the agreement shall be passed on completion of the contract and execution of the sale deed.

28. Amounts due to Micro, Small and Medium Enterprises:

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

		March 31 2018 ₹	March 31 2017 ₹
(a)	Principal amount due thereon remaining Unpaid to any supplier at end of each accounting year.	-	-
(b)	Interest due there on remaining unpaid to supplier as at end of each accounting year.	-	-
(c)	The amount of interest paid in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act -	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(f)	The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro , Small and Medium Enterprises Development Act, 2006	-	-

29. Employee Benefits

Applicable Disclosures as per IND AS 19 :

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

(A) Defined contribution plans

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

Particulars	**March 31,2018** ₹	March 31, 2017 ₹
Provident fund	**2,14,240**	2,30,925

(B) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Non Funded

(C) Defined benefit plans(Gratuity) – as per actuarial valuation on March 31, 2018 : -

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Principal Actuarial Assumptions as at March 31, 2018.

		March 31, 2018	March 31, 2017
(i)	**Amount to be recognized in Balance Sheet and Movement in net Liability**	**March 31, 2018**	March 31, 2017
	Present Value of unfunded defined benefit obligation	**21,90,858**	21,71,612
	Net (Assets)/ Liability	**21,90,858**	21,71,612
(ii)	**Expense recognized in Statement of Profit & Loss**		
	Current Service Cost	**1,48,455**	1,38,355
	Interest Cost	**1,58,175**	1,40,649
	Total	**3,06,630**	2,79,004
(iii)	**Expense recognized in Other Comprehensive Income**		
	Remeasurements Due to:		
	Changes in financial assumptions	**(50,983)**	1,60,334
	Experience adjustments	**(84,040)**	(1,076)
	Adjustment to recognize the effect of asset ceiling	**-**	-
	Total	**(1,35,023)**	1,59,258
(iv)	**Reconciliation of Defined Benefit Obligation:**		
	Opening Defined Benefit Obligation	**21,71,612**	17,72,006
	Current Service Cost	**1,48,455**	1,38,355
	Interest Cost	**1,58,175**	1,40,649
	Remeasurements due to actuarial loss/(gain) arising from		
	Changes in financial assumption	**(50,983)**	1,60,334
	Experience adjustments	**(84,040)**	(1,076)
	Benefits Paid	**(1,52,361)**	(38,656)
	Closing Defined Benefit Obligation	**21,90,858**	21,71,612
(v)	**Reconciliation of Fair Value of Plan Assets**		
	Contribution by Employer	**1,52,361**	38,656
	Benefit Paid	**(1,52,361)**	(38,656)
	Closing of Fair Value of Plan Assets	**-**	-
(vi)	**Actuarial Assumptions :**		
	Discount rate(p.a.) in %	**7.55%**	7.30%
	Salary escalation rate (p.a.) in %	**7%**	7%
	Pension Escalation Rate (p.a.) in %	**-**	-
	Annual Increase in Healthcare cost (p.a.)	**-**	-
	Mortality Table (LIC)	**-**	-

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(vii) Sensitivity Analysis

	March 31, 2018	
	Discount Rate	Salary Escalation Rate
	(%)	(%)
Impact of increase in 50 bps on DBO	**-4.40%**	4.75%
Impact of decrease in 50 bps on DBO	**4.74%**	-4.44%

(viii) Data Summary :

No. of Employees	**10**	14
Total Salary	**1,14,080**	1,44,467
Total Past Service	**19**	14
Value of liability	**21,90,858**	21,71,612

(ix) Any other additional disclosure given in the report

Mortality Table * - Table 1

Mortality in Service - Table 1

Mortality in Retirement - NA

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

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

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

A. Holding Company	The Indian Hotels Company Limited
B. Subsidiaries of Holding Company	Taj SATS Air Catering Limited TIFCO Holdings Limited KTC Hotels Limited United Hotels Limited Roots Corporation Limited Piem Hotels Limited Taj Trade and Transport Company Limited Northern India Hotels Limited Taj Enterprises Limited Benares Hotels Limited Lands End Properties Private Limited Luthria & Lalchandani Hotel & Properties Pvt. Ltd. Skydeck Properties and Developers Private Limited Sheena Investments Private Limited ELEL Hotels & Investments Limited

A TATA Enterprise
tata150.com

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Taj International Hotels (H.K) Limited
Cheiftain Corporation NV
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited
Samsara Properties Limited
Apex Hotel MGMT Services Pte Ltd
PIEM International Hotels (H.K) Limited
BAHC 5 (Pte Ltd)
Apex Hotel Mangement Services (Australia) Pty Ltd
United Overseas Holdings Inc.
IHMS LLC

C. Joint Ventures of Holding Company

Taj Kerala Hotels & Resorts Limited
Taj Safaris Limited
Kaveri Retreat & Resorts Limited
Taj Madras Flight Kitchen Pvt Ltd
Taj Karnataka Hotels & Resorts Ltd
Taj GVK Hotels & Resorts Ltd
TAL Hotels & Resorts Ltd
IHMS Hotels (SA) (proprietary) Ltd

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

Particulars	Holding Company		Subsidiaries of Holding Company	
	2017-18	2016-17	**2017-18**	2016-17
	₹	₹	₹	₹
Reimbursement of Deputed Staff Salary	**-**	7,132,959		-
ICD received back	**-**	-	**-**	-
Dividend received	**-**	-	**550,766**	1,376,915
Dividend Paid	**-**	4,200,070		8,400,141
Rental Income	**240,000**	360,000	**-**	-
Sale or services rendered				-
Due from Current Account	**(45,969)**	(261,281)	**(21,014)**	-

Particulars	Associates of Holding Company		Joint Ventures	
	2017-18	2016-17	**2017-18**	2016-17
Interest Accrued	**-**	-	**3,050,252**	645,170
Interest Received on ICD	**-**	-	**-**	4,235,841
Inter Corporate Deposits outstanding	**-**	-	**40,000,000**	40,000,000

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

E. Statement of material transactions:

Company name	March 31 2018	March 31 2017
	₹	₹
Holding Company		
The Indian Hotels Company Limited		
Rental Income	**240,000**	360,000
Dividend paid	-	4,200,070
Reimbursement of Deputed Staff Salary	-	7,132,959
Sales or Services	-	-
Current Account dues	-	(261,281)
Subsidiaries of Holding Company		
Piem Hotels Limited		
Dividend paid	-	3,307,535
Taj Trade & Transport Company Limited		
Dividend paid	-	1,260,018
Dividend Received	**550,766**	1,376,915
Current Account dues	**21,014**	-
TIFCO Holdings Limited		
Dividend paid	-	1,732,588
Taj Enterprises Limited		
Dividend paid	-	1,260,000
Northern India Hotels Limited		
Dividend paid	-	840,000
Joint Ventures		
Taj Safaris Limited		
Interest Income on Inter Corporate Deposits	**3,050,252**	4,235,841
Interest Accrued	**328,767**	645,170
Inter Corporate Deposits outstanding	**40,000,000**	40,000,000

31. The details of provisions as required by the provisions of Accounting Standard 29 “Provisions, contingent Liabilities and Contingent Assets” are as under:

In ₹

Nature of Provision	Leave Encashment & Gratuity
Opening Balance	29,48,526
Additional provisioning	1,63,335
Amounts used during the year	1,69,616
Amounts reversed during the year	-
Closing Balance	**29,42,245**

32. The Company`s only business being travel related services, disclosure of segment –wise information is not applicable under Accounting Standard 17 – Segmental Information (AS – 17 notified by the Company`s (Accounting Standards) Rules, 2006. There is no geographical segment to be reported since all the operations are undertaken in India.

33. The Company has investment in property amounting to ₹ 25,66,108/- (PY ₹ 26,08,067/-) where the right to title is executed through registered power of attorney.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

34. Additional information:

Sr. No.	Particulars	March 31, 2018 (₹)	March 31, 2017 (₹)
(i)	Value of imports on CIF basis	NIL	Nil
(ii)	Expenditure in Foreign Currency -		
	a. Passage and Travelling	Nil	Nil
	b. Professional Fees	Nil	Nil
(iii)	Earnings in foreign exchange		
	a. Export - F.O.B. value	Nil	Nil

35. Sale of Services:

	March 31, 2018 ₹	March 31, 2017 ₹
Car Hire and Other services	**NIL**	NIL

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

Signature to Schedule 1 to 36

For Chandrashekar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership. No. 47723
Firm Registration No. 114260W

For and behalf of the Board

Faisal Momen
Director
DIN:00064878

Nabakumar Shome
Director
DIN:03605594

Himanshu Jain
Director
DIN:06890639

Place: Mumbai
Date: April 20, 2018.

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	Reporting Currency	Share Capital ₹	Reserves & Surplus ₹	Total Assets ₹	Total Liabilities ₹	Investments ₹	Turnover ₹	Profit before taxation ₹	Provision for taxation ₹	Profit after taxation ₹	Proposed Dividend ₹	Effective shareholding (%)

Part "B" : Associates and Joint Ventures

Sr. No.	Name of Associates/ Joint Ventures	Latest Audited Balance sheet date	Shares held by the Company on the year end			Networth attributable to shareholding as per latest audited Balance Sheet	Profit/ loss for the year		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
			No. of shares	Amount of Investment	Extent of Holding %		Considered in Consolidation (to the extent of Group's effective shareholding)	Not Considered in Consolidation		
	Associates			₹		₹	₹	₹		
	Indian									
1	TAJ ENTERPRISES LTD	31-Mar-18	12,450	21,240,860	24.90	10,161,690	264,936	NA	Note (iii)	-

Notes:

i) Names of Associates/ Joint Venture which are yet to commence operations - None

ii) Names of Associates/ Joint Venture which have been liquidated or sold during the year - None

iii) There is significant influence due to percentage(%) of share holding.

For and behalf of the Board

Faisal Momen	Nabakumar Shome	Himanshu Jain
Director	Director	Director
DIN:00064878	DIN:03605594	DIN:06890639

KTC HOTELS LIMITED

Directors and Corporate Information

Board of Directors
Mr. Prabhat S Verma Mr. V. Mohan
Mr. Ashok Binnani

Bankers
Syndicate Bank

Auditors
M/s Varma & Varma, Calicut
Chartered Accountants

Registered Office:
Taj Residency,
Shanmugam Road,
Marine Drive,
Ernakulam, Kochi - 682 011 Kerala
CIN : U55101KL1984PLC004105

Board's Report

Dear Members,

Your Directors have great pleasure in presenting the BOARD'S REPORT of your Company together with the Audited Financial Statements of the Company for the year ended 31st March 2018 and the Auditor's Report thereon.

Financial Results:

₹ / lakhs

Particulars	**2017-18**	2016-17
Total Income	50.10	50.72
Expenditure	2.73	1.46
Earnings before interest, tax and Depreciation and amortization	47.37	49.26
Less: Depreciation and Amortization Expenses	6.35	6.34
Less: Finance Costs	0.89	0.74
Profit/Loss Before Tax	**40.13**	**42.18**
Less: Tax Expense	14.55	0.61
Profit After Tax	**25.58**	**41.57**
Add:Profit Bought forward form last balance sheet	201.39	159.82
Less: Prior period Taxation	-	-
Less: Dividend/ Dividend Distribution Tax	-	-
Less: Transfer to General Reserve	-	-
Net Profit transferred to Balance sheet	**226.97**	**201.39**

Financial Performance:

The Company achieved a total revenue of Rs. 50.10 lakhs during the year compared to previous year Rs. 50.72 lakhs. The Company generated profit post tax of Rs. 25.58 Lakhs which is reduced as compared to Rs. 41.57 Lakhs generated last year.

Events subsequent to the date of financial statements:

There were no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

Share Capital

As on 31st March 2018, the issued, subscribed and paid-up share capital of the Company comprised of 6,04,000 Equity Shares of Rs.10 each aggregating to Rs. 60,40,000/-. The Company has not issued any shares during the year under review.

Transfer to Reserves

During the year under review, the Company has not transferred any amount to Reserves of the Company.

Directors:

As per the provisons of Section 152 of the Companies Act, 2013, Mr. Ashok Binnani is liable to retire by rotation, and has offered himself for re-appointment. The Board commends item No. 2 for their approval as ordinary resolution for his re-appointment.

The other Directors on the Board are Mr. Visvanthan Mohan and Mr. Prabhat S Verma.

Composition of Audit Committee, Nomination and Remuneration Committees

The Company is not required to constitute Audit and Nomination and Remuneration Committees of the Board of Directors of the Company as per Sections 177 and 178 of the Companies Act, 2013. In addition, the provisions of the vigil mechanism as per the Companies Act, 2013 is not applicable to the Company.

Meetings held during the relevant Financial Year:

The Board of Directors of the Company duly met 4 (Four) times during the year 2017-18.

Details of Meetings held during the Financial Year 2017-2018:

QUARTER	BOARD MEETINGS	GENERAL MEETINGS
April to June	28.04.2017	Nil
July to September	09.08.2017	AGM: 09.08.2017
October to December	27.10.2017	Nil
January to March	30.01.2018	Nil
TOTAL NUMBER OF MEETINGS HELD	**4**	**1**

Details of Meetings Attended by each Director for the Financial Year 2017-2018:

DIRECTORS	DIN	NUMBER OF BOARD MEETINGS ATTENDED	NUMBER OF GENERAL MEETING ATTENDED
Mr. Visvanthan Mohan	00215718	4	1
Mr. Ashok Binnani	03326335	1	-
Mr. Prabhat Verma Mukundsahay	06548864	4	1

Change in nature of business:

There was no change in the nature of business of the Company during the financial year.

Deposits:

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

Extract of annual return:

The extract of the annual return in Form MGT-9 is annexed (as Annexure – I) and forms part of this report.

Statement on Declaration by an Independent Director u/s 149(6)

The Company is not required to appoint Independent Director as per Section 149 of the Companies Act, 2013.

Dividend:

Based on the performance of the Company during the year and the available funds position, the Directors are pleased to recommend for approval of members, a dividend of Rs.13.50 per equity share (135%) for the financial year 2017-18. The dividend, if approved by the members would involve a cash outflow of Rs.98.14 lakhs including dividend distribution tax.

Auditors:

M/s. Varma & Varma, Chartered Accountants, Calicut, (having FRN : 004532S) the Statutory Auditors of the Company were appointed at the Annual General Meeting held on 9th August, 2017 for a period of five years subject to ratification of shareholders and confirmation of Auditors at every Annual General Meeting.

However, pursuant to the amendment in Section 139 of the Companies Act, 2013 and related rules vide the Companies

(Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018 notified on 7th May 2018, the requirement of ratification of Statutory Auditors in every annual general meeting is omitted. Therefore, the item for ratification of Auditors is not placed before the members in the Annual General Meeting. The Board of Directors shall fix a remuneration for the Auditors in consultation with the Auditors.

Explanation or comments by the Board on every qualification, reservation, adverse remark or disclaimer made by the auditor:

The Auditor has not made any qualification, reservation, adverse remark or disclaimer in his report and hence no explanation is required.

Holding, Subsidiary, Associate and Joint Venture Companies:

The Indian Hotels Company Limited is the Holding Company of your Company. The Company has no subsidiary company as on 31st March 2018.

The Company is neither having Joint Venture or Associate Companies as on 31st March 2018.

Risk management Policy:

The Company has laid down procedures to inform Board Members about the risk assessment and minimization and has implemented the Risk Management plan and continuously monitors it.

Contracts / arrangements with related parties:

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

The Company has developed a Related Party Transactions Framework for purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all related party transactions is placed before the Board of Directors for their approval on a quarterly basis. The particulars of contracts or arrangements with related parties in Form AOC-2 (as Annexure – II) is annexed and forms part of this report.

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings outgo:

A. Details of Conservation of Energy:

   Steps taken or impact on conservation of energy: Not applicable

   Steps taken by the company for utilizing alternate sources of energy: Not applicable

   Capital investment on energy conservation equipment : Not applicable

B. Technology Absorption: Nil

   (i) Efforts made towards technology absorption:

   (ii) Benefits derived as a result of the above efforts:

   (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

      (a) Details of technology imported:

      (b) Year of import:

      (c) Whether the technology been fully absorbed:

      (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

(iv) Expenditure incurred on Research and Development: The Company has not any incurred any cost towards undertaking R&D Activity during the period under review.

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of actual inflows during the year : Nil

Foreign Exchange outgo during the year in terms of actual outflows : Nil

Material orders:

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.

Internal financial controls:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Board.

Particulars of loans, guarantees or investments:

The Company has duly complied with the provisions of Section 186 of the Companies Act, 2013. The Company had advanced loan to Taj Air Limited during the previous year after obtaining necessary approval from the members and the Board of Directors and the same has been repaid with interest during the current financial year. The Company has not advanced any other loan or provided guarantee covered under the provisions of Section 186 of the Companies Act, 2013 during the financial year.

Particulars of Monies accepted from Director of the Company during the year 2017-18:

During the year under review, the Company has not borrowed any amount from its Directors.

Particulars of employees:

The Company is not a listed company and hence disclosure of information under this head is not required to be provided.

Maintenance of books of account and other relevant books and papers in electronic form

The Company is not maintaining books of accounts and other relevant books and papers in electronic form.

Details regarding Service Provider

a.	the name of the service provider	NIL
b.	the internet protocol address of service provider	-
c.	the location of the service provider (wherever applicable)	-
d.	where the books of account and other books and papers are maintained on cloud, such address as provided by the service provider	-

Directors' Responsibility statement:

Your Directors' confirm:

a) that in the preparation of the Annual Accounts the applicable Accounting Standards have been followed along with proper explanation in relation to material departures.

b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit or loss of the company for the year.

c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) that the Directors have prepared the annual Accounts on a going concern basis.

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Fraud Reported by Auditor

The Auditor has not reported any fraud under Section 143(12).

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In accordance with section 6(1) of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company is not required to constitute Internal Complaints Committee (ICC) as there are no employees in the Company.

Acknowledgement:

Your Directors take this opportunity in placing on record the valuable contribution and continued support received from the Customers, Business associates and the Shareholders. The Directors also whole-heartedly recognize, acknowledge and commend the dedication and commitment of the Employees and the personnel associated with the Company. The Directors are also grateful to the Company's stakeholders and partners including its bankers, professional consultants and all the suppliers, for their consistent and constant support.

By order of the Board
For K T C HOTELS LIMITED

Prabhat S Verma
Director
(DIN : 06548864)

V.Mohan
Director
(DIN: 00215718)

Place : Cochin
Dare : April 26, 2018

Annexure – I - Extract of the annual return in Form MGT-9

Annexure – II - Particulars of contracts or arrangements with related parties in Form AOC-2

Annexure I

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details:

1)	CIN	: U55101KL1984PLC004105
2)	Registration Date	: December 22, 1984
3)	Name of the Company	: K T C Hotels Limited
4)	Category/Sub-Category of the Company	: Company Limited by Shares/Indian Non- Government Company
5)	Address of the Registered office and contact details	: Taj Residency, Marine Drive, Ernakulam, Kerala -682011 Tel No.: +91-8667705667 Email ID: mohan.jayaraman@tajhotels.com
6)	Whether listed company:- Yes / No	: No
7)	Name, Address and Contact details of Registrar and Transfer Agent, if any	: Not Applicable

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Hotels	5510	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section(s)
1.	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Colaba, Mumbai- 400 001	L74999MH1902PLC000183	Holding	100	2 (46)
	The Company has no Subsidiary or Associate Company				

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	6,04,000	6,04,000	100	-	6,04,000	6,04,000	100	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**-**	**6,04,000**	**6,04,000**	**100**	**-**	**6,04,000**	**6,04,000**	**100**	**-**
(2) Foreign		-	-	-		-	-	-	-
a) NRIs –Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A) (1) + (A) (2)	**-**	**6,04,000**	**604,000**	**100**	**-**	**6,04,000**	**6,04,000**	**100**	**-**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institution	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-
a) Bodies Corporate	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-
i) Indian	-				-				
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding(B)= (B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDR and ADR	-	-	-	-	-	-	-	-	-
Total (A+B+C)	**-**	**604,000**	**604,000**	**100**	**-**	**604,000**	**604,000**	**100**	**-**

(ii) Shareholding of Promoters

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total Shares	
1	The Indian Hotels Company Limited (IHCL)	503,698	83.39	0	503,698	83.39	0	0
2	IHCL jointly with Inditravel Ltd	1	0	0	1	0	0	0
3	IHCL jointly with Taida Trading and Industries Limited	100	0.02	0	100	0.02	0	0
4	IHCL jointly with Ideal Ice & Cold Storage Company Limited	1	0	0	1	0	0	0
5	IHCL jointly with Taj Trade and Transport Company Limited	7000	1.16	0	7000	1.16	0	0
6	IHCL jointly with Taj Air Limited	36,600	6.06	0	36,600	6.06	0	0
7	IHCL jointly with Taj Safaris Ltd	56,600	9.37	0	56,600	9.37	0	0
	Total	604,000	100	0	604,000	100	0	0

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

There was no change in the shareholding pattern of promoters during the financial year 2017-18

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Datewise Increase/Decrease in Promoters Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	-	-

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1.	There are no other shareholders other than the Promoter of the Company				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the Year	-	-	-	-
	At the End of the year	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	None of the Directors / Key Managerial Personnel hold shares in the Company				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	8,18,689	-	8,18,689-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	
Total (i+ii+iii)	**-**	**8,18,689**	**-**	**8,18,689**
Change in Indebtedness during the financial year				
Addition	-	88,753	-	88,753
Reduction	-	-	-	-
Net Change	-	88,753	-	88,753
Indebtedness at the end of the financial year				
i. Principal Amount	-	9,07,442	-	9,07,442
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	**-**	**9,07,442**	**-**	**9,07,442**

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
			NIL
1.	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act,1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others specify…		
5.	**Total**	-	

B. Remuneration to Other Directors:

SI. No.	Particulars of Remuneration	Name of Directors			Total
		Mr. V Mohan	Mr. Prabhat Verma	Mr. Ashok Binnani	
	Independent Directors Fee for attending board committee meetings Commission Others, please specify	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Total (1)	-	-	-	-
	Other Non-Executive Directors Fee for attending board /committee meetings Commission Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	1% of net profit as per Section 197 read with Section 198 of the Companies Act, 2013			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**Company Secretary**	**CFO**	**Total**
1.	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	Not Applicable	Not Applicable	
2.	Stock Option				
3.	Sweat Equity				
4.	Commission -as % of profit				
5.	Others				
	Total	Nil	Nil	Nil	Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NIL	NIL	NIL	NIL
Punishment	NA	NIL	NIL	NIL	NIL
Compounding	NA	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NA	NIL	NIL	NIL	NIL
Punishment	NA	NIL	NIL	NIL	NIL
Compounding	NA	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NIL	NIL	NIL	NIL
Punishment	NA	NIL	NIL	NIL	NIL
Compounding	NA	NIL	NIL	NIL	NIL

By order of the Board
For K T C HOTELS LIMITED

Prabhat S Verma
Director
(DIN : 06548864)

V.Mohan
Director
(DIN: 00215718)

Place : Cochin
Dare : April 26, 2018

Annexure II

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
   - (a) Name(s) of the related party and nature of relationship:
   - (b) Nature of contracts/arrangements/transactions
   - (c) Duration of the contracts/arrangements/transactions
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   - (e) Justification for entering into such contracts or arrangements or transactions
   - (f) Date(s) of approval by the Board:
   - (g) Amount paid as advances, if any:
   - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis:
   - (a) Name(s) of the related party and nature of relationship : The Indian Hotels Company Limited
   - (b) Nature of contracts/arrangements/transactions: Licence fee
   - (c) Duration of the contracts/arrangements/transactions : For a period of 30 years with effect from 21st December 1996
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

     Licence fee equivalent to 2% of the Annual Sales; Rs. 36,66,513/-
   - (e) Date(s) of approval by the Board, if any: - 21st October 2016
   - (f) Amount paid as advances, if any: NIL

By order of the Board
For K T C HOTELS LIMITED

Prabhat S Verma
Director
(DIN : 06548864)

V.Mohan
Director
(DIN:00215718)

Place : Cochin
Dare : April 26, 2018

Independent Auditor’s Report

To the Members of KTC Hotels Limited

Report on the Ind AS Financial Statements

We have audited the accompanying financial statements of KTC Hotels Limited (‘the Company’), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

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

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

Auditor’s Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   (d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act ;

   (e) On the basis of the written representations received from the directors of the company as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

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

   (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

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

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

For Varma and Varma
Chartered Accountants
FRNNo:004532S

S.Raghunandan
Partner
M No. 23592

Place : Calicut
Date: April 26, 2018

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018, we report that:

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

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

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

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

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) The Company has not made any investment or granted any loans or given any security or given any guarantee for which the provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable.

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

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

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

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

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

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

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

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

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

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

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

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

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

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

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

For Varma and Varma
Chartered Accountants
FRNNo:004532S

S.Raghunandan
Partner
M No. 23592

Place : Calicut
Date: April 26, 2018

Annexure "B" To The Independent Auditors' Report

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Varma and Varma
Chartered Accountants
FRNNo:004532S

S.Raghunandan
Partner
M No. 23592

Place : Calicut
Date: April 26, 2018

Balance Sheet as at March 31, 2018

Particulars	Note	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	**30,607,068**	31,242,249
		30,607,068	31,242,249
Financial Assets			
i) Other financial assets	4	**16,913**	16,913
Income tax assets (Net)		**1,446,992**	2,012,853
Other non-current assets	5	**635,883**	635,883
Total non-current assets		**32,706,856**	33,907,898
Current assets			
Financial Assets			
i) Trade receivables	6	**3,012,359**	1,100,114
ii) Cash and cash equivalents	7(a)	**2,365**	607,870
iii) Bank Balances other than Cash and Cash Equivalents	7(b)	**24,820,000**	920,000
iv) Loans	8	**114,230**	23,114,230
Other current assets	4	**1,099,757**	131,492
Total current assets		**29,048,711**	25,873,706
TOTAL		**61,755,567**	59,781,604
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	9	**6,040,000**	6,040,000
(b) Other Equity	10	**25,997,237**	23,438,881
Total equity		**32,037,237**	29,478,881
Liabilities			
Non-current liabilities			
Financial libilities			
i) Borrowings	11	**907,442**	818,689
Deferred Tax Liabilities (Net)	12	**6,164,550**	6,258,960
Other non-current Liabilities	13	**21,946,742**	22,528,051
Total non-current liabilities		**29,018,734**	29,605,700
Current liabilities			
Financial libilities			
i) Trade payables	14	**63,000**	73,500
Other current liabilities	13	**636,596**	623,523
		699,596	697,023
TOTAL		**61,755,567**	59,781,604
Accounting Policies	1-2		
Additional Information	19		

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

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

V.Mohan
Director
(DIN: 00215718)
Place: Mumbai
Date : April 26, 2018

Prabhat Verma
Director
(DIN: 06548864)

As per our report attached

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

S. Raghunandan
Partner
M.No:23592
Place:Calicut
Date : April 26, 2018

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

Particulars	Note	**March 31, 2018 ₹ Lakhs**	March 31, 2017 ₹ Lakhs
Revenue			
Revenue from operations	15	3,666,513	3,647,501
Other income	16	1,343,853	1,424,964
Total revenue		5,010,366	5,072,465
Expenses			
Finance costs	17	88,753	73,804
Depreciation and Amortisation expenses	3	635,181	633,800
Other expenses	18	273,501	146,042
Total expenses		997,435	853,646
Profit / (Loss) before exceptional items and tax		4,012,931	4,218,819
Exceptional items			-
Profit / (Loss) before tax		4,012,931	4,218,819
Tax Expense			
(1) Current tax		1,150,000	1,417,000.00
(2) Deferred tax		(94,411)	(1,355,307)
(3) Relating to earlier years (net)		398,985	-
Profit for the year		2,558,357	4,157,126
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Remeasurement of defined benefit obligation		-	-
Total other comprehensive income (net of tax)		-	-
Total comprehensive income for the year		2,558,357	4,157,126
Profit / (Loss) after minority interest & share of associates			
Earnings per equity share - Basic and diluted (Rs.)		4.24	6.88
Weighted average number of equity shares		604000	604000
(face value of Rs. 10 each)			
Accounting Policies	1-2		
Additional Information	19		

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

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

As per our report attached

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

V.Mohan
Director
(DIN: 00215718)
Place: Mumbai
Date : April 26, 2018

Prabhat Verma
Director
(DIN: 06548864)

S. Raghunandan
Partner
M.No:23592
Place:Calicut
Date : April 26, 2018

Cash Flow Statement for the year ended March 31, 2018

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 **₹ Lakhs**
Cash flow from Operating Activities:-		
Net Profit before tax	4,012,931	4,218,819
Adjustments for:		
Depreciation and amortization	635,181	633,800
Finance Costs	88,753	73,804
Interest Income	(1,335,727)	(1,414,727)
Excess provision written back	-	(10,237)
Total Adjustments	(611,793)	(717,360)
Operating profit before working capital changes	3,401,138	3,501,459
Adjustments for:		
Trade receivables	(1,912,245)	20,966,673
Loans , other financial assets and other assets	23,572,593	(23,203,310)
Trade payables	(10,500)	5,137
Other financial liabilities, provisions and other liabilities	(2,117,221)	(538,133)
Cash generated from operating activities (A)	22,933,765	731,826
Income taxes paid	(974,997)	(1,547,367)
Net cash generated / (used) in operating activities	21,958,768	(815,541)
Cash flow from investing activities:		
Payment for purchase of Tangible Assets	-	-
Bank Balances other than Cash and Cash Equivalents	(23,900,000)	(11,214)
Interest income	1,335,727	1,414,727
Net Cash Generated/(Used) In Investing Activities (B)	(22,564,273)	1,403,513
Cash flow from financing activities:		
Deposit from holding company	88,753	73,806
Finance Costs	(88,753)	(73,804)
Net Cash Generated/ (Used) In Financing Activities (C)	-	2
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(605,505)	587,974
Cash and cash equivalents at the beginning of the year	607,870	19,896
Cash and cash equivalents at the end of the year (Refer Note No:7a)	2,365	607,870
NET INCREASE/(DECREASE) AS DISCLOSED ABOVE	(605,505)	587,974
Significant Accounting Policies - See Note No.1 & 2		

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

V.Mohan
Director
(DIN: 00215718)
Place: Mumbai
Date : April 26, 2018

Prabhat Verma
Director
(DIN: 06548864)

As per our report attached

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

S. Raghunandan
Partner
M.No:23592
Place:Calicut
Date : April 26, 2018

Statement of changes in equity for the year ended March 31, 2018

A. Equity share capital

	Note	Equity shares	Amount
Equity shares of INR 10 each issued at par, subscribed and fully paid-up			
As at 1 April 2016	10	604,000	6,040,000
Changes in equity share capital during 2016-17		-	-
As at 31 March 2017		604,000	6,040,000
Changes in equity share capital during 2017-18		-	-
As at 31 March 2018		604,000	6,040,000

B Other equity

Particulars	Reserves and surplus		Total equity attributable to equity share share holders of the Company
	General Reserve	Retained Earnings	
As at 1 April 2016	3,300,000	15,981,755	19,281,755
Total comprehensive income for the year ended 31 March 2017			
Profit for the year	-	4,157,126	4,157,126
Other comprehensive income, net of taxes	-		-
Total comprehensive income	-	4,157,126	4,157,126
Dividend paid	-	-	-
Less: proposed dividend	-	-	-
Dividend tax	-	-	-
Total contributions by and distributions to owners	-	-	-
As at 31 March 2017	3,300,000	20,138,881	23,438,881
Total comprehensive income for the year ended 31 March 2018			
Profit for the year	-	2,558,357	2,558,357
Other comprehensive income, net of taxes	-		-
Total comprehensive income	-	2,558,357	2,558,357
Transactions with owners, recorded directly in equity			
Contributions by and distributions to owners			
Dividend paid	-	-	-
Less: proposed dividend			-
Dividend tax	-	-	-
Total contributions by and distributions to owners	-	-	-
As at 31 March 2018	3,300,000	22,697,238	25,997,238

Dividends:-

Subsequent to March 31, 2018, the Board of Directors of the KTC Hotels Limited has proposed a final dividend of Rs.13.5 per share totaling to Rs.81.54 lakhs (PY Rs.Nil per share totaling to Rs. Nil lakhs) in respect of fiscal 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs.98.14 lakhs (PY Rs. Nil lakhs), inclusive of corporate dividend tax of Rs.16.60 lakhs (PY Rs. Nil lakhs). Remittance of dividend within India is exempt from tax in the hands of shareholders.

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

As per our report attached

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

V.Mohan
Director
(DIN: 00215718)
Place: Mumbai
Date : April 26, 2018

Prabhat Verma
Director
(DIN: 06548864)

S. Raghunandan
Partner
M.No:23592
Place:Calicut
Date : April 26, 2018

Notes to Financial Statements for year ended March 31, 2018

1. Corporate Information

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

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2018.

2. Significant accounting policies

(a) Statement of Compliance

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

(b) Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 (₹Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(c) Use of estimates

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

(d) Critical accounting estimates

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

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

b. Impairment testing

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

c. Income Taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and the tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

d. Litigation

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

(e) Property, plant and equipment

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

(f) Impairment of assets

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

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

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

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

(g) Revenue recognition

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

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

(h) Assets taken on lease

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

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

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(i) Income Taxes

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

(1) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(2) Deferred Tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

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

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

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

(j) Borrowing Cost

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

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

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(l) Cash and Cash Statement

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

(m) Earnings per share

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

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Notes to Financial Statements for year ended March 31, 2018 (Contd.)

3. Property, Plant & Equipments

Particulars	Land	Buildings	Total (A)+(B)
Gross carrying value			
Balance at April 1, 2016	**4,252,675**	**39,971,450**	**44,224,125**
Additions	-	-	-
Deletions	-	-	-
Balance at March 31, 2017	4,252,675	39,971,450	44,224,125
Balance at April 1, 2017	4,252,675	39,971,450	44,224,125
Additions	-	-	-
Deletions	-	-	-
Balance at March 31, 2018	**4,252,675**	**39,971,450**	**44,224,125**
Accumulated Depreciation			
Balance at 1 April 2016	-	12,348,076	12,348,076
Depreciation	-	633,800	633,800
Deletions	-	-	-
Balance at March 31, 2017	-	12,981,876	12,981,876
Balance at April 1, 2017	-	12,981,876	12,981,876
Depreciation	-	635,181	635,181
Deletions	-	-	-
Balance at March 31, 2018	-	13,617,057	13,617,057
Net carrying value as at March 31, 2018	**4,252,675**	**26,354,393**	**30,607,068**
Net carrying value as at March 31, 2017	4,252,675	26,989,574	31,242,249

4. Other financial assets

Particulars	**March 31, 2018 ₹ Lakhs**	March 31, 2017 ₹ Lakhs
Non-current		
Unsecured, considered good		
Security Deposits	**16,913**	16,913
	16,913	16,913
Current		
Interest Receivable - Others	**1,094,065**	131,492
Others-Balance with Government Authorities	**5,692**	-
	1,099,757	131,492
Total	**1,116,670**	148,405

5: Other assets

Particulars	**March 31, 2018 ₹ Lakhs**	March 31, 2017 ₹ Lakhs
Non current		
Unsecured, considered good		
Others-Balance with Government Authorities	635,883	635,883
	635,883	635,883

6. Trade receivables

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Current		
Unsecured		
Considered good	3,012,359	1,100,114
Considered doubtful	-	-
	3,012,359	1,100,114
Less: Allowances for bad and doubtful debts	-	-
Net Trade Receivables	3,012,359	1,100,114

7 (a). Cash and Cash Equivalents

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Balance with bank in current account	2,365	607,870
	2,365	607,870

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

Call and short term deposit accounts	24,820,000	920,000
	24,820,000	920,000

8. Loans

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
(Unsecured, considered good unless stated otherwise)		
with public bodies and others	114,230	23,114,230
	114,230	23,114,230

9. Share Capital

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Equity Share Capital		
Authorised		
15,00,000 (15,00,000) equity shares of Rs.10/- each	15,000,000	15,000,000
Face Value per ordinary share		-
(March 31, 2017: 15,00,000 Equity Shares of Rs.10 each)		
(March 31, 2016: 15,00,000 Equity Shares of Rs.10 each)		
		-
	15,000,000	15,000,000
Equity share capital		
Issued, subscribed and paid-up		
Equity shares		
Face Value per ordinary share		
6,04,000 equity shares of Rs.10/- each	6,040,000	6,040,000
(March 31, 2017: 6,04,000 Equity Shares of Rs.10 each)		
(March 31, 2016: 6,04,000 Equity Shares of Rs.10 each)		-
	6,040,000	6,040,000

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

During the year ended March 31, 2018, no dividend is proposed as distribution to equity shareholders (Previous year Rs.Nil per share).

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

Equity Shares	**March 31, 2018**	**March 31, 2017**
	No. of shares	No. of shares
At the beginning of the period	604,000	604,000
Issued during the period	-	-
Outstanding at the end of the period	604,000	604,000

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

Class of shares / Name of shareholder	March 31, 2018, March 31, 2017	and March 31, 2016
	No. of shares	% of holding
Indian Hotel Company Ltd	604,000	100%

10. Other Equity

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
Other Equity		
Reserves & Surplus		
General Reserve	3,300,000	3,300,000
Retained Earning		
Ind AS Transition Reserve	-	-
Surplus/Deficit in the Profit And Loss b/f	20,138,880	15,981,755
Current Year profits	2,558,357	4,157,126
Closing retained earning	22,697,237	20,138,881
Total Reserves and Surplus	25,997,237	23,438,881
Other Comprehensive Income		-
OCI - Debt Instruments (Reclass to P&L)	-	-
OCI - Equity Instruments (Not Reclass to P&L)	-	-
OCI - Share of Investment in Associate	-	-
OCI - Share of Investment in Joint Venture	-	-
Total Other Comprehensive Income	-	-
Total	25,997,237	23,438,881

Dividends:-

Subsequent to March 31, 2018, the Board of Directors of the KTC Hotels Limited has proposed a final dividend of Rs.13.5 per share totaling to Rs.81.54 lakhs (PY Rs.Nil per share totaling to Rs. Nil lakhs) in respect of fiscal 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs.98.14 lakhs (PY Rs. Nil lakhs), inclusive of corporate dividend tax of Rs.16.60 lakhs (PY Rs. Nil lakhs). Remittance of dividend within India is exempt from tax in the hands of shareholders.

11. Borrowings

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
Non Current		
From Related Party		
Unsecured	907,442	818,689
Total	907,442	818,689

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

12. Deferred Tax Liabilities (Net)

Particulars	**March 31, 2018** ₹ **Lakhs**	March 31, 2017 ₹ Lakhs
Deferred Tax Liabilities:		
On excess of net book value over income tax written down value of fixed assets	6,164,550	6,258,960
Total (A)	6,164,550	6,258,960
Deferred Tax Assets:		
Provision for doubtful debts	-	-
Others	-	-
Total (B)		
Net Deferred Tax Liabilities (A-B)	6,164,550	6,258,960

13. Other Liabilities

Particulars	**March 31, 2018** ₹ **Lakhs**	March 31, 2017 ₹ Lakhs
Non Current		
Advances		
Others	21,946,742	22,528,051
	21,946,742	22,528,051
Current		
Income Received in Advance	581,318	581,325
Deferred Revenue - Loyalty		-
Deferred Revenue –SFIS		-
Advance Collected from customers		-
Statutory dues	55,278	42,198
	636,596	623,523

14. Trade payables

Particulars	**March 31, 2018** ₹ **Lakhs**	March 31, 2017 ₹ Lakhs
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer Note 14.1)		
Total outstanding dues of creditors other than micro enterprises and small enterprises	63,000	73,500
	63,000	73,500
14.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:		
The principal amount remaining unpaid to any supplier as at the end of the year	-	-
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

15. Revenue from operations

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
License Fee	3,666,513	3,647,501
	3,666,513	3,647,501
Income from Operation is derived from the following services:		
Management & Operating Fees	3,666,513	3,647,501
	3,666,513	3,647,501

16. Other income

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
Interest Income - Intercorporate Deposits	1,234,905	1,361,097
Interest Income - Others	100,822	53,630
Miscellaneous Income	8,126	-
Excess provision written back	-	10,237
Total	1,343,853	1,424,964

17. Finance costs

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
Interest expense		
Interest Expense on deposit	88,753	73,804
Total	88,753	73,804

18. Expenses

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
Rates and taxes	15,060	4,346
Other expenses	188,441	61,196
Auditors Remuneration		
i. Statutory Audit Fees	60,000	80,500
ii. Taxation Matters	10,000	-
	273,501	146,042

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

As per our report attached

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

V.Mohan
Director
(DIN: 00215718)
Place: Mumbai
Date : April 26, 2018

Prabhat Verma
Director
(DIN: 06548864)

S. Raghunandan
Partner
M.No:23592
Place:Calicut
Date : April 26, 2018

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

19. Additional Information

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

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
I. Contingent Liabilities:		
(a) Claims against the Company not acknowledged as debts		
Income Tax Demands disputed in Appeals not provided for AY 2005-06 (Refer note 19.1.a)	9,59,450	9,59,450
Service Tax Demands disputed in Appeals not provided for 2007-08 to 2008-09	22,47,062	22,47,062
(b) Bank Guarantee	Nil	Nil
(c) Other money for which the Company is contigently liable	Nil	Nil
II. Commitments		
a) Estimated amount of contracts remaining to be executed on capital account not provided for	Nil	Nil
b) Uncalled liability on shares and other investments partly paid	Nil	Nil
c) Other Commitments	Nil	Nil

Note 19.1.a

In respect of above, the company has good chance of getting orders in favour of the company and hence no provision is considered necessary at this stage.

19.2 Segment Information

The Company's only business being in the business of renting of immovable property, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments' (Ind AS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

19.3 Earnings Per Share (EPS)

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

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Profit/ (Loss) after tax	**25,58,357**	41,57,126
Number of Equity Shares:	**6,04,000**	6,04,000
Weighted average number of equity share considered in calculation of EPS		
Considered in calculation of diluted EPS	**6,04,000**	6,04,000
Face value per equity share	**10**	10
Earnings per share: Basic	**4.24**	6.88
Diluted	**4.24**	6.88

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

19.4 Disclosure of Related Party Transactions in accordance with the accounting standard (AS - 18) " Related Party Disclosures"

A. Related Party and Nature of Relationship:			
(a) Key Management Personnel	i. Visvanathan Mohan ii. Ashok Binnani iii. Prabhath Varma		
(b) Relatives of Key Management Personnel	Nil		
(c) Enterprises over which the key managerial personnel and their relatives are able to exercise significant influence having transactions with the company	Nil		
Particulars	**Nature of Transactions**	**March 31, 2018 ₹ Lakhs**	March 31, 2017 ₹ Lakhs
Related Party Transactions			
Indian Hotels Company Ltd. (Holding Company)	License fee	36,66,513	36,47,501
	Receivables	30,12,359	11,00,114

No amount has been provided/written off as doubtful debts or advances written back in respect of payables due from or to any of the above related parties.

19.5 Income Tax Expense

A) Income Tax recognized in Profit or loss:

Particulars	**Note for explanation**	**March 31, 2018 (in Rs.)**
Current Tax		
In respect of the current year		11,50,000
In respect of earlier years		3,98,985
MAT Credit		Nil
		15,48,985
Deferred Tax		
In respect of the current year		Nil
MAT credit		Nil
Other items		Nil
Deferred tax reclassified from equity to profit and loss, if any		
Adjustment to deferred tax attributable to changes in tax rates and laws		(94,411)
		(94,411)
Total tax expense recognised in the current year relating to continuing operations		**14,54,754**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

B) Reconciliation of tax expense with the effective tax

Particulars	Note for explanation	March 31, 2018 (in Rs.)
Profit before tax from continuing operations (a)		40,12,931
Income tax rate as applicable (b)		25.75%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]		10,33,330
Permanent tax differences due to:		
Effect of deferred tax balances		(94,411)
Income considered as capital in nature under tax and tax provisions		
Effect of expenses that are not deductible in determining taxable profit		
Expense considered as capital in nature under tax and tax provisions		
Effect of concessions on which higher deduction given (research and development and other allowances)		
Impairment losses on goodwill that are not deductible		
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets		
Others		1,16,670
Prior year taxes as shown above		3,98,985
Income tax expense recognised in profit or loss (relating to continuing operations)		14,54,754

c) Tax Working for Financial Year 2017/18 -Net Deferred Tax Liability as at March 31, 2018

Particulars	March 2018 Ind AS	PL Impact	OCI Impact	Charge During the year	Impact of tax rate change	Total charge
Deferred tax liability:						
WDV of Fixed Assets – Differential	61,64,550	(94,411)	-	-	-	(94,411)
Others (Please specify)	-	-	-	-	-	-
Total (A)	61,64,550	(94,411)	-	-	-	(94,411)

19.6 In the opinion of the Board, current assets and long term loans & advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

19.7 Previous year's figures:

The Company has regrouped/reclassified the previous year's figures to conform to the current year's presentation.

COMPANY INFORMATION

Board of Directors
Mr. Farhat Jamal (resigned w.e.f. May 7, 2018)
Mr. Rajesh R. Nagpal
Mr. Sudhir L. Nagpal
Mr. Taljinder Singh
Mr. Rohit Khosla (Appointed w.e.f. May 7, 2018)

Bankers
Indian Overseas Bank
State Bank of India

Auditors
O. P. Dadu & Co.
Chartered Accountants

Registered Office:
The Gateway Hotel, Fatehabad Road,
Taj Ganj, Agra 282001.
CIN: U55101UP1971C003838
Website: www.northernindiahotelsltd.com

Registrar and Share Transfer Agent:
The Indian Hotels Company Limited
Mandlik House, Mandlik Road,
Mumbai 400001.
Phone : 022-66651369 Fax : 022-22027442
Email : investorrelations@tajhotels.com

Board's Report

Dear Shareholders,

Your Directors hereby present the Forty Sixth Annual Report of the Company for the Financial Year ended March 31, 2018.

1. Financial Performance

The summarized standalone results of your Company are given in the table below.

₹ in Lakhs

Particulars	31/03/2018	31/03/2017
Total Income	**339.86**	323.94
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	**324.12**	303.74
Depreciation	**1.10**	1.10
Provision for Income Tax (including for earlier years)	**90**	96
Net Profit/(Loss) After Tax	**233.37**	208.32
Profit/(Loss) brought forward from previous year	**2401.17**	2192.85
Profit/(Loss) carried to Balance Sheet	**2634.54**	2401.17

*previous year figures have been regrouped/rearranged wherever necessary.

2. Working Results

The Income for the year was ₹ 339.86 Lakhs compared to ₹ 323.94 Lakhs for the previous year and profit after expenditure, depreciation and provision for taxes was ₹ 233.37 Lakhs as compared to ₹ 208.32 Lakhs for the previous year which has been transferred to the Balance Sheet.

3. Statutory Auditors

M/s. O.P. Dadu & Co., Chartered Accountants (Firm Registration No. 001201N), are the Statutory Auditors of the Company holds office till the conclusion of the ensuing Annual General Meeting. The report of the Statutory Auditors along with the Notes to Schedules is enclosed to this report and does not contain any qualifications, reservations or adverse remark or disclaimer.

The Board has recommended the appointment of M/s. O.P. Dadu & Co., Chartered Accountants, as the Statutory Auditors of the Company, for a term of five consecutive years, from the conclusion of this AGM till the conclusion of the 51st AGM of the Company to be held in the year 2023, for approval of the Members.

4. Directors:

During the year under report, there was no change in the directorship of your Company. Mr. Farhat Jamal, Director resigned from the directorship of the Company w.e.f. closing business are hours of May 7, 2018. The Directors place on record their appreciation of the services rendered by Mr. Farhat Jamal during the tenure as Director of the Company.

Mr. Rohit Khosla was appointed as an Additional Director of the Company w.e.f. May 7, 2018 and holds office upto the date of forthcoming Annual General Meeting ('AGM'). It is proposed to appoint Mr. Khosla as Director of the Company at the ensuing AGM. The Board commends his appointment. Except Mr. Khosla, no other Director is interested in this resolution.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Taljinder Singh Director of the Company is liable to retire by rotation and is eligible for reappointment.

5. Number of Board Meetings conducted during the year

The Company held 4 (four) Board Meetings during the financial year under report.

6. Particulars of loans, guarantees or investments under section 186:-

The Company has not given any guarantees nor made any investments under Section 186 of the Act during the year under review. The particulars of Inter-Corporate Loans/Short Term Inter Corporate Deposits made by the Company are furnished in Note No. 6 of the Notes to Accounts.

7. Annual Return

The details forming part of the extract of Annual Return in Form MGT 9 pursuant to Section 92 (3) of the Companies Act, 2013 ('the Act') read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, are given in Annexure I.

8. Particulars of Contracts or Arrangements made with Related Parties

All related party transactions were at arm's length basis and in the ordinary course of business.

9. Risk Management

The operations of the Company primarily comprise only the license fee received from Piem Hotels Ltd, to whom The Gateway Hotel, Agra has been given on license which is constantly monitored from the risk management perspective.

10. Internal financial controls

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

11. Fixed Deposits

Your Company has not accepted any deposits from public covered under Chapter V of the Act

12. Borrowings

The Company does not have any borrowings.

13. Significant and material orders passed by the regulators

During the year under review, there were no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations.

14. Particulars of Employees

The Company had no employees during the year who were in receipt of remuneration aggregating to:

Not less than ₹ 102.00 Lakhs for the year, if employed throughout the financial year,

or

Not less than ₹ 8.50 Lakhs per month, if employed for part of the financial year.

15. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company has no activity relating to conservation of energy or technology absorption. There were no foreign exchange earnings and expenditure during the year under review.

16. Details of Holding/Subsidiaries/Joint Venture Companies

Piem Hotels Limited is the Holding Company. The Company does not have any Subsidiary Company/Joint Venture Company.

17. Referral of Company to Dissemination Board of BSE

As mentioned in your previous year's Annual Report, the Company was moved to the Dissemination Board of BSE and accordingly ceased to be a listed company. Pursuant to SEBI Circular dated October 10, 2016 (SEBI Circular) in respect of companies moved to the Dissemination Board of the Stock Exchanges, the promoter of the Company i.e Piem Hotels Limited had made the Exit Offer to the public shareholders to acquire the Equity Shares at an exit price of ₹ 1426/- per Equity Share. A total of 4,516 equity shares were tendered in the exit offer and the same have been accepted by Piem Hotels Ltd. The said process of exit offer has been completed and the name of the company has been removed from the Dissemination Board of BSE.

18. Directors' Responsibility Statement

Based on the framework of the financial controls and Compliance system established and maintained by the Company, work performed by the internal and statutory auditors, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

Accordingly, pursuant to Section 134(3)(C) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirms that –

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that period;

c) The Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts on a going concern basis; and

e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board of Directors

Rajesh Nagpal	**Sudhir Nagpal**
Director	Director

Place: Mumbai
Date: June 20, 2018

ANNEXURE I

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details:

i)	CIN	U55101UP1971PLC003838
ii)	Registration Date	August 18, 1971
iii)	Name of the Company	Northern India Hotels Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares/Indian Non Government Company
v)	Address of the Registered Office and contact details	The Gateway Hotel, Fatehabad Road, Taj Ganj Agra - 282 001
vi)	Whether listed company	No
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	The Indian Hotels Company Limited Mandlik House, Mandlik Raod Mumbai – 400 001

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Hoteliering	55101	100 %

III. Particulars of Holding, Subsidiary and Associate Companies -

Sr. No	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	PIEM Hotels Limited	U55101MH1968PLC013960	Holding	94.16	2(87)(ii)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year %				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF									
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp.	4,07,567	Nil	4,07,567	93.14	4,09,333	2,700	4,12,033	94.16	1.02
(e) Banks / FI									
(f) Any Other...									
Sub-total (A) (1)	**4,07,567**	**Nil**	**4,07,567**	**93.14**	**4,09,333**	**2,700**	**4,12,033**	**94.16**	**1.02**
(2) Foreign									
(a) NRIs - Individuals									
(b) Other Individuals									
(c) Bodies Corp.									
(d) Banks / FI									
(e) Any Other....									
Sub-total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**4,07,567**	**Nil**	**4,07,567**	**93.14**	**4,09,333**	**2700**	**4,12,033**	**94.16**	**1.02**
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds									
(b) Banks / FI									
(c) Central Govt									
(d) State Govt(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
Sub-total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
(a) Bodies Corp.	Nil	2,000	2,000	0.46	Nil	2,000	2,000	0.46	No change
(i) Indian									
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	Nil	28,033	28,033	6.41	Nil	23,567	23,567	5.39	(1.02)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
(c) Others (specify)									
Sub-total (B)(2)									
Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	30,033	30,033	6.86	Nil	25,567	25,567	5.84	(1.02)
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	4,07,567	30,033	4,37,600	100	409,333	28,267	4,37,600	100	

(ii) Shareholding of Promoters

Sr No.	Name of the shareholder's	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	%of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Piem Hotels Limited	4,07,567	93.14	Nil	4,12,033	94.16	Nil	1.02

(iii) Change in Promoters' Shareholding

Sr No.	Name of the shareholder's	Shareholding at the beginning of the year (i.e. as on 01.04.2017)		Date of transfer	Increase / Decrease in the shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Piem Hotels Limited*	4,07,567	93.14	(100 shares transferred on 21/04/2017 200 shares transferred on 28/04/2017) 1466 shares transferred on 05/02/2018 2700 shares transferred on 29/03/2018)	4466	1.02	4,12,033	94.16

* 4466 shares has been purchased by the Company in the Exit Offer process

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shellka Woollen Pvt. Ltd.				
	At the beginning of the year	2000	0.46	2000	0.46
	At the end of the year	2000	0.46	2000	0.46
2	Narinder Kumar				
	At the beginning of the year	800	0.18	800	0.18
	At the end of the year	800	0.18	800	0.18
3	Pagadala Kuppuswami				
	At the beginning of the year	750	0.17	750	0.17
	At the end of the year	750	0.17	750	0.17
4	Rajendra Mehra				
	At the beginning of the year	700	0.16	700	0.16
	At the end of the year	700	0.16	700	0.16

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Sunder Singh Gahlaut				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
6	Gulshan Kapoor				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
7	Kush Kant				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
8	Madam Mohan Kapoor				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
9	Madhu Kohli				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
10	Mohit C Gupta				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease(e.g. allotment /transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the end of the year	NA	NA	NA	NA

V. Indebtedness

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2017-18.

VI. Remuneration of Directors and Key Managerial Personnel - NA

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The Company is a Board managed Company and does not have any Managing Director, Whole Time Directors and / or Manager.

B. Remuneration to other directors

Sr No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors						
	Fee for attending board committee meetings						
	Commission						
	Others, please specify						
	Total (1)						
2	Other Non-Executive Directors	Sudhir Nagpal	Rajesh Nagpal	Farhat Jamal	Taljinder Singh	Rohit Khosla	
	Fee for attending board committee meetings	-	-	-	-	-	
	Commission						
	Others, please specify						
	Total (2)						
	Total (B)=(1+2)						
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil	
	Overall Ceiling as per the Act	(3% of the net profit of the Company), but no remuneration has been paid)					

c. Remuneration to key managerial personnel other than MD / Manager/WTD :

NOT APPLICABLE

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties/ punishments/ compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Rajesh Nagpal
Director

Sudhir Nagpal
Director

Place: Mumbai
Date: June 20, 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHERN INDIA HOTELS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of NORTHERN INDIA HOTELS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the statement of change in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3)of the Act, we report that :

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

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

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement, and the statement of change in equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director interms of Section 164 (2)of the Act.

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

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

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

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

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

For O.P.Dadu & Co.
Chartered Accountants
FRN. 001201N

(O.P.Dadu)
Partner
M.No. 010871

Place : New Delhi
Dated : May 7, 2018

ANNEXURE A TO THE AUDITORS' REPORT

In our opinion, and in so far as we have been able to ascertain from the records produced, Information furnished and the explanations given to us by the Company.

1. a) The Company has maintained proper records of its Fixed Assets , showing full particulars including their quantitative detail and situation.

   b) The Company has, during the year, physically verified all the Fixed Assets in respect of which record is kept. No discrepancies were noticed on such verification.

   c) According to information and explanation given to us, the title deeds of Immovable Properties are held in the name of the company and the title deeds in respect of Land admeasuring 14744.60 Sq.Yards are pending Registration.

2. The company doesn't hold any inventory, during the year. Thus paragraph 3 (ii) of the order is not applicable to the Company.

3. The Company has granted loans to body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act').

   a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act was not, prima facie, prejudicial to the interest of the Company.

   b) In the case of the loans granted to the body corporate listed in the register maintained under section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.

   c) There is no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. The Company has not accepted any deposit from the public.

6. As far as we are aware, the Central Government has not specified the maintenance of cost records by the company under section 148(1) of the Companies Act, 2013.

7. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax, cess and other statutory dues wherever applicable to it.

   According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, ESI, Income Tax, Sales Tax, Service Tax , customs duty, excise duty, value added Tax and cess were in arrears, as at 31.03.2018 for a period of more than six months from the date they became payable.

   b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax and cess which have not been deposited on account of any dispute.

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

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year.

10. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.

11. The company has not paid or provided any managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanation given to us, the transaction with Related Parties are in compliance with section 177 and 188 of the Act, and details have been disclosed in Financial Statements etc, as required by the applicable accounting standards.
14. According to the information and explanation given to us, the Company has not made any Preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanation given to us, the Company has not entered into any non cash transaction with Director or persons connected with him during the year.
16. The Company is not required to registered U/s 45 IA of Reserve Bank of India Act, 1934.

For O.P.Dadu & Co.
Chartered Accountants
FRN. 001201N

(O.P.Dadu)
Partner
M.No. 010871

Place : New Delhi
Dated : May 7, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For O.P.Dadu & Co.
Chartered Accountants
FRN. 001201N

(O.P.Dadu)
Partner
M.No. 010871

Place : New Delhi
Dated : May 7, 2018

Balance Sheet as at March 31, 2018

	Note	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Assets			
Non-current Assets			
Property, Plant and Equipment	3	**29.46**	30.41
Intangible Assets	4	**0.08**	0.23
		29.54	30.64
Financial Assets			
Investments	5	**10.43**	10.43
Other financial assets	7	**0.59**	0.59
Current Tax (Net)		**8.45**	5.66
Other Non-current Assets	8	**7.21**	7.88
		56.22	55.20
Current Assets			
Financial Assets			
Trade and Other Receivables	9	**50.73**	51.89
Cash and Cash Equivalents	10	**6.28**	20.03
Bank Balances other than Cash and Cash Equivalents	11	**2,580.71**	922.68
Loans	6	**-**	1,400.00
Other financial assets	7	**-**	14.60
Other Current Assets	8	**0.66**	1.10
		2,638.38	2,410.30
Total Assets		**2,694.60**	2,465.50
Equity and Liabilities			
Equity			
Equity Share capital	12	**44.15**	44.15
Other Equity	13	**2,634.54**	2,401.17
Total Equity		**2,678.69**	2,445.32
Liabilities			
Non-current Liabilities			
Deferred Tax Liabilities (Net)	14	**6.80**	8.24
		6.80	8.24
Current Liabilities			
Financial Liabilities			
Other financial Liabilities	15	**0.79**	4.28
Other current liabilities	16	**8.32**	7.66
		9.11	11.94
Total Equity and Liabilities		**2,694.60**	2,465.50
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 21		

In terms of our report attached.
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871
Place : New Delhi
Date : May 7, 2018

For and on behalf of the Board
Mr. Farhat Jamal Director
(DIN: 01875688)

Mr. Rajesh Nagpal Director
(DIN: 00032123)

Place : Mumbai
Date : May 7, 2018

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

	Note	**March 31, 2018 ₹ Lakhs**	March 31, 2017 ₹ Lakhs
Income			
Revenue from Operations			
Income from Hotel Operations	17	**135.28**	138.36
Other Income	18	**204.58**	185.58
Total		**339.86**	323.94
Expenses			
Depreciation and Amortisation	3 & 4	**1.10**	1.10
Other Operating and General Expenses	19	**14.64**	19.10
Total		**15.74**	20.20
Profit/ (Loss) Before Tax and Exceptional items		**324.12**	303.74
Exceptional Items	20	**-**	-
Profit/ (Loss) Before Tax		**324.12**	303.74
Tax Expenses			
Current Tax		**90.00**	96.00
Deferred Tax		**-1.44**	-0.44
Short/ (Excess) Provision of Tax/ Deferred Tax of Earlier Years (net)		**2.19**	-0.14
Total		**90.75**	95.42
Profit/ (Loss) for the period after tax		**233.37**	208.32
Other Comprehensive income, net of tax		**-**	-
Other Comprehensive income for the period, net of tax		**-**	-
Total Comprehensive Income for the period		**233.37**	208.32
Earning Per Equity Share			
a) Weighted average number of shares		**437,600**	437,600
b) Nominal value of shares (Rupees)		**10**	10
c) Basic and diluted earnings per share (Rupees)		**53**	48
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 21		

In terms of our report attached.
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871
Place : New Delhi
Date : May 7, 2018

For and on behalf of the Board
Mr. Farhat Jamal Director
(DIN: 01875688)

Mr. Rajesh Nagpal Director
(DIN: 00032123)

Place : Mumbai
Date : May 7, 2018

Statement of Cash Flows for the year ended March 31, 2018

		March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Cash Flow From Operating Activities			
Profit Before Tax		**324.12**	303.74
Adjustments For :			
Depreciation and Amortisation		**1.10**	1.10
Dividend Income		**(0.52)**	(5.48)
Interest Income		**(203.95)**	(180.10)
		(203.37)	(184.48)
Cash Operating Profit before working capital changes		**120.75**	119.26
Adjustments for (increase)/ decrease in operating assets:			
Trade and Other Receivables		**1.16**	(21.55)
Other Current Assets		**0.44**	(0.43)
Other Non-Current Assets		**0.67**	0.66
		2.27	(21.32)
Adjustments for increase/ (decrease) in operating liabilities:			
Other Current Liabilities		**0.66**	1.94
Other Financial Liabilities		**(3.49)**	2.85
		(2.83)	4.79
Cash Generated from Operating Activities		**120.19**	102.73
Direct Taxes (Paid)/ Refunded		**(94.98)**	(96.10)
Net Cash From Operating Activities (A)		**25.21**	6.63
Cash Flow From Investing Activities			
Interest Received		**203.95**	180.10
Dividend Received		**0.52**	5.48
ICD's Given		**1,400.00**	(1,000.00)
Other Financial Assets		**14.60**	(4.73)
Proceeds from maturity of short-term deposits with banks		**(1,658.03)**	769.38
Net Cash Used In Investing Activities (B)		**(38.96)**	(49.77)
Cash Flow From Financing Activities			
Net Cash Generated/ (Used) In Financing Activities (C)		**-**	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)		**(13.75)**	(43.14)
Cash and Cash Equivalents - Opening		**20.03**	63.17
Cash and Cash Equivalents - Closing (Refer Note 10)		**6.28**	20.03
Summary of Significant Accounting Policies	**2**		
The accompanying notes form an integral part of the Financial Statements	**1-21**		

In terms of our report attached.
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871

Place : New Delhi
Date : May 7, 2018

For and on behalf of the Board

Mr. Farhat Jamal Director
(DIN: 01875688)

Mr. Rajesh Nagpal Director
(DIN: 00032123)

Place : Mumbai
Date : May 7, 2018

Statement of Changes in Equity as at March 31, 2018

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus				Grand Total
		Retained Earning	Retained Earning General Reserve	Retained Earning Profit & Loss B/fd	Other reserves	
Balance as at March 31, 2017	**44.15**	**2,401.17**	**-**	**2,401.17**	**-**	**2,445.32**
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance as at March 31, 2017	**44.15**	**2,401.17**	**-**	**2,401.17**	**-**	**2,445.32**
Profit for the year	-	233.37	-	233.37	-	233.37
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	-	-
Actuarial Gains/Losses (Not Reclass to P&L)	-	-	-	-	-	-
Total Comprehensive Income for the year	**-**	**233.37**	**-**	**233.37**	**-**	**233.37**
Dividends	-	-	-	-		-
Tax on Dividend	-	-	-	-		-
Balance as at March 31, 2018	**44.15**	**2,634.54**	**-**	**2,634.54**	**-**	**2,678.69**

In terms of our report attached.

For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871

Place : New Delhi
Date : May 7, 2018

For and on behalf of the Board

Mr. Farhat Jamal Director
(DIN: 01875688)

Mr. Rajesh Nagpal Director
(DIN: 00032123)

Place : Mumbai
Date : May 7, 2018

Notes to the Financial Statements for the year ended March 31, 2018

Note 1. Corporate Information

Northern India Hotels Limited ("NIHL" or the "Company"), is a public limited company incorporated in 1971 and has its registered office at The Gateway Hotel , Fatehabad Road, Taj Ganj, Agra – 282001. It is subsidiary of PIEM Hotels Ltd., Mumbai. The company is primarily engaged in the business of owing hotel.

The financial statements were approved by the Board of Directors and authorised for issued on 7th May 2018.

Note 2. Significant Accounting Policies

(a) Statement of compliance:

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

(b) Basis of preparation and presentation:

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

(c) Critical accounting estimates and judgements

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

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.
- **Fair value measurement of financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant

Notes to the Financial Statements for the year ended March 31, 2018

judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.

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

(d) Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises Licence Fee relating to hotel operations.

Licence fee earned is under long-term contracts with the PIEM Hotels Limited and is recognised when earned in accordance with the terms of the contract.

Interest

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

Dividend

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

(e) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(j) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

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

Class of Assets	Estimated Useful Life
Hotel Buildings	60 years
Plant and Equipment	10 to 20 years
Assets costing less than ₹ 5000	4 years

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

(f) Intangible Assets:

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

Notes to the Financial Statements for the year ended March 31, 2018

intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

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

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

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

iv) the ability to measure the development expenditure reliably.

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

Class of Assets	Estimated Useful Life
Software	6 years

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

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(g) Impairment of assets:

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

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

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

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

(h) Income Taxes:

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

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

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

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

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

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

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

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

Contingent assets are not recognized in the financial statements.

(j) Borrowing Costs:

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

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

Notes to the Financial Statements for the year ended March 31, 2018

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

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(l) Cash Flow Statement:

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

(m) Earnings Per Share:

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

(n) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Equity investments

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

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There

Notes to the Financial Statements for the year ended March 31, 2018

is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

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

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

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

b) Trade receivables.

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially

Notes to the Financial Statements for the year ended March 31, 2018

modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

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

Notes to the Financial Statements for the year ended March 31, 2018

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

	Freehold Land	Buildings (Refer Footnote (i) & (ii))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Gross Block at Cost							
At March 31, 2017	**3.80**	**28.50**	**0.01**	**-**	**-**	**-**	**32.31**
Additions							-
Adjustments							-
Disposals							-
At March 31, 2018	3.80	28.50	0.01	-	-	-	32.31
Depreciation (Refer Footnote (ii))							
At March 31, 2017	-	1.90	-	-	-	-	1.90
Charge for the year		0.95					0.95
Disposals							-
At March 31, 2018	**-**	**2.85**	**-**	**-**	**-**	**-**	**2.85**
Net Block							
At March 31, 2017	3.80	26.60	0.01	-	-	-	30.41
At March 31, 2018	3.80	25.65	0.01	-	-	-	29.46

Footnotes :

1) Gross block including freehold land admeasuring 14744.60 Sq.yd Aggregating to ₹1,93,499/- pending conveyance.

Note 4 : Intangible Assets (Acquired) ₹ Lakhs

	Website Development Cost	Software and Licenses	Service and Operating Rights	Total	Intangible assets under development
At March 31, 2017	**-**	**0.51**	**-**	**0.51**	**-**
Additions	-	-	-	-	-
Adjustments	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2018	**-**	**0.51**	**-**	**0.51**	**-**
Amortisation					
At March 31, 2017	-	0.28	-	0.28	-
Charge for the year	-	0.15	-	0.15	-
Adjustments	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2018	-	0.43	-	0.43	-
Net Block					
At March 31, 2017	-	0.23	-	0.23	-
At March 31, 2018	-	0.08	-	0.08	-

Notes to the Financial Statements for the year ended March 31, 2018

Note 5 : Investments

	Face Value	March 31, 2018 Holdings As at	March 31, 2018 ₹ Lakhs	March 31, 2017 Holdings As at	March 31, 2017 ₹ Lakhs
Non Current					
Trade Investments					
Fully Paid Quoted Equity Investments :					
Investments in Fellow Subsidiary					
Beneras Hotels Limited	10	**150**	**0.02**	150	0.02
			0.02		0.02
Fully Paid Unquoted Equity Investments			**-**		-
Investments in Associate Companies					
Taida Trading and Industries Limited	100	**4,000**	**0.09**	4,000	0.09
Inditravel Limited	10	**24,000**	**2.40**	24,000	2.40
Taj Trade and Transport Company Limited	10	**49,998**	**7.91**	49,998	7.91
			10.40		10.40
Total Trade Investment			**10.42**		10.42
Non-trade Investments					
Investment in Equity Instruments					
Fully Paid Unquoted Equity Instruments					
Saraswat Co-operative Bank Ltd.	10	**1,000**	**0.10**	1,000	0.10
			0.10		0.10
Total Non-current Investments - Gross			**10.52**		10.52
Less : Provision for Diminution in value of Investments			**0.09**		0.09
Total Non-current Investments - Net			**10.43**		10.43
Aggregate amount of quoted investments					
Cost			**0.02**		0.02
Market Value			**1.73**		1.88
Aggregate amount of unquoted investments					
Cost			**10.50**		10.50

Note 6 : Loans

		March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
A)	**Current**		
	Short-term Loans		
	(Unsecured, considered good unless stated otherwise)		
	ICD to Related Parties	-	1,400
	Others	-	-
		-	1,400
		-	1,400

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 : Other Financial Assets

		March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
A)	**Non Current**		
	Deposits with Public Bodies and Others at amortised costs		
	Public Bodies and Others	**0.59**	0.59
		0.59	0.59
	Less: Provision for Deposits doubtful of recovery	**-**	-
		0.59	0.59
B)	**Current**		
	Interest receivable		
	Related Parties	**-**	14.60
	Others	**-**	-
		-	14.60

Note 8 : Other Assets

		March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
A)	**Non Current**		
	Prepaid Expenses	**7.21**	7.88
		7.21	7.88
B)	**Current**		
	Prepaid Expenses	**0.66**	0.66
	Indirect tax recoverable	**-**	0.44
		0.66	1.10

Note 9 : Trade and other receivables

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
(Unsecured)		
Considered good	**50.73**	51.89
Considered doubtful	**-**	-
	50.73	51.89
Less : Provision for Debts doubtful of recovery	**-**	-
	50.73	51.89

Notes to the Financial Statements for the year ended March 31, 2018

Note 10 : Cash and Cash Equivalents

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Cash on hand	**0.23**	0.21
Balances with bank in current account	**6.05**	19.82
	6.28	20.03

Note 11 : Bank Balances Other than Cash and Cash Equivalents

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Other Balances with banks		
Call and Short-term deposit accounts	**2,580.71**	922.68
	2,580.71	922.68
	2,580.71	922.68

Note 12 : Share Capital

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Authorised Share Capital		
Equity Shares		
5,50,000 (Previous year - 5,50,000) Equity Shares of ₹ 10 each	**55.00**	55.00
Preference Shares		
5,000 (Previous year - 5,000) Preference Shares of ₹ 100/- each	**5.00**	5.00
	60.00	60.00
Issued Share Capital		
4,37,600 (Previous year - 4,37,600) Equity Shares of ₹ 10 each	**44.91**	44.91
	44.91	44.91
Subscribed and Paid Up		
4,37,600 (Previous year - 4,37,600) Equity Shares of ₹ 10 each	**43.76**	43.76
Add 11450 Shares Forfeited	**0.39**	0.39
	44.15	44.15

Footnotes :

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

Notes to the Financial Statements for the year ended March 31, 2018

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2018		March 31, 2017	
	No. of shares	**₹**	No. of shares	₹
As at the beginning of the year	**437,600**	**4,376,000**	437,600	4,376,000
Add/ less : Shares issued during the year	**-**	**-**	-	-
Add/ less : Shares bought back during the year	**-**	**-**	-	-
As at the end of the year	**437,600**	**4,376,000**	437,600	4,376,000

iii) Shares Held by Holding Company

	March 31, 2018		March 31, 2017	
Equity share of ₹ 10 each fully paid	**No. of shares**	**% of Holding**	No. of shares	% of Holding
PIEM Hotels Limited	**412,033**	**94.16%**	407,567	93.14%

(iv) Shareholders holding more than 5% shares in the Company :

	March 31, 2018		March 31, 2017	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Equity share of ₹ 10 each fully paid				
PIEM Hotels Limited	**412,033**	**94.16%**	407,567	93.14%

Note 13. Other Equity

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Reserves & Surplus		
Retained Earning		
Surplus/Deficit in the Profit And Loss b/f	**2,401.17**	2,192.85
Add: Current Year profits	**233.37**	208.32
Closing retained earning	**2,634.54**	2,401.17
Other Comprehensive Income		
Total	**2,634.54**	**2,401.17**

Notes to the Financial Statements for the year ended March 31, 2018

Note 14 : Deferred Tax Liabilities (net)

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Deferred Tax Liabilities:		
Property, Plant & Equipment	**6.80**	8.24
Total (A)	**6.80**	8.24
Deferred Tax Assets:		
Total (B)	**-**	-
Net Deferred Tax Liabilities (A-B)	**6.80**	8.24

Note 15: Other financial liabilities

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
B) Current financial liabilities		
Payables on Current Account dues :		
Related Parties	**-**	3.25
Others	**-**	-
	-	3.25
Employee related liabilities	**-**	-
Others	**0.79**	1.03
	0.79	4.28

Note 16 : Other Current Liabilities

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Statutory dues	**8.32**	7.66
	8.32	7.66

Note 17 : Revenue from Operations

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Income from Hotel Operations	**135.28**	138.36
Total	**135.28**	138.36

Notes to the Financial Statements for the year ended March 31, 2018

Note 18 : Other Income

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Interest Income		
Inter-corporate deposits		
Related Parties	**160.31**	65.53
Others	**-**	38.57
	160.31	104.10
Deposits with banks	**43.64**	76.00
Total	**203.95**	180.10
Dividend Income on investments held at the end of period/ year		
From others	**0.52**	5.48
Others	**0.11**	-
Total	**204.58**	185.58

Note 19 : Other Operating and General Expenses

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
General expenses consist of the following :		
Rent	0.16	0.16
Licence Fees	0.66	0.66
Advertising and Publicity	-	0.62
Printing and Stationery	0.28	0.32
Passage and Travelling	0.04	0.03
Telephone Expenses	0.36	0.36
Professional Fees	0.51	0.14
Payment made to Statutory Auditors (Refer Footnote (i)	1.24	1.34
Service Charges	10.45	11.58
Other Expenses (Refer Footnote (iv))	0.94	3.89
Total	**14.64**	**19.10**
(i) Payment made to Statutory Auditors:		
As auditors	0.80	0.92
As tax auditors	0.08	0.09
For other services (Taxation Matters)	0.20	0.14
For out-of pocket expenses	0.16	0.19
	1.24	1.34

Note 20 : Exceptional Items

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Exceptional Items comprises the following :		
Total	**-**	**-**

Notes to the Financial Statements for the year ended March 31, 2018

21. Notes on Account

21.1 Additional information to the financial statements

21.1.1Contingent Liabilities

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

₹ Lakhs

S. No.	Particulars	March 31, 2018	March 31, 2017
1.	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	**NIL**	NIL
	(b) Guarantees	**NIL**	NIL
	(c) Other money for which the Company is contingently liable	**NIL**	NIL
	Total	**NIL**	NIL
2.	Commitments	**NIL**	NIL
	Total	**NIL**	NIL

Note: Contingent assets are not recognized in the financial statements.

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

₹ Lakhs

S. No.	Particulars	March 31, 2018	March 31, 2017
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL
(iv)	The amount of interest due and payable for the year	NIL	NIL
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid		

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

Notes to the Financial Statements for the year ended March 31, 2018

21.3 Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(a) Ultimate Holding Company

Name	Country	Holding as at	
		March 31, 2017	March 31, 2016
The Indian Hotels Company Limited	India		

(b) Holding Company

Name	Country	Holding as at	
		March 31, 2018	March 31, 2017
PIEM Hotels Limited	India	94.16%	93.14%

(a) Details of transactions made during the year:

(1) PIEM Hotels Limited ₹ Lakhs

S. No.	Particulars	March 31, 2018	March 31, 2017
1.	Operating/License Fees Income	135.28	138.36
2.	Reimbursement of Services	10.45	11.58
3.	Interest on ICD	160.31	65.53

(2) PIEM Hotels Limited ₹ Lakhs

S. No.	Particulars	March 31, 2018	March 31, 2017
1.	Balance at the year end (Payable)	-	3.25
2.	Balance at the year end (Receivable)	50.73	51.89
3.	Balance of ICD	-	1400.00
4.	Interest Receivable	-	14.60

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

21.4 Earnings Per Share

Particulars	March 31, 2018	March 31, 2017
Profit/ (Loss) after tax ₹/Lakhs	233.37	208.32
Number of Ordinary Shares	437600	437600
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS	437600	437600
Considered in calculation of Diluted EPS	437600	437600
Face Value per Ordinary Share	10	10
Earnings Per Share:(Rupees)		
Basic	53	48
Diluted	53	48

Notes to the Financial Statements for the year ended March 31, 2018

21.5 Income Tax recognised in Profit or loss:

Figures in ₹ /Lakhs

Particulars	March 31, 2018	March 31, 2017
Current Tax		
In respect of the current year	90.00	96.00
In repect of earlier years	2.19	(0.14)
	92.19	95.86
Deferred Tax		
In respect of the current year		
MAT credit	(1.44)	(0.44)
Other items	-	-
In respect of earlier years	-	-
	(1.44)	(0.44)
Total tax expense recognised in the current year relating to continuing operations	90.75	95.42

21.6 Reconciliation of tax expense with the effective tax

₹ /Lakhs

Particulars	**March 31, 2018**	**March 31, 2017**
Profit before tax from continuing operations (a)	324.12	303.74
Income tax rate as applicable (b)	27.55	31.96
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	89.30	97.08
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	(0.14)	(1.76)
Income considered as capital in nature under tax and tax provisions	-	-
Effect of expenses that are not deductible in determining taxable profit	0.03	0.01
Expense considered as capital in nature under tax and tax provisions	0.18	0.21
Income subject to lower rate of Income tax	-	-
Impairment losses on goodwill / investments that are not deductible	-	-
Deferred tax asset not recognised in statement of profit & loss	-	-
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	0.28	0.30
Effect on deferred tax balances due to the change in income tax rate	(1.09)	(0.29)
Prior year taxes as shown above	2.19	(0.13)
Others		-
Income tax expense recognised in profit or loss (relating to continuing operations)	90.75	95.42

Notes to the Financial Statements for the year ended March 31, 2018

21.7 Financial Instruments

21.7.1 The carrying value and fair value of financial instruments by categories is as follows:

(a) As of 31st March, 2018 **₹ Lakhs**

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Investments				
Equity Investment				
Subsidiaries, JVs and Associates	-	-	10.33	10.33
External Companies	-	-	0.10	0.10
Other Financial Assets	-	-	0.59	0.59
Trade Receivables	-	-	50.73	50.73
Cash and cash equivalents	-	-	6.28	6.28
Bank Balance Other than Cash & Cash Equivalent	-	-	2580.71	2580.71
Total - Financial Assets	**-**	**-**	**2648.74**	**2648.74**
Financial liabilities:				
Other Financial Liabilities	-	-	0.79	0.79
Total - Financial Liabilities	**-**	**-**	**0.79**	**0.79**

(b) As of 31st March, 2017

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Investments				
Equity Investment				
Subsidiaries, JVs and Associates	-	-	10.33	10.33
External Companies	-	-	0.10	0.10
Loans	-	-	1400.00	1400.00
Other Financial Assets	-	-	15.19	15.19
Trade Receivables	-	-	51.89	51.89
Cash and cash equivalents	-	-	20.03	20.03
Bank Balance Other than Cash & Cash Equivalent	-	-	922.68	922.68
Total - Financial Assets	**-**	**-**	**2420.22**	**2420.22**
Financial liabilities:				
Other Financial Liabilities	-	-	4.28	4.28
Total - Financial Liabilities	**-**	**-**	**4.28**	**4.28**

Notes to the Financial Statements for the year ended March 31, 2018

21.8 Segment Reporting (Ind AS-108)

Disclosure of segment wise information is not applicable as Hoteliering is the Company's only business segment.

21.9 Payments to the auditor comprises of: **₹ Lakhs**

Particulars	March 31, 2018	March 31, 2017
Audit Fees (As statutory auditors)	0.80	0.92
Tax Audit Fees	0.08	0.09
Taxation Matters	0.20	0.14
Reimbursement of Expenses	0.16	0.19
Total	**1.24**	**1.34**

21.10 Events occurring after the reporting period

There are no events which qualify for events happening after the reporting period.

21.11 Offsetting financial assets and financial liabilities

There are no financial liabilities and assets that are off set during the financial years 31.03.2018 and 31.03.2017.

In terms of our report attached.

For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871
Place : New Delhi
Date : May 7, 2018

For and on behalf of the Board

Mr. Farhat Jamal Director
(DIN: 01875688)

Mr. Rajesh Nagpal Director
(DIN: 00032123)

Place : Mumbai
Date : May 7, 2018

PIEM HOTELS LIMITED

Directors and Corporate Information

Board of Directors

Mr. Puneet Chhatwal	Chairman & Managing Director (Appointed w.e.f. 24th January, 2018)
Mr. Rakesh Sarna	(Resigned w.e.f. 30th September, 2017)
Mr. Rajesh R. Nagpal	Joint Managing Director
Mr. Sudhir L. Nagpal	Joint Managing Director
Mr. Rajkumar M. Nagpal	Executive Director
Mr. G. Anantharaman	(Re-appointed w.e.f. 18th March, 2018)
Ms. Vibha Paul Rishi	(Appointed w.e.f. 21st September, 2017)
Ms. Ninotchka Malkani Nagpal	
Mr. Sanjay Ubale	
Ms. Beryl Nagpal	
Mr. Giridhar Sanjeevi	(Appointed w.e.f. 7th September, 2017)
Mr. Farhat Jamal	(Resigned w.e.f. 11th May, 2018)
Mr. Rohit Khosla	
Ms. Suma Venkatesh	(Appointed w.e.f. 12th May, 2018)
Ms. Farzana Sam Billimoria	Company Secretary

Bankers

HDFC Bank
Standard Chartered Bank
Bank of Baroda

Auditors

PKF Sridhar & Santhanam LLP, Chartered Accountants

Registered Office

Vivanta by Taj – President,
90, Cuffe Parade, Mumbai – 400 005
CIN: U55101MH1968PLC013960
Fax: (91-22) 6665 0303 Tel: (91-22) 6665 0909
E-mail: bookvivanta.president@tajhotels.com

Directors' Report

TO THE MEMBERS

The Directors have pleasure in presenting the 50th Annual Report together with the Audited Financial Statement for the year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

₹ in lakhs

	Standalone	
Financial Results	**2017-18**	2016-17
Total Income	**35,843.25**	36,522.11
Expenditure	**36,449.14**	34,489.40
Profit before Tax and Exceptional Items	**(605.89)**	2,032.71
Exceptional item	**-**	-
Profit before Tax	**(605.89)**	2,032.71
Less : Provision for taxes	**(173.97)**	413.99
Profit after Tax	**(431.92)**	1,618.72
Add: Balance Brought Forward from the previous year	**34,446.88**	34,387.48
Amount available for appropriation	**34,014.97**	36,006.20
Appropriations :		
Dividend*	**-**	(1,524.00)
- Tax on Dividend		(78.20)
Transfer of Profit on OCI Equity Inst. To Retained Earnings	**8,226.89**	-
Employment Benefit Obligation (OCI)	**(153.16)**	42.88
Balance carried to Balance Sheet	**42,088.69**	34,446.88

*For the previous year, an Interim Dividend of 400% was declared & paid.

BUSINESS REVIEW

Your Company earned a total income of ₹ 35,843.25 lakhs, which is 2% less than the previous year's income of ₹ 36,522.11 lakhs. Room income was ₹ 15,188.19 lakhs which is 4% less than the previous year's income of ₹ 15,889.05 lakhs. F&B income was ₹ 18,070.21 lakhs which is 6% more than the previous year's income of ₹ 17,005.28 lakhs. The Company has incurred a loss of ₹ 605.89 lakhs, as compared to a profit of ₹ 2,032.71 lakhs in the previous year. The loss is mainly on account of hotel rooms being under renovation at Vivanta by Taj-MG Road, Bangalore and Vivanta by Taj-Gomti Nagar, Lucknow.

DIVIDEND

Taking into account the results for the year, your Directors recommend the payment of dividend of 400% i.e. ₹ 40/- per Equity Share of ₹ 10 each (Interim Dividend paid in the previous year ₹ 40/- per Equity Share) on 38,10,000 Equity Shares.

SUBSIDIARIES AND ASSOCIATES

Your Company has one domestic and two international subsidiaries and six associates, out of which two companies have been treated as Associates pursuant to IND AS. Pursuant to the provisions of Section 129 of the Act, read with Rule 8 (1) the Companies (Accounts) Rules, 2014, as amended from time to time, a statement containing the salient features of the financial statement of our subsidiaries and associates in the prescribed format AOC-1 is attached to the Audited Financial Statement. The statement also provides the details of performance & financial positions of each of the subsidiaries and associates.

Pursuant to the provisions of the Companies Act, 2013 (the Act) and the Rules thereunder as amended from time to time, the Company fulfilling the criterion required under the Companies (Accounts) Rules, 2014, has prepared standalone Audited Financial Statement for the year ended March 31, 2018. Accordingly, a report on the highlights of the performance of the Company's subsidiaries and associates (the Company does not have any joint venture) and their contribution to the overall performance of the Company during the year is given hereunder.

Financial Performance of Subsidiaries

Northern India Hotels Limited (NIHL) - Financial Year 2017-18

Particulars	**Amount (₹ in Crores)**
Total Revenue	**3.40**
Expenditure	**0.16**
Profit Before Tax	**3.24**
Income Tax	**0.91**
Profit After Tax	**2.33**

Key Highlights

- NIHL's revenues arise solely from license income on the lease of the land and structure from The Gateway Hotel, Agra.
- Additionally, NIHL earns income from interest on investments, inter-corporate deposits and bonds.
- Consequent to de-recognition of the Delhi Stock Exchange, NIHL had been moved to the Dissemination Board (DB) of BSE Limited (BSE) and ceased to be a listed company. Pursuant to SEBI Circular dated October 10, 2016 in respect of companies moved to the DB of the Stock Exchanges, the Company, being the promoter of NIHL, had made the Exit Offer to NIHL's public shareholders to acquire the Equity Shares at an exit price of ₹ 1,426/- per equity share. The said process of Exit Offer had been completed and the name of NIHL had been removed from the DB of BSE. A total of 4,516 equity shares were received in the Exit Offer, which has since closed.

Piem International Hong Kong Limited (PIHK) - Financial Year 2017-18

Particulars	**Amount (In USD '000)**
Revenue	**1,814**
Expenditure	59
Profit Before Tax	**1,755**
Income Tax	-
Profit After Tax	**1,755**

Key Highlights

- The principal activities of PIHK are investment holding, provision of consultancy, hotel management and operating services
- PIHK has an equity investment of 35.38% of the issued ordinary share capital of St. James Court Hotel Limited, a company engaged in hotel operations and incorporated in the United Kingdom.

BAHC 5 PTE Limited (BAHC 5) - Financial Year 2017-18

Particulars	Amount (In USD '000)
Revenue	**2,750**
Expenditure	11,181
Profit Before Tax	**(8,431)**
Income Tax	
Profit After Tax	**(8,431)**

- BAHC 5 is a private limited company incorporated in Singapore.
- BAHC 5 was acquired by PIHK on the basis that the latter's shareholding will only be a temporary one. The Board of Directors of PIHK has, from time to time, reiterated its intention to hold BAHC 5's shares on a temporary basis.
- BAHC 5 does not have any revenue from operations. Its income consists of receipt of liquidated damages.
- The principal activity of BAHC 5 is to retain ownership of aircraft.

Financial Performance of Associates

₹ in Crores

Particulars	Taj Enterprises Ltd*	Taida Trading & Industries Ltd*	Inditravel Ltd*	Taj Trade and Transport Company Ltd	Benares Hotels Ltd	Oriental Hotels Ltd
Total Revenue	**0.24**	**0.01**	**0.70**	**15.75**	**48.28**	**368.88**
Expenditure	0.07	3.57	1.57	15.47	40.43	360.36
Profit/ (loss) before Tax	**0.17**	**(3.57)**	**(0.87)**	**0.28**	**7.85**	**8.53**
Income Tax	0.06		0.00	0.00	1.37	2.53
Profit/ (Loss) After Tax	**0.11**	**(3.57)**	**(0.87)**	**0.28**	**6.48**	**6.00**

* The associate companies have ceased operations under a restructuring programme and are in the process of liquidating any investments held on their books of accounts. Hence, the associate companies have not made any significant contribution to the operations / results of the Company during the Financial Year ended March 31, 2018.

Benares Hotels Limited and Oriental Hotels Limited are treated as Associates of the Company only under the Accounting Standard.

EXTRACT OF THE ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in form MGT-9 is annexed to this Report as Annexure – A.

DIRECTORS

During the year, based on the recommendations of the Nomination and Remuneration Committee, Mr. Giridhar Sanjeevi, Ms. Vibha Paul Rishi, Mr. Puneet Chhatwal and Mr. G. Anantharaman were appointed as Additional Directors of the Company by the Board. Ms. Suma Venkatesh has been appointed as an Additional Director of the Company with effect from May 12, 2018. They hold office upto the date of the Annual General Meeting of the Company.

Mr. Sanjeevi was appointed as a Non-Executive Director of the Company effective September 7, 2017, whilst Ms. Rishi was appointed as an Independent Director of the Company effective September 21, 2017. Mr. G. Anantharaman stepped down as Independent Director of the Company at the end of his tenure i.e. March 17, 2018 and was re-appointed as an Independent Director of the Company, effective March 18, 2018.

Mr. Rakesh Sarna stepped down as Chairman and Managing Director of the Company effective September 30, 2017. The Board wishes to place on record its appreciation of the services rendered by Mr. Rakesh Sarna to the Company during his tenure as Chairman and Managing Director.

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Chhatwal was appointed as the Chairman and Managing Director of the Company, by the Board of Directors of the Company at its meeting held on January 24, 2018, subject to the approval of the Members of the Company and the Central Government, including such conditions or modifications as may be prescribed by the Central Government.

Mr. Farhat Jamal stepped down as a Director of the Company with effect from the close of business hours of May 11, 2018. The Board wishes to place on record its appreciation of the services rendered by Mr. Jamal to the Company during his tenure as Director.

Ms. Suma Venkatesh has been appointed as a Non-Executive Director of the Company effective May 12, 2018.

The Board of Directors, based on the declarations received from the Independent Directors, confirms that the Independent Directors of the Company meet the criteria of independence as prescribed under the Act and the Rules thereunder.

Pursuant to the provisions of Section 152 of the Act and Article 135 of the Articles of Association of the Company, Ms. Beryl Nagpal, Mr. Rohit Khosla and Mr. Sanjay Ubale are liable to retire by rotation and are eligible for re-appointment.

Your approval for the appointment / re-appointment of Directors has been sought in the Notice convening the Annual General Meeting of the Company.

BOARD MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, five Board Meetings were convened and held and the gap between the Meetings was within the prescribed period under the Act. A separate meeting comprising only of the Independent Directors, was also held during the year.

COMMITTEES

Pursuant to the provisions of Sections 135, 177 and 178 of the Act and the Rules thereunder as amended from time to time, the Company had the following Committees: -

AUDIT COMMITTEE

During the year the Audit Committee was re-constituted and currently comprises Mr. G. Anantharaman, Ms. Vibha Paul Rishi and Mr. Giridhar Sanjeevi.

The role and terms of reference of the Audit Committee cover the areas mentioned in Section 177 of the Act, besides other terms which may be referred by the Board of Directors of your Company.

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Act and the rules thereunder, the Company has a Nomination and Remuneration Committee (NRC), which has formulated and recommended a Policy pursuant to the provisions of the Act, on Directors appointment & remuneration, which has been adopted by the Board. During the year, the NRC was re-constituted and currently comprises Mr. G. Anantharaman, Ms. Vibha Paul Rishi, Ms. N. M. Nagpal and Mr. Puneet Chhatwal.

Procedure for Nomination and Appointment of Directors:

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC may conduct a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:

Independence: A Director will be considered as an 'Independent Director' if he/ she meets the criteria for 'Independent Director' as laid down in the Act.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

While formulating this policy, the factors laid down under Section 178(4) of the Act, have been considered, which are as under:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Key principles governing the Remuneration Policy are as follows:

- Remuneration for Independent Directors and Non-Independent Non-Executive Directors
  - o Independent Directors (ID) and Non-Independent Non-Executive Directors (NED) may be paid sitting fees for attending the meetings of the Board and of the Committees of which they may be members and commission, within regulatory limits.

- o Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives. Remuneration paid should be reflective of size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- o The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board as well as the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- o The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.
- o In addition to the sitting fees and commission, the Company may pay to the ID such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company, including obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

• Remuneration for Managing Director ("MD"), Executive Directors ("ED") & rest of the employees

- o The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry. Company's operations and the Company's capacity to pay, consistent with recognised best practices and aligned to any regulatory requirements.
- o The remuneration mix for the MD/ ED is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- o Basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimisation, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalisation through re-imbursements or insurance cover and accidental death and retirement benefits as applicable and dismemberment through personal accident insurance.
- o In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to overall ceilings stipulated in the Section 197 of the Act. The Company also provides retirement benefits, as applicable.
- o The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has formulated its Corporate Social Responsibility (CSR) Policy, a brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure - B of this report (Annual Report on CSR activities) in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee was re-constituted during the year and now comprises Mr. G. Anantharaman, Mr. Rajesh Nagpal, Mr. Sudhir Nagpal, Mr. Giridhar Sanjeevi and Ms. Vibha Paul Rishi.

CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNINGS & OUTGO

The Company conducts various energy audits to continuously reduce its Fuel, Power & Light consumption. Electricity consumption has reduced and the Company invests in various energy-saving equipments. The Company also holds the LEED Gold Certification for its hotel Taj Swarna, Amritsar and Earth Check Gold level Certification for all its other hotels.

The total Foreign Exchange Inflow was ₹ 5,937.62 Lakhs and Outflow was ₹ 1,766.64 Lakhs during the year under review.

LOANS, GUARANTEES OR INVESTMENTS

The Company is exempt from the provisions of Section 186 of the Act, in so far as they relate to loans & guarantees. Details of Investments covered under the provisions of Section 186 of the Act are given in the Financial Statement.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions (RPTs) that were entered into during the Financial Year were on an arm’s length basis and in the ordinary course of business.

RISK MANAGEMENT POLICY

Pursuant to the provisions of Section 134 of the Act, the Company has developed and implemented a Risk Management Policy to identify and evaluate business risks and opportunities. Risks are analyzed by combining estimates of probability and impact of occurrence, if the risk occurs.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The efficacy of the same is monitored and evaluated together with its compliance with operating systems, accounting procedures and policies at all locations of the Company.

HUMAN RESOURCES

The Board wishes to record its sincere appreciation to the employees. The Company recognises and appreciates the co-operation and support from its employees.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Rules thereunder, the Company has appointed M/s Neville Daroga & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report of the Company is annexed herewith as Annexure – C. During the year, the Company has complied with all applicable Secretarial Standards.

AUDITORS' REPORTS

There has been no qualification, reservation or adverse remark or disclaimer made by the Statutory or Secretarial Auditors in their respective Audit Reports.

INTERNAL COMMITTEE

The Company has zero tolerance for sexual harassment at the workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the Financial Year 2017-18, the Company had received 5 complaints on sexual harassment, which were duly disposed off during the year and no cases remain pending.

GENERAL

During the year under review:

(i) No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

(ii) The Company does not accept deposits as covered under Chapter V of the Act.

(iii) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

(iv) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENTS

The Board wishes to place on record its sincere appreciation to all its stakeholders, including shareholders, customers, suppliers, investors and business partners as also the Government of India, State Governments in India and concerned Government departments and / or agencies for their co-operation.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2017-18.

Accordingly, pursuant to the provisions of Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that for the Financial Year ended March 31, 2018:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected accounting policies as mentioned in the Notes of the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as at March 31, 2018 and of the loss of the Company for the year ended March 31, 2018;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board of Directors

Mr. Puneet Chhatwal	**Mr. Sudhir Nagpal**	**Mr. Rajesh Nagpal**
Chairman & Managing Director	Jt. Managing Director	Jt. Managing Director
(DIN: 07624616)	(DIN: 00044762)	(DIN: 00032123)

Mumbai, May 11, 2018

ANNEXURE – A

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U55101MH1968PLC013960
ii)	Registration Date	:	March 13, 1968
iii)	Name of the Company	:	Piem Hotels Limited
iv)	Category	:	Company Limited by Shares
v)	Sub-Category of the Company	:	Indian Non-Government Company
vi)	Address of the registered office and contact details	:	Vivanta by Taj-President, 90, Cuffe Parade, Mumbai- 400005
vii)	Whether listed company	:	No
viii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code (Division) of the Product/ service	% to total turnover of the Company
1	Short term accommodation activities	551	42.37
2	Restaurants and mobile food service activities	561	50.41

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai- 400 001	L74999MH1902PLC000183	* Holding	25.90	2(46)
2	TIFCO Holdings Limited Mandlik House, Mandlik Road, Mumbai- 400 001	U65910MH1977PLC019873	* Holding	25.67	2(46)
3	Northern India Hotels Limited The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra- 282001	U55101UP1971PLC003838	Subsidiary	94.16	2(87)
4	Piem International (H.K.) Limited 42/F, Central Plaza, 18 Harbour Road, Wanchai, Hongkong	Foreign Company	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
5	BAHC 5 Pte Limited 78 Shenton Way, # 26-02A, Singapore- 079120	Foreign Company	**Subsidiary	100	2(87)
6	Taida Trading and Industries Limited Mandlik House, Mandlik Road, Mumbai- 400 001	U13100MH1959PLC011396	Associate	25.41	2(6)
7	Inditravel Limited Mandlik House, Mandlik Road, Mumbai- 400 001	U74999MH1981PLC023924	Associate	26.25	2(6)
8	Taj Trade and Transport Company Limited Mandlik House, Mandlik Road, Mumbai- 400 001	U60300MH1977PLC019952	Associate	25.56	2(6)
9	Taj Enterprises Limited Taj Palace Hotel, Sardar Patel Marg, New Delhi- 110 021	U55101DL1979PLC009746	Associate	21.10	2(6)
10	Benares Hotels Limited Taj Palace Hotel, Sardar Patel Marg New Delhi 110 021	L55101UP1971PLC003480	Associate	4.16	IND AS 24
11	Oriental Hotels Limited Taj Coromandel, 37, Mahatma Gandhi Road, Chennai – 600 034	L55101TN1970PLC005897	Associate	2.05	IND AS 24

*The Indian Hotels Company Limited together with its wholly-owned subsidiary TIFCO Holdings Limited holds 51.57% of Piem Hotels Limited. TIFCO Holdings Limited has amalgamated with The Indian Hotels Company Limited vide the Order dated 8th March, 2018, from the National Company Law Tribunal, Bench at Mumbai. The Appointed Date for the same is 1st April, 2017 and Effective Date is 11th April, 2018.

**Subsidiary of Piem International (H. K) Ltd.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Name of the Shareholder	No. of Shares held at the beginning of the year (i.e 01.04.2017)			No. of Shares held at the end of the year (i.e 31.03.2018)			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
A. Promoters							
(1) Indian							
a) Individual / HUF	15,03,830	15,03,830	39.47	15,03,830	15,03,830	39.47	-
b) Central Govt	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-
d) Bodies Corp.	19,99,770	19,99,770	52.49	19,99,770	19,99,770	52.49	-
e) Banks / FIs	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-
Sub-total (A) (1):-	**35,03,600**	**35,03,600**	**91.96**	**35,03,600**	**35,03,600**	**91.96**	**-**

Name of the Shareholder	No. of Shares held at the beginning of the year (i.e 01.04.2017)			No. of Shares held at the end of the year (i.e 31.03.2018)			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
(2) Foreign							
a) NRIs -	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-
b) Other –	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**35,03,600**	**35,03,600**	**91.96**	**35,03,600**	**35,03,600**	**91.96**	**-**
B. Public Shareholding							
1. Institutions							
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks / FIs	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-
g) FIIs	2,59,000	2,59,000	6.80	2,59,000	2,59,000	6.80	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-
Sub-total (B)(1):-	**2,59,000**	**2,59,000**	**6.80**	**2,59,000**	**2,59,000**	**6.80**	**-**
2. Non-Institutions							
a) Bodies Corp.							
i) Indian	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	47,400	47,400	1.24	47,400	47,400	1.24	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh*** See notes	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-
i) Directors and Relatives*** see notes	-	-	-	-	-	-	-
Sub-total (B)(2):-	**47,400**	**47,400**	**1.24**	**47,400**	**47,400**	**1.24**	**0**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**3,06,400**	**3,06,400**	**8.04**	**3,06,400**	**3,06,400**	**8.04**	**0**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**38,10,000**	**38,10,000**	**100**	**38,10,000**	**38,10,000**	**100**	**0**

Notes

1. All the shares of the Company are held in the Physical Form.
2. ***Data of Shares held by Directors & their relatives as also of Individual shareholders holding nominal share capital in excess of ₹ 1 lakh are already included in Individual Promoters i.e. 15,03,830 shares.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e 01.04.2017)			Shareholding at the end of the year (i.e 31.03.2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	The Indian Hotels Company Limited	9,86,760	25.90	0	9,86,760	25.90	0	0
2	TIFCO Holdings Limited@	9,78,010	25.67	0	9,78,010	25.67	0	0
3	Tata Investment Corporation Limited	35,000	0.92	0	35,000	0.92	0	0
4	Sudhir L. Nagpal	3,89,398	10.22	0	3,89,398	10.22	0	0
5	Pushpa L. Nagpal	1,20,359	3.16	0	1,20,359	3.16	0	0
6	Rajesh R. Nagpal	4,99,429	13.11	0	4,99,429	13.11	0	0
7	Rajkumar M. Nagpal	2,46,088	6.46	0	2,46,088	6.46	0	0
8	Subhadra R. Nagpal	1,99,418	5.23	0	1,99,418	5.23	0	0
9	Ninotchka Malkani Nagpal	14,321	0.38	0	14,321	0.38	0	0
10	Promoters with their Relatives	34,817	0.91	0	34,817	0.91	0	0
	TOTAL	35,03,600	91.96	0	35,03,600	91.96	0	0

@ TIFCO Holdings Limited has amalgamated with The Indian Hotels Company Limited vide the Order dated 8th March, 2018, from the National Company Law Tribunal. The Appointed Date for the same is 1st April, 2017 and Effective Date is 11th April, 2018.

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	NO CHANGE				

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of the Shareholder	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	New Vernon Private Equity Limited	2,59,000	6.80	2,59,000	6.80
2	Sudha Karve	8000	0.21	8000	0.21
3	Vasanti V. Agnihotri	4000	0.10	4000	0.10
4	L. A. Menezes	3000	0.08	3000	0.08
5	Munira M. Pancha	2200	0.06	2200	0.06
6	Naomi Menezes	2000	0.05	2000	0.05
7	Jamshyd D.F.Lam	2000	0.05	2000	0.05
8	J. K. Delvadawalla	2000	0.05	2000	0.05
9	Parvathy Krishnamurthy	1800	0.05	1800	0.05
10	Suman Munjal	1600	0.04	1600	0.04

(v) Shareholding of Directors:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	**Rajkumar M. Nagpal**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	246,088	6.46	246,088	6.46
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	246,088	6.46	246,088	6.46
2	**Sudhir L. Nagpal**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	389,398	10.22	389,398	10.22
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	389,398	10.22	389,398	10.22
3	**Rajesh R. Nagpal**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	499,429	13.11	499,429	13.11
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	499,429	13.11	499,429	13.11
4	**Ninotchka Malkani Nagpal**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	14,321	0.38	14,321	0.38
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	14,321	0.38	14,321	0.38
5	**Beryl Nagpal (2nd Holder with Sudhir Nagpal)**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	51,832	1.36	51,832	1.36
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	51,832	1.36	51,832	1.36

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment-
The Company has no outstanding debt.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year Addition Reduction	NIL	4107.57 (4107.57)	NIL	NIL
Net Change	NIL	0	NIL	NIL
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Rajesh Nagpal	Sudhir Nagpal	Rajkumar Nagpal	Total Amount
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under section 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	52.07 30.93	54.54 40.14	24.72 26.72	131.33 97.79
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	- -	- -	- -	- -
5	Others, please specify	-	-	-	-
	Total (A)	83.00	94.68	51.44	229.12

Note: Mr. Rakesh Sarna stepped down as the Chairman & Managing Director effective September 30, 2017. Mr. Puneet Chhatwal was appointed as the Chairman & Managing Director effective January 24, 2018. However, both of them did not draw any remuneration from the Company

B. Remuneration to other directors:

Independent Directors

₹ in Lakhs

Sr. No.	Particulars of Remuneration	K. B. Dadiseth	G. Anantharaman	Vibha Paul Rishi	Total Amount
1	Fees for attending Board / Committee meetings – 2017/18	NIL	4.20	1.50	5.70
2	Commission for 2016/17	5.01	9.52	N.A.	14.53
	Total	5.01	13.72	1.50	20.23

Non-Executive Directors

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Sanjay Ubale	N. M. Nagpal	Beryl Nagpal	Total Amount
1	Fees for attending Board /Committee Meetings - 2017/18	0.60	2.10	1.50	4.20
2	Commission for 2016-17	1.59	2.65	1.23	5.47

Note- Mr. Farhat Jamal, Mr. Rohit Khosla and Mr. Giridhar Sanjeevi being Nominees of The Indian Hotels Company Limited (the Holding Company) did not draw any remuneration from the Company.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD- Not Applicable

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	N.A	-
2	Stock Option	N.A	-
3	Sweat Equity		-
4	Commission - as % of profit - others, specify		-
5	Others, please Specify		-
	Total	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY (Penalty / Punishment / Compounding)	NIL				
B. DIRECTORS (Penalty / Punishment / Compounding)					
C. OTHER OFFICERS IN DEFAULT (Penalty/ Punishment /Compounding)					

For and on behalf of the Board of Directors

Mr. Puneet Chhatwal
Chairman & Managing Director
(DIN: 07624616)

Mr. Sudhir Nagpal
Jt. Managing Director
(DIN: 00044762)

Mr. Rajesh Nagpal
Jt. Managing Director
(DIN: 00032123)

Mumbai, May 11, 2018

ANNEXURE – B

THE ANNUAL REPORT ON CSR ACTIVITIES FOR 2017-18

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link, if any, to the CSR policy and projects or programs –**

   Your Company has formulated its CSR Policy, imbibing the vision of its promoters, Tata values and traditions of giving back to the society. Since over a decade, your Company has been supporting the Taj CSR theme of 'Building Sustainable Livelihood'. The focus has been on vocational training & certification of youth who drop out from formal education system – to enable them to be work-ready & engage in productive livelihoods in hospitality & service industry. This is taken forward by collaborating with & building capacities of institutions that serve the youth from poor socio-economic backgrounds & remote hinterlands

   Your Company has been supporting the co-creation of short courses in hospitality trades for less privileged, school dropout youth in collaboration with Tata STRIVE. Hotel CSR teams have been supporting these programmes by providing training content, class-rooms design, faculty development, on-the-job trainings, joint certification & allied support through our industry networks. Over & above this flagship programme, the hotels in various other locations offer industrial exposure & training to deserving youth, differently abled, less-privileged women to acquire skills in house-keeping, cooking, bakery, food & beverage service, engineering & allied trades, further adding to our impact in terms of building livelihoods for youth from families in need.

   The hotels not only support pro bono exhibition spaces for indigenous artisans & craftsmen but also proactively promote supplier diversity & inclusion by collaborating with social enterprises, self-help groups, NGOs & small scale entrepreneurs from socially deprived communities. Some of our hotels sponsor maintenance & cleanliness in 'identified' public spaces & heritage sites in the neighborhoods. Support to public spaces include regular maintenance & upkeep, cleanliness drives, beautification and improvement of visitor experience through lighting and painting, education on waste disposal for hawkers and school students, and campaigns on cleanliness and civic sense to local communities. Your Company also provides educational scholarships to students from The Golden Threshold Programme – offering a Bachelor's degree in vocational education & run in partnerships with Tata Institute of Social Sciences.

   Your Company encourages its associates to volunteer for participating in community development initiatives and environmentally responsible endeavors.

2. **The composition of the CSR Committee is as under:**

   (i) Mr. G. Anantharaman (Independent Director) - Chairman

   (ii) Ms. Vibha Paul Rishi (Independent Director)

   (iii) Mr. Rajesh Nagpal

   (iv) Mr. Sudhir Nagpal

   (v) Mr. Giridhar Sanjeevi

3. **Average net profit of the Company for last three financial years:** ₹ 3806.54 lakhs

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above)**: ₹ 76.12 lakhs

5. **Details of CSR spent during the Financial Year:**

   (a) Total amount to be spent for the financial year; ₹ 76.12 lakhs

   (b) Total amount spent; ₹ 79.46 lakhs

   (c) Amount unspent, if any; NIL

   (d) Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

Sl. No.	CSR project or activity defined	Sector in which the Project is covered	Projects or Programs: 1) Local area or other 2) the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1)	Employment Enhancing Vocational Skills/ Promotion of Education - Sch VII (ii)	Vocational skilling & promotion of livelihoods – Taj CSR Skill Training Centers for less-privileged, school dropout youth (in partnership with Tata Strive)	Maharashtra, Chhindwara, Trivandrum	25.00	25.98	25.98	Direct + implementing agency
		Promoting Education – Scholarships for education in hospitality	Mumbai, Bangalore	10.00	11.39	11.39	Direct + implementing agency
2)	Environment Sustainability & Upkeep of Public Facilities & Properties - Sch VII (iv)	Promotion & development of traditional arts and handicrafts, Environmental Sustainability, Restoration of buildings and sites of historical importance	Bangalore, Pune, Lucknow, Nashik, Amritsar	37.12	38.09	38.09	Direct + implementing agency
3)	Eradicating Extreme Hunger & Poverty - Sch VII (i)	Distribution of food to local charities	Mumbai	4.00	4.00	4.00	Direct + implementing agency
4)	Donations to CSR partners/projects - Rule 4(2) of CSR Rules, 2014	-	-	-	-	-	-
	TOTAL INR Lakhs			**76.12**	**79.46**	**79.46**	

Details of Implementing Agencies

Your Company executes its CSR endeavors in partnership with Government and Non-Governmental Organizations & Tata partners that understand the needs of the community. The Company engages with many like-minded NGO partners, orphanages & charity homes in different locations, some of them being Women's India Trust, Tata Community Initiatives Trust, Cancer Patients Aid Association, Tata Tea Wives Welfare Association, Leprosy Mission Trust, etc.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

   There is no unspent CSR amount, the Company has not only utilized its CSR budget fully, but has spent additional amounts as per program details mentioned above.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee hereby undertakes that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company

Mr. G. Anantharaman	**Mr. Sudhir Nagpal**	**Mr. Rajesh Nagpal**	**Mr. Giridhar Sanjeevi**	**Ms. Vibha Paul Rishi**
DIN: 02229822	DIN: 00044762	DIN: 00032123	DIN: 06648008	DIN: 05180796

ANNEXURE – C

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
for the Financial Year ending 31st March, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Piem Hotels Limited
Vivanta by Taj President-90 Cuffe Parade,
Mumbai -400005.

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and adherence to good corporate practices of your Company PIEM HOTELS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts with statutory compliances, Corporate Governance and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the aforesaid period, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable to the Company as the shares of the Company are in physical form;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) Since the Company is not a listed Company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company:-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Food Safety and Standards Act, 2006.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Since the Company is an Unlisted Company no provisions of listing agreement are applicable to the Company.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The Company has complied with the provisions of the Act and rules made thereunder in respect of changes in the composition of the Board of Directors that took place during the period under review;

Adequate notices were given to all Directors to schedule the Board Meetings and the agenda and detailed notes on agenda together with the notice were sent at least seven days in advance. The Company has a proper system in existence to enable the Directors to seek and obtain further information and clarifications on the agenda items before the meeting, as also for meaningful participation at the meeting.

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

We further report that during the period the Company has not undertaken any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For example:

(i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc;

(ii) Redemption / buy-back of securities;

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;

(iv) Merger / Amalgamation / Reconstruction, etc;

(v) Foreign Technical Collaborations.

FOR: NEVILLE DAROGA & ASSOCIATES

(Neville K. Daroga)

Place: Mumbai
Date: 5th April, 2018

ACS No.: 8663
C P No.: 3823

Independent Auditors' Report

TO THE MEMBERS OF PIEM HOTELS LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March

31, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure A,** a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:

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

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

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

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

    e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

        i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 23.

        ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company didn't have any derivate contracts as at March 31, 2018.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

For **PKF Sridhar and Santhanam LLP**
Chartered Accountants
Firm Registration Number: 003990S / S200018

V Kothandaraman
Partner
Membership Number 25973

Mumbai
May 11, 2018

Annexure A to Independent Auditors’ Report

Referred to in paragraph 9 of the Independent Auditors’ Report of even date to the members of PIEM Hotels Limited on the standalone financial statements as of and for the year ended March 31, 2018

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

(b) The fixed assets of the Company have been physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company, except in case of a piece of land at Agra having a gross block and net block of ₹ 4.32 lacs, where registration has not been effected after purchase. However, a settlement reached in a tripartite agreement with the vendors and a claimant has been duly recorded in Court, where the company’s rights are adequately safeguarded.

ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, goods and service tax and value added tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act,1961	Income Tax	10.04	Assessment year 2010-11	Income Tax appellate tribunal
The U.P Sales Tax Act	Sales Tax	1.00	Financial year 1996-97	Commissioner of Sales Tax, Agra
The U.P Sales Tax Act	Sales Tax	0.76	Financial year 2009-10	Commissioner of Sales Tax, Agra
The Finance Act,1994	Service Tax	70.55	Financial year 2005-06 and 2010–11	Commissioner of Central Excise and Customs and Service tax, Nashik
The Finance Act,1994	Service Tax	0.18	Financial year 2013-14 and 2014-15	Local Service Tax Authority
The Bombay Sales Tax Act, 1959	Sales Tax	39.29	April 1,1995 -March 31,1996	High Court, Bombay
The Bombay Sales Tax Act,1959	Sales tax	1.70	April 1,2000 – March 31, 2001	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	103.91	April 1,2002 – March 31, 2003 and 2011-12	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	120.35	April 1,2001 - March 31,2002	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	9.99	April 1,2007 -March 31,2008	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	118.50	April 1,2008 -March 31,2009	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	35.53	April 1,2009 -March 31,2010	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	62.51	April 1,2010 -March 31,2011	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	230.98	April 1,2006 -March 31,2007	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	15.59	April 1,2011 -March 31,2012	Joint Commissioner of Sales Tax Appeal, Mumbai
The Finance Act,1994	Service Tax	648.00	FY 2004-05 to 2011-12	Commissioner of Central Excise and Customs and Service tax, Lucknow
The Finance Act,1994	Service tax	129.87	Apr 1, 2009 - Mar 31, 2010	Commissioner of Central Excise, Pune
The Finance Act,1994	Service tax	27.73	Apr 1, 2010 - Mar 31, 2011	Commissioner of Central Excise, Pune
The U.P Sales Tax Act	Sales Tax	11.04	Apr 1, 2007 - Mar 31, 2012	Commissioner of Sales Tax, Lucknow
The Finance Act,1994	Service tax	338.30	Apr 1, 2006 - Mar 31, 2010	Customs Excise and Service Tax Appellate Tribunal and Commissioner of Central Excise and Customs and Service tax, Bangalore
The Finance Act,1994	Service tax	34.18	FY 2015 to 2017	Asst. Commissioner (Circle - 5) Audit - II, Central Excise & Service Tax, Ghaziabad

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

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

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **PKF Sridhar and Santhanam LLP**
Chartered Accountants
Firm Registration Number: 003990S / S200018

V Kothandaraman
Partner
Membership Number 25973

Mumbai
May 11, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of PIEM Hotels Limited on the Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of PIEM Hotels Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **PKF Sridhar and Santhanam LLP**
Chartered Accountants
Firm Registration Number: 003990S / S200018

V Kothandaraman
Partner
Membership Number 25973

Mumbai
May 11, 2018

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Balance Sheet as at March 31, 2018

₹ Lakhs

	Notes	March 31, 2018	March 31, 2017
Assets			
Non-Current Assets			
Property, Plant and Equipment	3	**48,179.74**	43,142.01
Capital work-in-progress		**498.70**	209.86
Intangible Assets	4	**258.95**	327.54
		48,937.39	43,679.41
Financial Assets			
Investments	5(a)	**14,112.09**	17,747.98
Other Financial non Current Assets	5(b)	**367.99**	342.33
Deferred Tax Assets (Net)	12	**95.79**	-
Advance Income Tax (Net)		**456.76**	353.38
Other non Current Assets	7	**2,063.05**	1,962.75
Total non-Current Assets		**66,033.07**	64,085.85
Current Assets			
Inventories	8	**980.62**	1,022.20
Financial Assets			
Investments	5(a)	**549.28**	-
Trade Receivables	5(c)	**1,203.35**	1,077.30
Cash and Cash Equivalents	5(d)	**561.84**	765.97
Bank Balances other than Cash and Cash Equivalents	5(d)	**806.64**	897.89
Other Financial Assets	5(b)	**511.55**	511.57
Other Current assets	6	**1,056.93**	673.91
Total Current Assets		**5,670.21**	4,948.84
Total Assets		**71,703.28**	69,034.69
Equity and Liabilities			
Equity			
Equity Share Capital	9(a)	**381.00**	381.00
Other Equity	9(b)	**62,002.24**	58,018.38
Total Equity		**62,383.24**	58,399.38
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	10(a)	**102.64**	-
Provisions	11	**513.23**	536.78
Deferred Tax Liabilities (Net)	12	**-**	1,718.58
Total non-Current Liabilities		**615.87**	2,255.36
Current Liabilities			
Financial Liabilities			
Borrowings	10(c)	**-**	1,400.00
Trade Payables	10(b)	**5,481.01**	3,627.40
Other Financial Liabilities	10(a)	**1,553.93**	1,580.09
Provisions	11	**1,084.72**	758.40
Other Current Liabilities	13	**584.51**	1,014.06
Total Current Liabilities		**8,704.17**	8,379.95
Total Liabilities		**9,320.04**	10,635.31
Total Equity and Liability		**71,703.28**	69,034.69
Summary of significant accounting policies	1		
Critical Estimates and Judgements	2		

The above balance sheet should be read in conjunction with the accompanying notes.

For PKF Sridhar & Santhanam LLP

Chartered Accountants
Firm Registration No.
003990S / S200018

V. Kothandaraman
Partner (025973)

Mumbai, 11th May, 2018

For and on behalf of the Board

Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Ms. Farzana Sam Billimoria
Company Secretary

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

₹ Lakhs

	Notes	March 31, 2018	March 31, 2017
Income			
Revenue			
Revenue from Operations	14	**35,206.33**	34,743.40
Other Income	15	**636.92**	1,778.71
Total Income		**35,843.25**	36,522.11
Expenses			
Food and Beverages Consumed	16	**4,482.60**	4,181.45
Employee Benefit Expense and Payment to Contractors	17	**10,374.96**	9,270.08
Finance Costs	18	**192.97**	21.97
Depreciation and Amortisation expenses	3 & 4	**3,806.68**	3,117.70
Other Operating and General expenses	19	**17,591.93**	17,898.20
Total Expenses		**36,449.14**	34,489.40
Profit Before Exceptional items and Tax		**(605.89)**	2,032.71
Exceptional Items		**-**	-
Profit Before Tax		**(605.89)**	2,032.71
Tax Expenses	20		
Current Tax		**1,600.14**	438.00
Deferred Tax		**(1,774.11)**	248.14
Short/ (Excess) Provision of Tax / Deferred Tax of Earlier Years (Net)		**-**	(272.15)
Total Tax Expenses		**(173.97)**	413.99
Profit/ (Loss) during the year		**(431.92)**	1,618.72
Other Comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined benefit obligation		**(235.42)**	65.58
Change in fair value of equity instruments designated irrevocably as FVTOCI		**4,610.95**	2,261.30
Less :-income tax expense		**(40.25)**	22.70
Other Comprehensive income for the period, net of tax		**4,415.78**	2,304.18
Total Comprehensive Income for the year		**3,983.86**	3,922.90
Earnings per share - ₹ (Basic and Diluted)	31	**(11.34)**	42.49
Face value per ordinary share - (₹)		**10.00**	10.00
Summary of significant accounting policies	1		
Critical Estimates and Judgements	2		

The above Statement of profit and loss should be read in conjunction with the accompanying notes.

For PKF Sridhar & Santhanam LLP

Chartered Accountants
Firm Registration No.
003990S / S200018

V. Kothandaraman
Partner (025973)

Mumbai, 11th May, 2018

For and on behalf of the Board

Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Ms. Farzana Sam Billimoria
Company Secretary

Cash Flow Statement for the year ended March 31, 2018

		₹ Lakhs
	March 31, 2018	March 31, 2017
Cash Flow From Operating Activities		
Profit Before Tax	**(605.89)**	2,032.71
Adjustments For :		
Depreciation and Amortisation	**3,806.68**	3,117.70
(Profit)/Loss on sale of investments	**(98.81)**	-
Loss on sale of assets	**10.73**	61.68
Dividend Income	**(104.80)**	(1,277.77)
Interest Income	**(79.99)**	(157.10)
Interest Expense	**192.97**	21.97
Fair value movement on Investment measured at FVTPL	**(6.30)**	-
Other	**11.50**	-
Provision for Employee Benefits (OCI Adjustments)	**(235.42)**	65.58
	3,496.56	1,832.06
Cash Operating Profit before working capital changes	**2,890.67**	3,864.76
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**41.59**	(149.93)
Trade Receivables	**(126.05)**	314.20
Bank balances other than cash and cash equivalents	**91.24**	(549.43)
Other current financial assets	**49.75**	(157.97)
Other Current assets	**(383.01)**	67.64
Other financial non current assets	**(25.67)**	79.48
Other non current assets	**(100.30)**	(92.62)
	(452.45)	(488.63)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**1,853.61**	1,277.09
Other Current Liabilities	**(429.56)**	62.50
Other financial Liabilities	**(11.57)**	(891.08)
Other financial non current Liabilities	**79.09**	(126.48)
Other Liabilities	**326.32**	149.99
	1,817.89	472.02
Cash Generated from Operating Activities	**4,256.11**	3,848.16
Direct Taxes (Paid)/ Refunded	**(1,715.01)**	(239.02)
Net Cash From Operating Activities (A)	**2,541.10**	3,609.15
Cash Flow From Investing Activities		
Purchase of Fixed Assets	**(9,210.82)**	(5,369.19)
Sale of Fixed Assets	**135.42**	18.38
Sale of current Investments	**(444.17)**	166.24
Purchase of long-term investment	**(63.69)**	-
Sale of Investment in Other Companies	**8,310.53**	-
Interest Received	**30.27**	131.11

Cash Flow Statement for the year ended March 31, 2018 (Contd.)

		₹ Lakhs
	March 31, 2018	March 31, 2017
Dividend Received	**104.80**	1,277.77
Short-term Deposits placed	**(500.00)**	-
Short-term Deposits repaid	**500.00**	-
Net Cash Used In Investing Activities (B)	**(1,137.66)**	(3,775.69)
Cash Flow From Financing Activities		
Interest Paid	**(207.57)**	(50.93)
Proceeds from short term borrowings	**2,500.00**	1,400.00
Repayment of short term borrowings	**(3,900.00)**	-
Dividend & Tax paid	**-**	(1,602.19)
Net Cash Generated/ (Used) In Financing Activities (C)	**(1,607.57)**	(253.12)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(204.13)**	(419.67)
Cash and Cash Equivalents - Opening (Refer Note 5(d))	**765.97**	1,185.64
Cash and Cash Equivalents - Closing (Refer Note 5(d))	**561.84**	765.97

Note:

Previous year's figures have been regrouped wherever necessary.

For Net Debt position - Refer note 10(c)

Summary of Significant Accounting Policies 1

Critical Estimates and Judgements 2

The above Statement of cash flow should be read in conjunction with the accompanying notes.

For PKF Sridhar & Santhanam LLP

Chartered Accountants
Firm Registration No.
003990S / S200018

V. Kothandaraman
Partner (025973)

Mumbai, 11th May, 2018

For and on behalf of the Board

Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Ms. Farzana Sam Billimoria
Company Secretary

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Statement of Changes in Equity as at 31 March 2018

₹ Lakhs

	Equity Share Capital Subscribed	RESERVES AND SURPLUS						
		Capital Reserve	Securities Premium Account	Retained Earning	Retained Earning		Other reserves	TOTAL
					General Reserve	Profit & Loss B/fd		
Balance at the beginning of the reporting period (April 1, 2016)	**381.00**	**375.61**	**2,011.00**	**47,221.52**	**12,834.04**	**34,387.48**	**6,089.55**	**56,078.68**
Profit for the year	-	-	-	1,618.72	-	1,618.72	-	**1,618.72**
Other Comprehensive Income for the year ended March 31, 2017, net of taxes, excluding actuarial gain/ losses, given below	-	-	-	-	-	-	2,261.30	**2,261.30**
Actuarial Gains / Losses (Not Reclass to P&L)	-	-	-	42.88	-	42.88	-	**42.88**
Total	**-**	**-**	**-**	**1,661.60**	**-**	**1,661.60**	**2,261.30**	**3,922.90**
Dividends	-	-	-	(1,524.00)	-	(1,524.00)	-	**(1,524.00)**
Tax on Dividend	-	-	-	(78.20)	-	(78.20)	-	**(78.20)**
Balance at the end of the reporting period (March 31, 2017)	**381.00**	**375.61**	**2,011.00**	**47,280.92**	**12,834.04**	**34,446.88**	**8,350.85**	**58,399.38**
Balance at the beginning of the reporting period (April 1, 2017)	**381.00**	**375.61**	**2,011.00**	**47,280.92**	**12,834.04**	**34,446.88**	**8,350.85**	**58,399.38**
Profit for the year	-	-	-	(431.92)	-	(431.92)	-	**(431.92)**
Other Comprehensive Income for the year ended March 31, 2018, net of taxes, excluding actuarial gain/ losses, given below	-	-	-	-	-	-	4,568.94	**4,568.94**
Transfer to Retained earnings on sale of Investments	-	-	-	8,226.89	-	8,226.89	(8,226.89)	**-**
Actuarial Gains / Losses (Not Reclass to P&L)	-	-	-	(153.16)	-	(153.16)	-	**(153.16)**
Total	**-**	**-**	**-**	**7,641.81**	**-**	**7,641.81**	**(3,657.95)**	**3,983.86**
Dividends	-	-	-	-	-	-	-	**-**
Tax on Dividend	-	-	-	-	-	-	-	**-**
Balance at the end of the reporting period (March 31, 2018)	**381.00**	**375.61**	**2,011.00**	**54,922.73**	**12,834.04**	**42,088.69**	**4,692.90**	**62,383.24**
Summary of significant accounting policies	1							
Critical Estimates and Judgements	2							

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For PKF Sridhar & Santhanam LLP

Chartered Accountants
Firm Registration No.
003990S / S200018

V. Kothandaraman
Partner (025973)

Mumbai, 11th May, 2018

For and on behalf of the Board

Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Ms. Farzana Sam Billimoria
Company Secretary

Notes to the Financial Statements for the year ended March 31, 2018

Background and Operations

Piem Hotels Limited is a subsidiary of The Indian Hotels Company Limited. The Company is primarily engaged in the business of owning and operating hotels. The registered office of the company is located at Vivanta By Taj President Hotel, 90, Cuffe Parade, Mumbai 400005.

The financial statements were approved by the Board of Directors and authorised for issue on 11th May 2018.

1. **Significant accounting policies**

   a. **Statement of Compliance:**

   The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

   Recent Accounting Pronouncements:

   <u>Standards issued but not yet effective</u>

   Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after April 1, 2018.

   Ind AS 115 - Revenue from Contract with Customers:

   Ind AS 115 will supersede the existing revenue recognition standard 'Ind AS 18 – Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

   The Company has completed its preliminary evaluation of the possible impact of Ind AS 115 and will adopt it retrospectively with the cumulative effect of initially applying this standard recognised as an adjustment to the opening balance of retained earnings at the date of initial application i.e. April 1, 2018 and accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. This standard is applied retrospectively only to the contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of new standard to be material on its retained earnings and to its net income on an ongoing basis.

   Ind AS 21 – The effect of changes in Foreign Exchange rates (Appendix B)

   The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

   The amendment will come into force from April 1, 2018. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

   b. **Basis of presentation and presentation:**

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

   - Certain financial assets and Liabilities that are measured at fair Value;
   - Defined benefits plans – Plan assets measured at fair Value

Notes to the Financial Statements for the year ended March 31, 2018

c. **Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed in line with the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. **Current versus non-current classification**

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

- An asset as current when it is:
  - Expected to be realized within twelve months after the reporting period, or within the normal operating cycle of the company.
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Notes to the Financial Statements for the year ended March 31, 2018

    - All other assets are classified as non-current.
- A liability is current when:
    - It is expected to be settled in normal operating cycle
    - It is due to be settled within twelve months after the reporting period, or
    - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
    - All other liabilities are classified as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

e. Use of Estimates and Judgements

Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are provided in Note 2.

f. Consolidation

These financial statements represent the separate financial statements of the Company. The Ministry of Corporate Affairs (MCA) through its circular dated 27 July 2016 has amended the requirements of preparation of consolidated financial statements. Wherein the MCA has exempted a company from preparing and filing of consolidated financial statements if its ultimate or intermediate holding company is filing consolidated financial statements.

Further Sub - Para (iv) to Para 4 of Ind AS 110 - Consolidated Financial Statements exempts a company from consolidation if its ultimate parent produces Ind AS complied consolidated financial statement, which are available for public use.

In view of above exemptions, Company is not required to file the consolidated financial statements.

The company has complied with Ind AS 27: Separate financial statements. Whereby investments in subsidiaries, joint ventures and associates are to be valued either

- at cost; or
- in accordance with Ind AS 109.

The Company has elected to measure its investment in subsidiaries and associates at cost determined in accordance with Ind AS 27 at original cost of investment in subsidiaries and associates.

g. Ind AS 109 – financial instruments

- Classification and measurement of financial assets

  Classification and measurement of financial assets are to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The company has evaluated the facts and circumstances existing on the date of transition and measurement of financial assets and accordingly has classified and measured financial assets as on the date of transition.

Notes to the Financial Statements for the year ended March 31, 2018

- Impairment of Financial assets

  Impairment requirements under Ind AS should be applied retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort. However, it gives certain operational simplifications in applying these requirements. On transition to Ind AS, a first time adopter is required to approximate the credit risk on initial recognition of the financial instrument (or, for loan commitments and financial guarantee contracts, the date that the entity became a party to the irrevocable commitment), by considering all reasonable and supportable information that is available without undue cost or effort. The entity will compare credit risk so identified on initial recognition to the credit risk at the date of transition to Ind AS for determining whether 12- month ECL or lifetime ECL should be used. If, at the date of transition to Ind AS, an entity is unable to determine whether there have been significant increases in credit risk since initial recognition without undue cost or effort, then the entity must recognize a loss allowance based on lifetime ECL at each reporting date until the financial instrument is derecognized. The company has applied this exemption while applying requirements of Ind AS 109.

- Fair value measurement of financial assets or liabilities at initial recognition

  Ind AS 109 states that the fair value of a financial instrument on initial recognition is normally the transaction price (i.e., the fair value of the consideration given or received). However, if an entity determines that the fair value at initial recognition differs from the transaction price, Ind AS 109 contains specific requirement about accounting for the differences. Specifically, Ind AS 109 requires that if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e., a level 1 input) or based on a valuation technique which uses only data from observable markets, the entity recognizes difference between the fair value at initial recognition and the transaction price as a gain or loss in profit or loss. In all other cases, the entity cannot recognize upfront gain/losses.

h. Revenue recognition

- Revenue from Services

  Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management fees.

  Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue is measured at the fair value of the consideration received or receivable. Rebates and discounts granted to customers are reduced from revenue.

- Interest

  Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's gross carrying amount on initial recognition.

- Dividend

  Dividends are recognized in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

Notes to the Financial Statements for the year ended March 31, 2018

i. Employee Benefits

(i) Short- term Obligations

Liabilities for the wages and Salaries, including non - monetary benefits that are expected to be settled wholly within 12 Months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are present as current employee benefit Obligation in the balance sheet.

(ii) Other long-term employee benefit obligations

The Liabilities for earned leave and sick leave are not expected to be settled wholly with 12 months after the end of the period in which the employee render the related services. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of the reporting period have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in Profit and Loss.

The Obligation are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

- Defined Contribution plan (Provident fund)

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

- Defined Benefit plans (Gratuity)

  The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date.

  Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognized in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

  - Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

Notes to the Financial Statements for the year ended March 31, 2018

- Net interest expense or income; and
- Remeasurement.

The Company presents the first two components of defined benefit costs in Statement Profit and Loss in the line item “Employee Benefits Expenses”. Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognized in the Balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

- Other Employee Benefits

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

j. Property, plant and equipment

Freehold land is carried at historical Cost. All other items of property, plant and equipment are stated at Historical cost less accumulated depreciation and where applicable accumulated impairment losses. Historical Cost includes expenditure that is directly attributable to acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct Labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of Property, Plant and equipment have differential useful life, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and equipment and are recognized within other income/ other expenses in the statement of profit and loss account

The Subsequent cost or cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of day to day servicing and all other repair and maintenance costs are recognized in profit or loss as incurred

Depreciation on fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on group’s technical evaluation, taking into the account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers’ warranties, maintenance support, etc.

• Plant and machinery	10 to 20 years
• Electrical installations and equipment	20 years
• Hotel Wooden Furniture	15 years
• End User devices - Computers, Laptops, etc.	6 years
• Minor Additions to Furniture & Fittings/Plant & Machinery	4 years
• Improvements to Buildings	15 years
• Operating Supplies on opening of a new hotel	2 to 3 years

Notes to the Financial Statements for the year ended March 31, 2018

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values are not more than 5% of the original cost of the assets. The asset's residual value and useful lives are reviewed, and adjustment if appropriate, at the end of each reporting period.

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

k. Intangible assets

(i) Computer Software

Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Useful life of the intangible assets are as follows

Website Development Cost	5 years
Cost of Customer Reservation System (including licensed software)	6 years

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

l. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the

Notes to the Financial Statements for the year ended March 31, 2018

estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit or loss section of the statement of profit and loss.

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

m. Foreign Currency Translation

- Functional and Presentation Currency

  The Financial Statement is presented in Indian rupee (INR), which is Piem Hotels Limited functional and presentation currency.

- Transactions and balances

  Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

- Subsequent Recognition

  As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported in the financial currency, using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported in functional currency using the exchange rates that existed when the values were the fair value measured. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

n. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

- Company as a lessee

  A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

  Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

  A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that

Notes to the Financial Statements for the year ended March 31, 2018

the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss over the lease term.

o. Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realizable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits are deducted in determining the cost of purchase. Net realizable value represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sale.

p. Taxes

- Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on the taxable income of the year. The tax rates and tax laws used for computation of current tax includes those that are enacted or substantively enacted, at the reporting date

Current tax is recognized in the statement of profit and loss except to the extent it relates to an item recognized directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis or to realise the asset and settle the liability simultaneously.

- Deferred tax

Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

- Current and Deferred tax charge for the year

  Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity

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

q. Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized, when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, , there will be an outflow of resources and a reliable estimate can be made of the amount of obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Present value is arrived by using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

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

Contingent assets are not recognized in the financial statements.

r. Cash and Cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank Overdrafts are shown within borrowings in current liabilities in the balance sheet.

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

s. Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating

Notes to the Financial Statements for the year ended March 31, 2018

to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

t. Segment Reporting

The Company identifies operating segments based on the internal reporting provided to the Management of the Company. Disclosure of segment wise information is not applicable as Hoteliering is the Company's only business segment.

u. Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Sch III, unless otherwise stated.

v. Financial Instruments & Risk Management

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

a. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The Classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other Comprehensive income.

The Company reclassifies debt investment when and only when its business model for managing those assets changes.

b. Initial recognition and measurement

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

c. Subsequent measurement

- Debt instruments at amortised cost

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

  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- Debt instrument at FVTOCI (Fair Value through Other Comprehensive Income)

  A 'debt instrument' is measured at Fair value through OCI if both the following conditions are met:

  - the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

  - the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

    Interest income is recognised in Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to Statement of Profit and Loss.

- Debt instrument at FVTPL (Fair Value through Profit and Loss account)

  FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

- Equity investments

  All equity investments, other than those in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. Where the Company has elected to present fair value gains and losses on equity investment in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

  For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments

  Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or

Notes to the Financial Statements for the year ended March 31, 2018

loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

- Impairment of financial assets

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

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

  (b) Contract assets and trade receivables under Ind-AS 18

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

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

  The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(ii) Financial Liabilities and Equity

- Classification as debt or equity

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

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

- Initial recognition and measurement

  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent measurement

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

- Financial liabilities at fair value through profit or loss

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

  A financial liability is classified as held for trading if:

  - it has been incurred principally for the purpose of repurchasing it in the near term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking

- Financial liabilities subsequently measured at amortized cost

  This is the category most relevant to the Company. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

- Offsetting of financial instruments

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

- Derecognition

  The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

2. Critical estimates & Judgements

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities & contingent assets. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying number of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are

Notes to the Financial Statements for the year ended March 31, 2018

described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- Estimated useful life of Property, Plant and Equipment

  The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods. -Refer Note 3.

- Impairment of non-financial assets

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

- Estimation of current tax expense and deferred tax

  Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss. - Refer Note 20.

- Estimation of Defined Benefit Obligation

  The cost of the defined benefit gratuity plan and compensated absences and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. - Refer Note 28(ii)

  The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

  The mortality rate is based on publicly available mortality tables for the specific country. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Notes to the Financial Statements for the year ended March 31, 2018

- Estimation for Litigation

  From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Refer Note 29.

- Fair value measurement of financial instruments

  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 21.

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

₹ Lakhs

	Freehold Land Refer Footnote (i)	Buildings Refer Footnote (ii)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Gross Block at Cost							
At April 1, 2017	1,971.78	22,746.49	16,765.27	5,627.89	794.64	177.43	48,083.50
Additions	-	3,360.82	2,529.84	2,889.76	121.00	5.00	8,906.42
Disposals	-	1,092.42	561.53	228.25	7.29	-	1,889.49
At March 31, 2018	**1,971.78**	**25,014.89**	**18,733.58**	**8,289.40**	**908.35**	**182.43**	**55,100.43**
Depreciation (Refer Footnote iii)							
At April 1, 2017	-	1,853.29	2,098.50	759.16	159.98	70.56	4,941.49
Charge for the year	-	1,169.77	1,768.10	611.18	144.71	28.75	3,722.51
Disposals / Adjustments	-	1,056.28	554.28	131.40	1.35	-	1,743.31
At March 31, 2018	**-**	**1,966.78**	**3,312.32**	**1,238.94**	**303.34**	**99.31**	**6,920.69**
Net Block							
At March 31, 2017	**1,971.78**	**20,893.20**	**14,666.77**	**4,868.73**	**634.66**	**106.87**	**43,142.01**
At March 31, 2018	**1,971.78**	**23,048.11**	**15,421.26**	**7,050.46**	**605.01**	**83.12**	**48,179.74**

Footnotes :

(i) Cost of Freehold land includes ₹ 4.32 lakhs pending registration (previous year ₹ 4.32 lakhs)

(ii) Gross Block includes

  (a) Improvements to buildings constructed on leasehold land - ₹ 3,359.71 lakhs (previous year - ₹ 1,849.13 lakhs)

  (b) Cost of shares of Co-operative Societies in case of Residential Buildings

Notes to the Financial Statements for the year ended March 31, 2018

₹ Lakhs

	Website Development Cost	Software (Refer Footnote)	Total
Gross Block at Cost			
At April 1, 2017	4.38	457.63	462.01
Additions	-	15.54	15.54
Disposals	-	0.94	0.94
At March 31, 2018	**4.38**	**472.23**	**476.61**
Amortisation			
At April 1, 2017	3.53	130.94	134.47
Charge for the year	0.73	83.44	84.17
Disposals / Adjustments	-	0.98	0.98
At March 31, 2018	**4.26**	**213.40**	**217.66**
Net Block			
At March 31, 2017	**0.85**	**326.69**	**327.54**
At March 31, 2018	**0.12**	**258.83**	**258.95**

Footnote :

Software includes Customer Reservation System and other licensed software.

Note 5 (a) : Non-Current Investments

₹ Lakhs

	Face Value		March 31, 2018 Holdings As at		March 31, 2017 Holdings As at	
Fully Paid Unquoted Equity Instruments						
Investments in Subsidiary Companies (At cost)						
Piem International (H. K.) Limited (Wholly Owned)	$	10	**800,000**	**2,825.34**	800,000	2,825.34
Northern India Hotels Limited **		10	**412,033**	**626.64**	407,567	562.95
				3,451.98		3,388.29
Investments in Associates (At cost)						
Taida Trading and Industries Limited*	₹	100	**34,400**	**34.42**	34,400	34.42
Taj Enterprises Limited	₹	100	**10,548**	**10.58**	10,548	10.58
TAL Hotels and Resorts Limited	$	1	**280,108**	**132.69**	280,108	132.69
Taj Karnataka Hotels and Resorts Ltd.	₹	10	**300,000**	**30.00**	300,000	30.00
Roots Corporation Limited	₹	10	**6,535,948**	**5,000.00**	6,535,948	5,000.00
Inditravel Limited	₹	10	**189,002**	**18.91**	189,002	18.91
Taj Trade and Transport Company Limited	₹	10	**886,500**	**140.38**	886,500	140.38
				5,366.98		5,366.98
Investment in Other Companies (Refer footnote)						
Damania Airways Ltd. *	₹	10	**500**	**-**	500	-
Smile and Care Products Pvt. Ltd.*	₹	10	**49,800**	**-**	49,800	-
MPOWER Information Systems Pvt Ltd.*	₹	10	**30,000**	**-**	30,000	-
				-		-
Fully Paid quoted Equity Instruments						
Investment in Associates (At cost)						
Beneras Hotels Limited	₹	10	**54,063**	**5.41**	54,063	5.41
Oriental Hotels Company Limited	₹	1	**3,657,170**	**596.81**	3,657,170	596.81
				602.22		602.22
Investment in Other Companies (Fair Value Through OCI)						
Tulip Star Hotels Limited	₹	10	**35,800**	**19.33**	35,800	18.63
Timex Group India Limited	₹	1	**-**	**-**	1,000	0.50
Titan Company Limited	₹	1	**500,000**	**4,706.00**	1,806,000	8,331.08
Crest Ventures Limited (Formerly known as Sharyans Resources Limited)	₹	10	**-**	**-**	42,000	74.70
				4,725.33		8,424.91

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Notes to the Financial Statements for the year ended March 31, 2018

₹ Lakhs

	Face Value	March 31, 2018 Holdings As at		March 31, 2017 Holdings As at	
Total Non-current Investments - Gross			**14,146.51**		17,782.40
Less : Provision for Diminution in value of Investments			**34.42**		34.42
Total Non-current Investments - Net			**14,112.09**		17,747.98

Footnotes :

(i) Aggregate amount of Quoted Investments	**: Market Value**	**6,703.73**	10,396.42
(ii) Aggregate amount of Unquoted Investments	**: Cost**	**8,818.95**	8,755.27
(iii) Aggregate amount of impairment in value of investments		**34.42**	34.42

* Provision for diminution is created for these investments

** In accordance with the directives issued by SEBI via its circular SEBI/HO/MRD/DSA/CIR/P/2016/110 dated 02/10/2016 the company provided an exit option to the minority share holders of its subsidiary, The Northern India Hotels Limited (NIHL). The exit offer was priced at ₹ 1,426/- per equity share of ₹10/- each.

Under the offer 4,466 shares were tendered by various minority share holders and the same were acquired by the company as of 31/03/2018. The Company's holding in the subsidiary (NIHL) has increased to 4,12,033 shares. An amount of ₹ 365.65 lakhs is lying as Earmarked deposit. NIHL now stands delisted and hence the investments is classified as Unquoted investments.

Note 5 (a) : Current Investments

₹ Lakhs

	Fair Value	**March 31, 2018**		March 31, 2017	
		Units	**Amount**	Units	Amount
Investments in Mutual Fund Units (Unquoted)					
Kotak Floater Short Term - Growth	2,844.578	**10,099.330**	**287.28**	-	-
Aditya Birla Sun Life Floating Rate Fund Short Term			**-**	-	-
Plan - Growth - Regular Plan	231.073	**57,708.756**	**133.35**		
Tata Money Market Fund Regular Fund - Growth	2,726.938	**4,717.829**	**128.65**		
Total Current Investments		**72,525.92**	**549.28**	-	-

Footnotes :

(i) Aggregate amount of Investments	**: NAV**	**549.28**

Notes to the Financial Statements for the year ended March 31, 2018

Note 5 (b) : Other Financial Assets

₹ Lakhs

		March 31, 2018	March 31, 2017
A)	**Non Current**		
	Deposits with Public Bodies and Others at amortised cost		
	Public Bodies and Others	**311.48**	333.34
		311.48	333.34
	Less : Provision for Doubtful advances		
		311.48	333.34
	Deposits with Bank	**56.51**	8.99
		367.99	342.33
B)	**Current**		
	Loans and Advances		
	(Unsecured, considered good unless stated otherwise)		
	Others	**8.01**	1.78
		8.01	1.78
	Deposit with public bodies and others	**68.31**	96.99
	Other advances		
	Considered good	**243.54**	228.80
	Considered doubtful	**3.93**	4.17
		247.47	232.97
	Less: Provision for Advances doubtful of recovery	**3.93**	4.17
		243.54	228.80
	Claims Receivable	**5.25**	-
	Interest receivable		
	Others	**79.90**	30.18
		79.90	30.18
	On Current Account dues :		
	Related Parties	**57.96**	119.01
	Others	**48.58**	34.81
		106.54	153.82
		511.55	511.57

Note 5 (c). Trade receivables

₹ Lakhs

	March 31, 2018	March 31, 2017
Considered good	**1,203.35**	1,077.30
Considered doubtful	**105.94**	86.33
	1,309.29	1,164.13
Less : Provision for Debts doubtful of recovery *	**105.94**	86.83
	105.94	86.83
	1,203.35	1,077.30

Notes to the Financial Statements for the year ended March 31, 2018

₹ Lakhs

	March 31, 2018	March 31, 2017
*** Footnote:**		
i) **Provision for Doubtful Debts:**		
Opening Balance	**86.83**	48.92
Add : Provision during the year	**25.30**	49.73
	112.13	98.65
Less : Bad debts written off against past provisions	**-**	9.28
Less : Reversal of provision no longer required	**6.19**	2.54
Closing Balance	**105.94**	86.83

ii) For impairment of trade receivables refer note 22

Note 5 (d). Cash and bank balances

Cash and cash equivalents		
Cash on hand	**43.67**	36.95
Cheques, Drafts on hands	**98.90**	51.91
Balances with bank in current account	**419.27**	677.11
	561.84	765.97

Note 5 (d) : Bank Balances Other than Cash and Cash Equivalents

Unclaimed Dividend Account	**-**	0.40
Margin money deposits	**459.59**	442.48
Earmarked balances	**403.56**	464.00
	863.15	906.88
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/ Margin Money/ Pledged deposits classified as Non-Current (Note 5(b))	**56.51**	8.99
	806.64	897.89

Note 6 : Other Current assets

	March 31, 2018	March 31, 2017
Prepaid Expenses	**776.91**	325.07
Indirect tax recoverable	**-**	220.15
Advance to Suppliers	**99.07**	91.62
Advance to Employees	**31.72**	37.07
Export Incentive Received	**149.23**	-
	1,056.93	673.91

Note 7 : Other non current assets

	March 31, 2018	March 31, 2017
Capital Advances	**231.95**	167.38
Prepaid Expenses	**1,052.59**	1,115.76
Advance to Employees	**16.05**	17.81
Deposits for tax and other statutory dues	**379.13**	329.44
Export Incentive Receivable	**383.33**	332.36
	2,063.05	1,962.75

Note 8 : Inventories (At lower of cost and net realisable value)

	March 31, 2018	March 31, 2017
Food and Beverages	**712.10**	748.90
Stores and Operating Supplies	**268.52**	273.30
	980.62	1,022.20

Notes to the Financial Statements for the year ended March 31, 2018

Note 9 (a). Share Capital

₹ Lakhs

	March 31, 2018	March 31, 2017
Authorised Share Capital		
Ordinary Shares		
4,750,000 (Previous year - 4,750,000) Equity Shares of Re. 10/- each	**475.00**	475.00
	475.00	475.00
Preference Shares		
18,000 (Previous year - 18,000) 9.5% First Redeemable Cumulative Preference Shares of ₹ 100/- each	**18.00**	18.00
	18.00	18.00
Preference Shares		
7,000 (Previous year - 7,000) 3% First Redeemable Cumulative Preference Share of ₹ 100/- each	**7.00**	7.00
	7.00	7.00
	500.00	500.00
Issued Share Capital		
3,810,000 (Previous Year - 3,810,000) Equity Shares of Re. 10/- each	**381.00**	381.00
	381.00	381.00
Subscribed and Paid Up		
3,810,000 (Previous Year - 3,810,000) Equity Shares of Re. 10/- each	**381.00**	381.00
	381.00	381.00

Footnotes :

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

(ii) During the year ended March 31, 2018, the amount of per share dividend recognised as distribution to equity shareholders was ₹ Nil (Previous year ₹ Nil).

(iii) Interim Dividend ₹ Nil per share (PY ₹ 40/- per share) is paid in respect of Equity Shares in Current Year.

(iv) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2018		March 31, 2017	
	No. of shares	**₹ Lakhs**	No. of shares	₹ Lakhs
As at the beginning of the year	**3,810,000**	**381.00**	3,810,000	381.00
Add : Shares issued during the year	**-**	**-**	-	-
As at the end of the year	**3,810,000**	**381.00**	3,810,000	381.00

Notes to the Financial Statements for the year ended March 31, 2018

(v) Share held by Holding Company and Subsidiary of Holding Company

	March 31, 2018		March 31, 2017	
	No. of shares	**% of Holding**	No. of shares	**% of Holding**
Holding Company				
The Indian Hotels Company Limited (IHCL) *	**1,964,770**	**52%**	986,760	26%
Subsidiary of Holding Company (Wholly owned)				
TIFCO Holding Company Limited (TIFCO) *			978,010	26%

* The Indian Hotels Company Limited together with its Wholly-owned Subsidiary TIFCO Holdings Limited held 52% of Piem Hotels Limited. TIFCO Holdings Limited has amalgamated with The Indian Hotels Company Limited vide the Order dated 8th March, 2018, from the National Company Law Tribunal. The Appointed Date for the same is 1st April, 2017.

(vi) Details of share held by other shareholders holding more than 5% the aggregate shares in the Company

	March 31, 2018		March 31, 2017	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Mr. Rajesh R. Nagpal	**499,429**	**13%**	499,429	13%
Mr. Sudhir L. Nagpal	**389,398**	**10%**	389,398	10%
New Vernon Private Limited	**259,000**	**7%**	259,000	7%
Mr. Rajkumar M. Nagpal	**246,088**	**6%**	246,088	6%
Mrs. Subhadra R. Nagpal	**199,418**	**5%**	199,418	5%

(vii) Aggregate number of shares allotted as fully paid pursuant to contracts without payment being received in cash, bonus shares and shares bought back for period of 5 years immediately preceeding Balance sheet date NIL (previous year NIL)

Note 9 (b). Other Equity

₹ Lakhs

	March 31, 2018	March 31, 2017
Reserves & Surplus		
Capital Reserve		
Opening and Closing Balance	**375.61**	375.61
Capital Redemption Reserve		
Opening and Closing Balance	**77.00**	77.00
Securities Premium Account		
Opening and Closing Balance	**2,011.00**	2,011.00
General Reserve		
Opening and Closing Balance	**12,834.04**	12,834.04

Notes to the Financial Statements for the year ended March 31, 2018

₹ Lakhs

	March 31, 2018	March 31, 2017
Retained Earning		
Opening Balance	**34,446.88**	34,387.48
Add: Current Year profits	**(431.92)**	1,618.72
Less : Appropriations		
Interim Dividend	**-**	(1,524.00)
Tax on Interim Dividend	**-**	(78.20)
Transfer to General Reserve	**-**	-
Transfer of Profit on OCI Equity Inst. To Retained Earnings	**8,226.89**	-
Transfer to/(from) Revaluation Reserve		
Add: Remeasurement of post employment benefit obligation (net of taxes)	**(153.16)**	42.88
Closing retained earning	**42,088.69**	34,446.88
Reserves and Surplus	**57,386.34**	49,744.53
Other Comprehensive Income		
OCI - Equity Instruments (Not reclassified to P&L)		
Opening Balance	**8,273.85**	6,012.55
Less : Profit on Sale of Equity Instruments transferred to Retained Earnings	**(8,226.89)**	-
Add: Change in fair value of equity instruments designated irrevocably as FVTOCI (Net of Taxes)	**4,568.94**	2,261.30
Closing Balance	**4,615.90**	8,273.85
Total	**62,002.24**	58,018.38

Note 10 (a) : Other financial liabilities

₹ Lakhs

		March 31, 2018	March 31, 2017
A)	**Non Current financial liabilities**		
	Creditors for Capital goods and services	**102.64**	-
		102.64	-
B)	**Current financial liabilities**		
	Payables on Current Account dues :		
	Related Parties	**2.24**	-
	Others	**12.93**	18.93
		15.17	18.93
	Deposits from others		
	Unsecured	**87.46**	80.45
		87.46	80.45
	Interest accrued but not due on borrowings at amortised costs	**-**	14.60
	Creditors for capital expenditure	**656.11**	769.29
	Unclaimed dividend	**-**	0.40
	Employee related liabilities	**735.13**	648.51
	Others	**60.06**	47.91
		1,553.93	1,580.09

Footnote :

A sum of Nil (Previous year Nil) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.

Notes to the Financial Statements for the year ended March 31, 2018

Note 10 (b): Trade Payables

₹ Lakhs

	March 31, 2018	March 31, 2017
Micro and Small Enterprises (Refer Footnote (i) and (ii))	**89.59**	61.87
Vendor Payables	**4,552.78**	2,577.98
Accrued expenses and others	**838.64**	987.55
	5,481.01	3,627.40

Footnotes :

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

(ii) The disclosures relating to Micro and Small Enterprises refer Note 26

(iii) For related party balances refer Note 30.

Note 10 (c) : Borrowings

₹ Lakhs

	March 31, 2018	March 31, 2017
B) Current borrowings		
Borrowings from Related Parties 10%	**-**	1,414.60
Total Short term borrowings	**-**	1,414.60
Less : Interest accurred (included in note10 (a))	**-**	14.60
Total Borrowings	**-**	1,400.00

	March 31, 2018	March 31, 2017
Cash and cash equivalents	**561.84**	765.97
Liquid investments	**549.28**	-
Current borrowings including interest	**-**	(1,414.60)
Non-current borrowings	**-**	-
Net (debt) / Cash & Cash Equivalents	**1,111.12**	(648.63)

	Other Assets		Liabilities from financing activities			
	Cash and bank overdraft	Liquid Investments	Finance lease obligations	Non-current borrowings	Current borrowings	Total
Net (debt) / Cash & Cash Equivalents as at 1 April 2016	1,185.64	-	-	-	-	1,185.64
Cash Flows	(419.67)	-	-	-	(1,400.00)	(1,819.67)
Interest expense	-	-	-	-	(65.53)	(65.53)
Interest paid	-	-	-	-	50.93	50.93
(Net debt) / Cash & Cash Equivalents as at 31 March 2017	**765.97**	**-**	**-**	**-**	**(1,414.60)**	**(648.63)**
Cash Flows	(204.13)	444.17	-	-	1,400.00	1,640.05
Interest expense	-	-	-	-	(192.97)	(192.97)
Interest paid	-	-	-	-	207.57	207.57
-Fair value adjustments	-	105.11	-	-	-	105.11
(Net debt) / Cash & Cash Equivalents as at 31 March 2018	**561.84**	**549.28**	**-**	**-**	**-**	**1,111.12**

Notes to the Financial Statements for the year ended March 31, 2018

Note 11 : Provisions

₹ Lakhs

		March 31, 2018	March 31, 2017
A)	**Long term provisions**		
	Employee Benefit Obligation		
	Leave obligations	**513.23**	536.78
		513.23	536.78
B)	**Short term provisions**		
	Employee Benefit Obligation		
	Leave obligations	**116.95**	88.63
	Gratuity	**350.38**	35.60
		467.33	124.23
Provision for Contingencies		**617.39**	561.50
Dividend Tax Payable		**-**	72.67
		617.39	634.17
Total Short term provisions		**1,084.72**	758.40

Note 12 : Deferred Tax (Assets) / Liabilities (Net)

₹ Lakhs

	March 31, 2018	March 31, 2017
Deferred Tax Liabilities:		
Property. Plant and equipment & Intangible Assets	**2,534.18**	2,109.01
Long Term Capital Gain - FVTOCI	**42.00**	-
Total (A)	**2,576.18**	2,109.01
Deferred Tax Assets:		
DTA on Unabsorbed Losses	**510.85**	-
DTA-MAT credit entitlement	**1,600.14**	-
Provision for Compensated Absences	**233.96**	144.30
Liabilities / Provisions that are deducted for tax purposes when paid	**206.28**	214.64
Provisions - Others	**38.48**	31.49
Others - DTA on DBO	**82.26**	-
Total (B)	**2,671.97**	390.43
Net Deferred Tax (Assets) / Liabilities (A-B)	**(95.79)**	1,718.58

Footnote:

Refer note 20 for detailed disclosures

Note 13 : Other non financial Liabilities

₹ Lakhs

	March 31, 2018	March 31, 2017
Income received in advance	**38.91**	31.02
Advances collected from customers	**476.60**	410.62
Statutory dues	**69.00**	572.42
	584.51	1,014.06

Notes to the Financial Statements for the year ended March 31, 2018

Note 14 : Revenue from Operations

₹ Lakhs

	March 31, 2018	March 31, 2017
Room Income, Food, Restaurants and Banquet Income	**33,258.41**	32,894.33
Others	**1,947.92**	1,849.07
Total Revenue	**35,206.33**	34,743.40

Note 15 : Other Income

₹ Lakhs

	March 31, 2018	March 31, 2017
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	**1.60**	-
Deposits with banks	**62.46**	62.87
Others	**19.33**	16.80
	83.39	79.67
Interest on Income Tax Refunds	**-**	77.43
Total	**83.39**	157.10
Dividend Income on non-current investments held at the end of the year		
From related parties	**57.84**	1,259.22
From others (FVTOCI)	**46.96**	18.55
Profit on sale of assets (Net)	**88.80**	-
Profit on sale of Investments (Net)	**98.81**	-
Exchange Gain (Net)	**0.30**	1.01
Others	**260.82**	342.83
Total	**636.92**	1,778.71

Note 16 : Food and Beverages Consumed

₹ Lakhs

	March 31, 2018	March 31, 2017
Opening Stock	**748.90**	666.40
Add : Purchases	**4,445.80**	4,263.95
	5,194.70	4,930.35
Less : Closing Stock	**712.10**	748.90
Food and Beverages Consumed	**4,482.60**	4,181.45

Note 17 : Employee Benefit Expense and Payment to Contractors

₹ Lakhs

	March 31, 2018	March 31, 2017
Salaries, Wages, Bonus etc.	**5,876.00**	5,251.83
Company's Contribution to Provident and Other Funds	**391.55**	341.36
Reimbursement of Expenses on Personnel Deputed to the Company	**1,905.06**	1,768.39
Payment to Contractors	**870.77**	698.04
Staff Welfare Expenses	**1,331.58**	1,210.46
Total	**10,374.96**	9,270.08

Notes to the Financial Statements for the year ended March 31, 2018

Note 18 : Finance costs

₹ Lakhs

	March 31, 2018	March 31, 2017
Interest Expense at effective interest rate on borrowings	**192.97**	65.53
Other borrowing costs	**-**	-
	192.97	65.53
Less : Interest Capitalised (Refer Footnote)	**-**	43.56
Total	**192.97**	21.97

Footnote:

The Company has capitalised the Interest cost on borrowings relating to certain qualifying assets.

Note 19 : Other Operating and General Expenses

₹ Lakhs

		March 31, 2018	March 31, 2017
(i)	**Operating expenses consist of the following :**		
	Linen and Room Supplies	**648.86**	731.39
	Catering Supplies	**389.83**	342.19
	Other Supplies	**110.67**	104.81
	Fuel, Power and Light	**3,380.72**	3,152.98
	Repairs to Buildings	**414.24**	530.36
	Repairs to Machinery	**796.14**	739.38
	Repairs to Others	**182.97**	172.55
	Linen and Uniform Washing and Laundry Expenses	**465.57**	470.40
	Payment to Orchestra Staff, Artistes and Others	**675.79**	650.98
	Guest Transportation	**315.04**	337.28
	Travel Agents' Commission	**545.61**	558.42
	Discount to Collecting Agents	**304.01**	310.20
	Other Operating Expenses	**822.77**	688.38
	Total	**9,052.22**	8,789.32
(ii)	**General expenses consist of the following :**		
	Rent	**758.59**	422.45
	Licence Fees	**1,108.33**	1,372.98
	Rates and Taxes	**707.12**	1,194.14
	Insurance	**100.87**	81.14
	Advertising and Publicity	**1,979.79**	2,086.67
	Printing and Stationery	**142.63**	128.73
	Passage and Travelling	**82.74**	129.90
	Provision for Doubtful Debts	**19.11**	37.91
	Expenditure on Corporate Social Responsibility (Refer Note 34)	**79.67**	120.49
	Management Fees	**1,671.21**	1,671.40
	Reservation and Information system	**333.99**	333.45
	Brand Common Cost	**334.88**	333.80
	Professional fees	**275.71**	325.48

Notes to the Financial Statements for the year ended March 31, 2018

₹ Lakhs

	March 31, 2018	March 31, 2017
Outsourced Support Services	**218.06**	212.01
Exchange Loss (Net)	**1.85**	0.09
Loss on Sale of Fixed Assets (Net)	**99.53**	61.68
Payment made to Statutory Auditors		
i. As Auditors	**50.05**	56.28
ii. As Tax Auditors	**6.00**	8.04
iii. For Other Services	**4.58**	0.90
iv. For Reimbursement of expenses	**1.94**	3.22
Directors Sitting Fees and Commission	**30.34**	8.44
Other Expenses	**532.72**	519.68
Total	**8,539.71**	9,108.88
	17,591.93	17,898.20

Note 20 : Income tax expense

₹ Lakhs

		March 31, 2018	March 31, 2017
a)	**Income tax expense**		
	Current Tax		
	Current Tax on profits for the year	**1,600.14**	438.00
		1,600.14	438.00
	Deferred Tax		
	Increase/(Decrease) in deferred tax liability (Refer Note 12)	**(1,774.11)**	248.14
	Total deferred tax expense/(benefit)	**(1,774.11)**	248.14
	Income tax expense	**(173.97)**	686.14
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**		
	Profit before tax from continuing operations (a)	**(605.89)**	2,032.71
	Income tax rate as applicable (b)	**34.61%**	34.61%
	Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**(209.68)**	703.48
	Permanent tax differences due to:		
	Effect of income that is exempt from taxation (like dividend income)	**(24.30)**	(31.81)
	Effect of expenses that are not deductible in determining taxable profit	**62.77**	71.98
	Effect on deferred tax balances due to the change in income tax rate from 34.61% to 34.94%	**14.84**	
	Income subject to lower rate of income tax		(34.95)
	Others - including income tax reported in OCI	**(17.60)**	(22.56)
	Income tax expense recognised in profit or loss (relating to continuing operations)	**(173.97)**	686.14

Notes to the Financial Statements for the year ended March 31, 2018

₹ Lakhs

	March 31, 2018	March 31, 2017
(c) Income Tax recognised in Other Comprehensive Income		
Current Tax		
	-	-
Deferred Tax		
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investments in equity shares at fair value through other comprehensive income	**42.01**	0.00
Re-measurement of Defined Benefit Obligation	**(82.26)**	22.70
Total	**(40.25)**	22.70
Total Income tax recognised in Other comprehensive Income	**(40.25)**	22.70

21. Financial Instruments

Fair value hierarchy

₹ Lakhs

As of March 31, 2018:	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity shares	4,725.33			4,725.33
Liquid Funds	549.28			549.28
Total	**5,274.61**			**5,274.61**

As of March 31, 2017:	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity shares	8,424.91			8,424.91
Total	**8,424.91**	-	-	**8,424.91**

Notes to the Financial Statements for the year ended March 31, 2018

The carrying value of financial instruments by categories is as follows:

As on 31.03.2018

₹ Lakhs

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Equity Investment in External Companies		4,725.33		4,725.33
Liquid Funds	549.28			549.28
Trade Receivables	-	-	1,203.35	1,203.35
Cash and cash equivalents	-	-	561.84	561.84
Bank Balances other than cash & cash equivalents			806.64	806.64
Other financial assets	-	-	879.54	879.54
Total - Financial Assets	**549.28**	**4,725.33**	**3,451.37**	**8,725.98**
Financial liabilities:				
Trade Payables including capital creditors			6,239.76	6,239.76
Deposits			87.46	87.46
Other financial liabilities			810.36	810.36
Total - Financial Liabilities	**-**	**-**	**7,137.58**	**7,137.58**

As on 31.03.2017

₹ Lakhs

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Equity Investment in External Companies		8,424.91		8,424.91
Trade Receivables	-	-	1,077.30	1,077.30
Cash and cash equivalents	-	-	765.97	765.97
Bank Balances other than Cash & Cash Equivalents			897.89	897.89
Other financial assets	-	-	853.90	853.90
Total - Financial Assets	**-**	**8,424.91**	**3,595.06**	**12,019.97**
Financial liabilities:				
Borrowings			1,400.00	1,400.00
Trade Payables including capital creditors			4,396.69	4,396.69
Deposits			80.45	80.45
Other financial liabilities			730.35	730.35
Total - Financial Liabilities	**-**	**-**	**6,607.49**	**6,607.49**

Note: The fair value of assets and liabilities approximates its carrying value.

22. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

Notes to the Financial Statements for the year ended March 31, 2018

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance team provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, currency risk and interest rate risk are not significant for the company, since the company has only Indian Rupee Borrowings which are short term in nature.

Price Risk

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at profit or loss account.

To manage the price risk arising from the investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the investment committee.

Credit risk

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

Trade receivables

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

Particulars	31st March 2018	31st March 2017
No of Customers who owed more than 5% of the Total receivables	**0**	1
Contribution of Customers in owing more than 5% of Total receivables	**0%**	5.15%

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low.

Financial instruments and cash deposits

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

Liquidity risk

The Company monitors its risk of a shortage of funds. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Notes to the Financial Statements for the year ended March 31, 2018

₹ Lakhs

Particulars	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total
Year ended 31 March 2018				
Other financial liabilities	1,553.93	102.64	-	1,656.57
Trade and other payables	5,481.01	-	-	5,481.01
	7,034.94	**102.64**	**-**	**7,137.58**
Year ended 31 March 2017				
Borrowing repayable on demand	1,400.00			1,400.00
Other financial liabilities	1,580.09	-	-	1,580.09
Trade and other payables	3,627.40	-	-	3,627.40
	6,607.49	**-**	**-**	**6,607.49**

23. Contingent Liabilities

₹ Lakhs

	Particulars	As at 31 March, 2018	As at 31 March, 2017
	Contingent liabilities		
(a)	**Claims against the Company not acknowledged as debt**		
	Minimum amount to be paid to Punjab Urban Development Authority (PUDA) for Amritsar as per Revenue sharing Agreement. (Note A)	**400.00**	400
	Employee termination/ resignation cases	**2.84**	2.84
	Demand raised by Tahsildar towards evacuation not approved	**94.75**	94.75
	Total	**497.59**	497.59
(b)	**Guarantees**		
	Guarantee given for Amritsar Project to PUDA	**1,200.00**	1,200.00
	Guarantee given to Local Authorities	**57.68**	34.68
	Guarantee given for Foreign cars	**7.11**	7.11
	Total	**1,264.79**	1,241.79
(c)	**Other money for which the Company is contingently liable**		
	Income Tax	**38.52**	38.52
	Luxury Tax	**253.87**	253.87
	Entertainment Tax	**1.11**	1.11
	Sales Tax/VAT	**870.77**	878.06
	Property Tax	**36.18**	36.18
	Service Tax	**1,305.08**	1,418.68
	Others (Water & Sewerage Tax)	**88.00**	46.00
	Total	**2,593.53**	2,672.42

Note:

A. The Punjab Urban Development Authority (PUDA) has contested the order passed by the Appellate Authority - Punjab Infrastructure Regulatory Authority (PIRA) at the High Court granting an extension of one year in the completion date of the Amritsar Project. The company will be liable to pay the concession fee for the aforesaid period in case the above claim is upheld by the High Court.

Notes to the Financial Statements for the year ended March 31, 2018

Details of amounts paid under protest and accounted under Advance/Receivable (₹/ lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Property Tax	**222.49**	176.54
VAT	**154.99**	158.77
Service Tax	**7.25**	3.50
Total	**384.73**	338.81

The Company has been advised by its legal counsel that it is only possible, but not probable, that the actions initiated will succeed. Accordingly, no provision for any liability has been made in these financial statements.

24. Contingent Asset

The company has instituted a suit against a Bank for recovery of rent amounting to ₹ 19.85 lacs, as they continued to occupy the area leased to them at the Vivanta by Taj, Blue Diamond Pune., even after the expiry of the lease agreement. The company has also initiated legal proceedings against an Electricity distribution Company for wrong levy of Transport Department Loss Recovery (TDLR) on the electricity charges payable at one of the units. The amount of refund receivable (if any) can be determined only on the conclusion of litigation.

Contingent assets are not recognized in the financial statements.

25. Capital Commitments

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	**538.07**	2,429.75
Intangible assets	**136.39**	16.49
Total	**674.46**	2,446.25

26. Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ Lakhs

	Particulars	As at 31 March, 2018	As at 31 March, 2017
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	**89.59**	61.87
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv)	The amount of interest due and payable for the year	**-**	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-

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

Notes to the Financial Statements for the year ended March 31, 2018

27. Lease Charges

The Company has taken certain vehicles, land and immovable properties on operating lease. These leases have varying terms, escalation clauses and renewal rights. The total lease rent paid on the same is included under Rent forming part of other expenses.

Obligations towards Minimum Lease payments

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Not later than one year	**488.19**	451.92
Later than one year but not later than five years	**1,882.84**	2,026.39
Later than five years	**65,185.81**	65,677.88
Total	**67,556.84**	68,156.19

Details of leasing arrangements

The Company has given on lease certain residential flats to its employees or employees of its parent company for a lease period ranging between 1 to 3 years. These arrangements are in the nature of cancelable lease and are generally renewable by mutual consent or mutual agreeable terms.

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Cost	**109.98**	221.62
Accumulated Depreciation	**25.00**	21.48
Net Book Value	**84.98**	200.14
Current Period Depreciation	**8.33**	10.74
Future minimum lease receipts		
• Not Later than one year	**36.00**	53.64

28. Employee Benefits

(i) Provident Fund

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

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Provident Fund	**284.83**	251.88

(ii) Gratuity Benefits

The Company provides for gratuity a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees.

Actuarial Valuation was done in respect of the aforesaid defined benefit plan using the following assumptions:

Particulars	31st March 2018	31st March 2017
Discount rate	**7.55%**	7.30%
Salary escalation: -		
Staff	**5.00%**	5.00%
Executive	**4.00%**	4.00%

Note : Mortality has been assumed as per published notes under the Indian Assured Lives Mortality (2006-08) Ult table

Notes to the Financial Statements for the year ended March 31, 2018

Change in Benefit Obligation:

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Present Value of Obligation at the beginning of the year	**1,863.33**	1,794.11
Current service cost	**117.54**	103.34
Interest cost	**126.23**	125.63
Actuarial loss/(gain) on obligations	**212.72**	11.43
Benefits paid	**(215.85)**	(171.18)
Present Value of Obligation at the end of the year	**2,103.97**	1,863.33

Fair Value of Planned Assets

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Fair value of Plan Assets at the beginning of the year	**1,827.73**	1,751.47
Expected Return on Plan Assets	**128.01**	126.18
Actuarial (loss)/gain on Plan Assets	**(22.70)**	77.01
Contribution by Employer	**36.40**	44.23
Benefits paid	**(215.85)**	(171.16)
Fair value of Plan Assets at the end of the year	**1,753.59**	1,827.73

Amount recorded in Other Comprehensive Income

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Opening Amount recognised in OCI	**(151.30)**	(85.72)
Remeasurements in the period due to		
• Changes in Financial Assumption	**(31.39)**	32.95
• Change in Demographic Assumption	**37.43**	-
• Experience Adjustments	**206.69**	(21.52)
• Actual Return on Plan assets less interest on Plan Assets	**22.70**	(77.02)
Fair value of Plan Assets at the end of the year	**84.13**	(151.30)

Reconciliation of Defined Benefit Obligation:

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Opening Defined Benefit Obligation	**1,863.33**	1,794.11
Current service cost	**117.54**	103.34
Interest cost	**126.23**	125.63
Remeasurements due to actuarial loss/ (gain) arising from		
• Changes in financial assumptions	**(31.39)**	32.95
• Changes in demographic assumptions	**37.42**	
• Experience adjustments	**206.69**	(21.52)
Benefits Paid	**(215.85)**	(171.18)
Closing Defined Benefit Obligation	**2,103.97**	1,863.33

Notes to the Financial Statements for the year ended March 31, 2018

Amount Recognized in the Balance Sheet

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Liability at the end of the year	**2,103.97**	1,863.33
Fair value of plan assets at the end of the year	**1,753.59**	1,827.73
Amount recognized in the Balance Sheet [(asset) / Liability]	**350.38**	35.60

Sensitivity Analysis (for each defined benefit plan)

	31st March 2018		31st March 2017	
	Discount rate	**Salary Escalation rate**	Discount rate	Salary Escalation rate
	(%)	**(%)**	(%)	(%)
Impact of increase in 50 bps on DBO	**- 2.87**	**3.10**	- 3.48	3.79
Impact of decrease in 50 bps on DBO	**3.03**	**-2.96**	3.71	-3.58

Disaggregation of Plan Assets

₹ Lakhs

	March 31, 2018			
	Quoted	**Unquoted**	**Total**	**%**
Insurer managed funds		1,625.63	1,625.63	93%
Government Debt Instruments	45.40		45.40	2%
Entity's own equity Instruments	62.50	20.06	82.56	5%
Total	**107.90**	**1,645.69**	**1,753.59**	**100%**

₹ Lakhs

Particulars	**March 31, 2017**			
	Quoted	**Unquoted**	**Total**	**%**
Insurer managed funds		1,667.16	1,667.16	92%
Government Debt Instruments	45.40		45.40	2%
Entity's own equity Instruments	62.50		62.50	3%
Cash and cash equivalents		52.67	52.67	3%
Total	**107.90**	**1,719.83**	**1,827.73**	**100%**

Maturity Profile- Benefits

	Amount In Rupees
Expected benefits for year 1	36,501,995
Expected benefits for year 2	29,298,369
Expected benefits for year 3	28,319,291
Expected benefits for year 4	16,138,241
Expected benefits for year 5	32,315,813
Expected benefits for year 6	20,098,448
Expected benefits for year 7	18,668,644
Expected benefits for year 8	16,092,378
Expected benefits for year 9	15,823,485
Expected benefits for year 10 and above	149,891,273

The weighted average duration of these payments is 5.89 years.

Notes to the Financial Statements for the year ended March 31, 2018

Expenses recognized in the Statement of Profit and Loss

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Current service cost	**117.54**	103.34
Interest cost	**(1.78)**	(0.56)
Expense/(Reversal) recognized in the Statement of Profit and Loss	**115.76**	102.78

Balance Sheet Reconciliation

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Opening net liability / (asset)	**35.60**	42.64
Expense/(Reversal) as above	**115.76**	102.78
Amount recognized outside Profit & loss account	**235.43**	(65.57)
Employers contributions	**(36.40)**	(44.23)
Amount recognized in Balance Sheet (asset)/Liability	**350.38**	35.60
Expected Employer's Contributions next year	**120.00**	120.00

The discount rate is based on the government bond yields as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

29. Details of Provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

₹ Lakhs

Particulars	As at 1 April, 2017	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2018
Provision for other contingencies					
Entertainment Tax	**160.00**	**6.00**	**0.00**	**0.00**	**166.00**
	(34.00)	(126.00)	0.00	0.00	(160.00)
Sales Tax	**78.78**	**0.00**	**0.00**	**0.00**	**78.78**
	(125.00)	0.00	(46.22)	0.00	(78.78)
Property Tax	**320.72**	**51.89**	**0.00**	**0.00**	**372.61**
	(342.00)	(51.89)	(73.17)	0.00	(320.72)
Others	**2.00**	**0.00**	**2.00**	**0.00**	**0.00**
	0.00	(2.00)	0.00	0.00	(2.00)
Total	**561.50**	**57.89**	**2.00**	**0.00**	**617.39**
	(503.00)	(177.89)	(119.40)	0.00	(561.50)

Notes to the Financial Statements for the year ended March 31, 2018

₹ Lakhs

Particulars	As at 1 April, 2017	Provisions during the year	Debtors written off against past provision	Provision written back	As at 31 March, 2018
Provision for doubtful debts	**86.83**	**25.30**	**-**	**6.19**	**105.94**
	(48.92)	(50.17)	-	(12.26)	(86.83)

₹ Lakhs

Particulars	Opening	Provisions during the year	Provision written back	Debts written of in the past recovered	For the year ending March, 2018
Provision for doubtful debts charged to P&L	**-**	**25.30**	**6.19**	**-**	**19.11**
	-	(50.17)	(12.26)	-	(37.91)

₹ Lakhs

Particulars	As at 1 April, 2017	Provisions during the year	Advances written off against past provision	Provision written back	As at 31 March, 2018
Provision for doubtful advances	**4.17**	**-**	**0.24**	**-**	**3.93**
	(3.93)	(0.24)	-	-	(4.17)

30. Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

i. Holding Company

The Indian Hotels Company Limited (IHCL)

(Tata Sons Ltd has substantial interest in Indian Hotels Company Ltd)

ii. Subsidiary Companies

Northern India Hotels Limited

Piem International (H.K.) Limited (PIHK)

BAHC 5 Pte Ltd (Subsidiary of PIHK)

iii. Associate Companies

Taida Trading and Industries Limited

Taj Enterprises Limited

Taj Trade and Transport Company Limited

Inditravel Limited

Roots Corporation Limited

Benares Hotels Limited

Oriental Hotels Limited

Taj Karnataka Hotels and Resorts Limited.

TAL Hotels and Resorts Limited

Notes to the Financial Statements for the year ended March 31, 2018

iv. Fellow Subsidiaries

TIFCO Holdings Limited
(amalgamated with The Indian Hotels Company Limited. Appointed date – April 1, 2017. Effective date – April 11, 2018)
United Hotels Limited
Taj SATS Air Catering Limited
KTC Hotels
Skydeck Properties and Developers Private Ltd.
Sheena Investments Private Ltd
ELEL Hotels and Investments Ltd.
Luthria and Lalchandani Hotel and Properties Private Ltd.
Samsara Properties Ltd. (dissolved on June 6, 2017)
Apex Hotel Management Services (Pte) Ltd. (Struck off w.e.f. August 7, 2017)
Chieftain Corporation NV (Dissolved on April 13, 2017)
IHOCO BV
St. James Court Hotel Ltd.
Taj International Hotels Ltd.
Taj International Hotels (H.K.) Ltd.
United Overseas Holding Inc.

v. Key Management Personnel

Mr. Puneet Chhatwal – Chairman & Managing Director *
Mr. Rakesh Sarna – Chairman & Managing Director *
Mr. Sudhir L. Nagpal - Jt. Managing Director
Mr. Rajesh R. Nagpal - Jt. Managing Director
Mr. Rajkumar M. Nagpal - Executive Director

* Mr. Rakesh Sarna was the Chairman and Managing Director for part of the year upto September 30, 2017 post which Mr. Puneet Chhatwal was appointed as the Chairman and Managing Director with effect from January 24, 2018.

vi. Firms/Companies in which Key Management personnel are Interested

MPOWER Information Systems Pvt Limited

vii. Relatives of Key Management Personnel (Parties with whom transactions were conducted during the year)

Mrs Pushpa L Nagpal
Mrs N. M. Nagpal
Mrs Beryl Fernandes Nagpal
Mrs Subhadra R. Nagpal
Mr Aryaman R Nagpal
Ms. Sansara R Nagpal

Others

Taj Residency Employees Provident Fund Trust (Bangalore Unit)
Piem Hotel Employees Gratuity Trust
Taj Residency Hotel Employees Gratuity Trust

Notes to the Financial Statements for the year ended March 31, 2018

- **Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

₹ Lakhs

Particulars	Holding Company		Subsidiaries		Associates		Fellow Subsidiaries	
	2017-18	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17
Purchase of Goods & Services and Sharing of Expenses (Note 1)	**1436.72**	1459.69			**0.19**	0.48		0.02
Sale of Services	**361.18**	286.26						0.06
Interest Expense / (Income)	**24.66**		**160.31**	65.53	**(1.60)**		**7.59**	
Lease Rent Income	**54.77**	53.64						
Lease Rent Expense	**36.00**	36.00						
Dividend Received				1167.06	**57.84**	92.17		
Dividend Paid		394.70						391.20
Inter Corporate Deposits Borrowed	**1000.00**		**500.00**	1400.00			**1000.00**	
Interest Accrued				14.60				
Inter Corporate Deposits Refunded	**1000.00**		**1900.00**				**1000.00**	
Consultation / License Fees	**1670.65**	1624.46	**135.28**	138.36				
Commission / Remuneration								
Deputed Staff Salary expenses	**1798.63**	1449.08			**74.81**	39.52	**53.20**	57.28
Net Balance at year end - Receivable / (Payables)	**(1200.64)**	(453.67)	**(50.73)**	(48.62)	**(0.86)**	8.29	**(0.47)**	8.28

Notes:

1. Purchase of Goods and Services includes Advertisement, Reservation and Information system expenses and Brand Common Cost

Notes to the Financial Statements for the year ended March 31, 2018

₹ Lakhs

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Firm in which Key Management Personnel are Interested		Others	
	2017-18	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17
Purchase of Goods & Services and Sharing of Expenses (Note 1)						0.25		
Sale of Services	**0.11**					0.64		
Interest Expense / (Income)								
Lease Rent Income								
Lease Rent Expense								
F&B Consumed		0.43						
'Dividend Received								
'Dividend Paid		453.97		146.95				
Inter Corporate Deposits Payable								
Interest Accrued								
Inter Corporate Deposits Refunded								
Consultation / License Fees								
'Commission / Remuneration	**243.82**	236.67						
'Deputed Staff Salary expenses								
Contribution to Trust							**35.62**	71.36
Net Balance at year end -Receivable / (Payables)								

- **Compensation of key management personnel of the Company**

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Short Term Employee Benefits	**243.82**	236.67
Total	**243.82**	236.67

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Notes to the Financial Statements for the year ended March 31, 2018

- **Statement of Material Transactions**

₹ Lakhs

Particulars	2017 – 18	2016 - 17
Holding Companies		
The Indian Hotels Company Ltd (IHCL)		
– Purchase of Goods & Services	**1,436.76**	1,459.69
– Interest Expenses	**24.66**	-
– Sale of Services	**361.18**	286.26
– Dividend Paid	**-**	394.70
– Lease Rent Income	**54.77**	53.64
– Lease Rent paid	**36.00**	36.00
– Consultation / Licence Fees	**1,670.65**	1,624.46
– Inter Corporate Deposits Borrowed	**1,000.00**	-
– Inter Corporate Deposits Refunded	**1,000.00**	-
– Deputed Staff Salary paid	**1,798.63**	1,449.08
Fellow Subsidiaries		
a) Taj SATS Air Catering Limited		
– Inter Corporate Deposits Borrowed	**1,000.00**	-
– Inter Corporate Deposits Refunded	**1,000.00**	-
– Interest Paid	**7.59**	-
b) TIFCO Holdings Limited		
– Dividend Paid	**-**	391.20
Associates		
TAL Hotels and Resorts Limited		
– Dividend Received	**40.87**	18.80
Subsidiaries		
Northern India Hotels Limited		
– Consultation / Licence Fees	**135.28**	138.36
– Inter Corporate Deposits Borrowed	**500.0**	1,400.00
– Inter Corporate Deposits Refunded	**1,900.00**	-
– Interest Paid	**160.31**	65.53

Notes to the Financial Statements for the year ended March 31, 2018

₹ Lakhs

Particulars	2017 – 18	2016 - 17
Key Management Personnel		
a) Mr. Rajkumar M. Nagpal		
– Commission / Remuneration	**51.44**	44.27
– Dividend Paid		98.44
b) Mr. Sudhir L. Nagpal		
– Commission / Remuneration	**120.85**	122.87
– Dividend Paid		155.76
c) Mr. Rajesh R. Nagpal		
– Commission / Remuneration	**71.53**	69.53
– Dividend Paid		199.77

31. Earnings per Share

Earnings Per Share is calculated in accordance with IND AS 33 – 'Earnings Per Share'

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Profit/ (Loss) after tax	**(431.92)**	1,618.72
Number of Ordinary Shares	**38.10**	38.10
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS & Diluted EPS	**38.10**	38.10
Face Value per Ordinary Share in ₹	**10**	10
Earnings Per Share:		
Basic/Diluted in ₹	**(11.34)**	42.49

32. Dividends:

On May 11, 2018, the Board of Directors of the Company have proposed a final dividend of ₹ 40 per equity share in respect of year ended March 31, 2018, subject to approval of shareholders at the Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 1,889.48 Lakhs, inclusive of dividend distribution tax of ₹ 365.48 Lakhs.

33. Offsetting financial assets and financial liabilities

There are no financial liabilities and assets that are off set during the financial years 31.03.2018 and 31.03.2017

Notes to the Financial Statements for the year ended March 31, 2018

34. Corporate Social Responsibility:

₹ Lakhs

Particulars	31st March 2018	31st March 2017
Amount required to be spent as per Section 135 of the Act	**76.12**	103.54
Amount Spent during the year on:		
(i) Construction/Acquisition of an asset	**-**	-
(ii) On purpose other than (i) above	**79.67**	120.49

35. Previous year's figures

The Company has regrouped/reclassified the previous year's figures to conform to the current year's presentation.

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

V Kothandaraman
Partner (025973)

Mumbai, 11th May, 2018

For and on behalf of the Board
Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 07624616

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Ms. Farzana Sam Billimoria
Company Secretary

Notes to the Financial Statements for the year ended March 31, 2018

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

₹ in crores

Sl. No.	Particulars	Details		
1	Name of the subsidiary	Northern India Hotels Ltd.	Piem International Hong Kong Ltd.	BAHC 5 Pte Ltd.
2	The date since when subsidiary was acquired	28-May-97	1-Jan-02	21-Aug-09
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		Reporting Currency-USD Exchange Rate 1 USD = ₹ 65.12	Reporting Currency-USD Exchange Rate 1 USD = ₹ 65.12
5	Share capital	0.44	52.09	-
6	Reserves & surplus	26.35	182.85	(161.31)
7	Total assets	26.95	235.02	518.00
8	Total Liabilities	0.16	0.06	657.94
9	Investments	0.10	-	-
10	Turnover	3.40	0.91	-
11	Profit before taxation	3.24	11.42	(54.90)
12	Provision for taxation	0.91	-	-
13	Profit after taxation	2.33	11.42	(54.90)
14	Proposed Dividend	-	-	-
15	Extent of shareholding (In percentage)	94.16%	100.00%	100.00%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - None
2. Names of subsidiaries which have been liquidated or sold during the year - None

Notes to the Financial Statements for the year ended March 31, 2018

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ in crores

Name of associates/Joint Ventures	Inditravel Ltd.	Taj Trade & Transport Company Ltd.	Taj Enterprises Ltd.	Taida Trading & Industries Ltd.	Benares Hotels Ltd.	Oriental Hotels Ltd.
1. Latest audited Balance Sheet Date	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18
2. Date on which the Associate or Joint Venture was associated or Acquired	1-Apr-02	1-Apr-02	1-Apr-02	1-Apr-02	31-Mar-17	31-Mar-17
3. Shares of Associate/Joint Ventures held by the company on the year end						
No.	189,002	886,500	10,548	34,400	54,063	3,657,170
Amount of Investment in Associates/Joint Venture	0.19	1.4	0.11	0.34	0.05	5.97
Extent of Holding (In percentage)	26.25%	25.56%	21.10%	25.41%	4.16%	2.05%
4. Description of how there is significant influence	Due to shareholding	Due to shareholding	Due to shareholding	Due to shareholding	Due to IND AS applicability	Due to IND AS applicability
5. Reason why the associate/joint venture is not consolidated	-	-	-	-	-	-
6. Net worth attributable to shareholding as per latest audited Balance Sheet	4.44	3.71	0.86	-1.57	2.72	5.05
7. Profit/Loss for the year						
i. Considered in Consolidation	-	-	-	-	-	-
ii. Not Considered in Consolidation	-	-	-	-	-	-

1. Names of associates or joint ventures which are yet to commence operations	-	None
2. Names of associates or joint ventures which have been liquidated or sold during the year	-	None

For and on behalf of the Board

Puneet Chhatwal
DIN: 07624616

Sudhir L. Nagpal
DIN: 00044762

Rajesh R Nagpal
DIN: 00032123

Farzana Sam Billimoria

Roots Corporation Limited

Directors and Corporate Information

Board of Directors :

Mr. Puneet Chhatwal, (Chairman)	(Appointed w.e.f. February 1, 2018)
Mr. Rakesh Sarna, Chairman	(Resigned w.e.f. September 30, 2017)
Mr. Giridhar Sanjeevi	
Ms. Renu Basu	
Mr. Padmanabh Sinha	
Mr. Bobby Pauly	
Mr. Anupam Narayan	
Ms. Hiroo Mirchandani	
Ms. Deepika Rao	(Appointed w.e.f. April 9, 2018)
Mr. Rahul Pandit	(Resigned w.e.f. April 2, 2018)

Chief Financial Officer :
Mr. Mahesh Makhija

Company Secretary :
Ms. Somya Agarwal (Resigned w.e.f. October 31, 2017)

Registered Office :
Godrej & Boyce Complex, Gate No. 8,
Plant No. 13 Office Building,
Vikhroli (East)
Mumbai – 400 079.
CIN : U55100MH2003PLC143639

Auditors :
B S R & Co. LLP

Bankers :
Axis Bank Limited
ICICI Bank Limited
State Bank of India
HDFC Bank Limited
IDBI Bank Limited
Kotak Mahindra Bank Ltd.

DIRECTORS' REPORT

To the Members

The Directors submit the 15th Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2018.

Financial Highlights

Particulars	2017-18 ₹ in Lakhs	2016-17 ₹ in Lakhs
Total Income	18,669	15,809
Less: Operating Expenses	17,030	13,907
Profit/(Loss) before interest depreciation and tax	**1,649**	**1,902**
Less: Depreciation	2,167	1,706
Less: Interest(Net)	1,121	670
Profit/(Loss) before tax	**(1,649)**	**(474)**
Less: Exceptional Items	**(257)**	**97**
Profit/(Loss) after exceptional items	(1,906)	(378)
Less: Provision for Tax	-	-
Profit/(Loss) after tax	(1,906)	(378)

Business Review

During the Financial Year 2017-18, the Company generated total income of ₹ 18,669 lakhs which was higher by 18% than in 2016-17. The majority of the Company's income is from room sales which accounts for 88 % of total income.

The total operating expenditure of the Company was ₹ 17,030 lakhs, 22% higher than 2016-17.

Depreciation for the year is ₹ 2,167 lakhs and interest cost of ₹ 1,121 lakhs.

During the Financial Year 2017-18, one TCS transit quarter at Chennai Siruseri, 2 Fully Fitted Hotels at Lucknow and Aurangabad, 1 Land Lease at Andheri (East) were added to the portfolio.

Borrowings

As at March 31, 2018, the Company had Long term borrowings of ₹ 12,593 lakhs. The Company had short term borrowings of ₹ 2,200 lakhs.

Capital Expenditure

During the year under the review, the Company has incurred ₹ 1,963 lakhs towards Capital Expenditure.

Dividend

In view of the accumulated losses and unabsorbed depreciation, the Company is not in a position to declare dividend for the year.

Expansions

Hotel Launches

Roots Corporation Limited continued its expansion path in India in FY 2017-18. Your Company ended the year with a portfolio of 33 owned/leased hotels with an inventory of 3,178 rooms, 9 hotels under management contract with an inventory of 557 rooms and manages 3 transit guest houses with an inventory of 222 rooms, thus combine a inventory is 3,957 rooms.

Your Company opened its second hotel at Mumbai, Andheri East (142 rooms), second hotel at Baroda (72 rooms), second hotel at Goa (24 rooms), two more hotels at Ahmedabad (44 rooms & 36 rooms), along with hotels at Gurgaon (77 rooms), Lucknow (72 rooms) and Aurangabad (63 rooms) during the year.

New Management Contracts and Fully Fitted Leases

Your Company succeeded in signing 4 New Management Contracts (Baroda, Bharuch, New Delhi and Goa) having total of 203 rooms during the year. The Company is in active discussions for many more opportunities.

Other management contract/lease opportunities that have been signed earlier are under different stages of execution.

Sales and Marketing:

Our strategy in Financial Year 2017-18 was to consolidate the share of our corporate business and increase the share of retail business. The key focus areas were to build diversification into our B2B portfolio and strengthen the proprietary channels.

Ginger hotels in Agartala, East Delhi, Mangalore, Indore, Bhubaneswar, Guwahati, Pune, Goa, Puducherry were the Top performers in terms of registering a growth of more than 10% over the previous year's performance, followed by hotels at Pune Wakad, Pantnagar, Nasik, Thane, Faridabad, Noida and Jaipur that registered a growth of more than 4% above last year's performance.

Ginger hotels which underperformed in comparison to the previous year were Mumbai Mahakali, Ahmedabad, Mysore, Chennai, Trivandrum, Vadodara and Bangalore Koramangala.

Key Initiatives:

1. **Consolidation of the share of corporate business:**
    - A specialist Key Account portfolio has been created alongwith with our Parent Company to drive focused engagement and counter the threat from the consolidators venturing into the corporate market.
    - To further build depth in corporate account portfolio mix, the presence in the Public Sector Banks, Banking, Financial services and Insurance, Pharma and Logistic sectors was strengthened by establishing new relationships and Airline Crew as a segment was introduced for usage pan-India.
2. Strengthening of proprietary channels: This year the revenue growth in the transient channels was led by the Online Travel Agents. The following initiatives were undertaken in Financial Year 2017-18 to drive higher share of retail business through our proprietary channels, going forward:
    - Your Company launched its revamped website in December, 2017 with multi browser and device compatibility along with a new booking engine. The initial results have been very positive.
    - In continuation to the previous year, the reservation activity for all hotels was centralized. Apart from a uniform customer experience, data consistency and reduced turnaround time are key in strengthening relationship with our guests.
    - A direct interface are built with the top producing online travel agent thereby increasing efficiency and reducing turnaround time and also reducing the load factor at the call center.
3. To reduce time to market and sell and drive uniformity, your Company digitalized the marketing collateral on a cloud platform for easy access to all hotels pan-India.

Operations

The year of 2017-18 has been a year of maintaining Service standards are commonly known as SCB4, Revisiting departmental SOP and digitization. Operations was vigilant on delivering the SCB4 to our guests while closely monitoring the operational costs.

Food & Beverage: Introduced late night options for in room dining. Consolidation of F&B partners to 7 from 17.

Trip Advisor: Brand Ginger moved from a Brand Average Rating of 3.74 in 2016-17 to 4.10 in 2017-18.

GSTS: The GSTS dropped by 1% in comparison to the previous year from 74% to 73%. The CCR of F&B team and the drop in Cleanliness Index in H2 are the identified areas of improvement.

Audits: TPAM scores have improved across hotels. A Task Team constituted in FY 17-18 has driven the changes and will continue to monitor and improve the processes. The scores have moved from 78% to 79% so far this year. HSE scores improved from 60% last year to 82% this year (27 hotels).

Awards & Accolades

- Augustine Anthony and Masud Sheikh were awarded the winner and runner up respectively for Best Front Office Manager – Budget and Midscale in Hotelier India Awards.
- Nitin Sodhi won the Best General Manager Budget Category in BW Hotelier’s.
- Ginger Hotel Andheri Teligalli won the Best Hotel of the year in Budget/Economy Hotels Segment- HICSA.
- Smart Hotel Award, “The Best Budget Hotel of the year” at the CNBC AWAAZ travel & tourism awards.

Human Resources

1. **Human Resources**

   Employee Satisfaction Survey was conducted through the Gallup Group for all RCL employees including key positions of outsourced partner. The ESS Grand Mean Score for the organization showed a healthy increase of 5 points from a score of 4.26 to 4.31. The focus was on key drivers for employee engagement and recognition such as quarterly Rock Star Awards and monthly recognition at town halls which has also helped reduce the attrition to 38% as compared to the previous year at 48%. Some of the other contributing initiatives include, introduction of Service charge at hotels and focus on local recruitment.

   HR Automation initiatives include implementation of SAP Payroll module, online application of Associate Holiday Plan for better administration & policy adherence. Currently, we are in process of implementation and testing of the Recruitment Module and On–Boarding Module with Success factors (SAP platform). This will assist in focused monitoring of Recruitment and enhanced On-boarding experience.

   The Tata Code of Conduct (TCOC) and the Leadership of Business Ethics (LBE) framework remained key focus areas, the analysis and feedback model used in the Annual Compliance Report of FY 2016-17 helped as an evaluation system for business ethics and action plans were implemented to sustain the company’s relative position in terms of process deployment/implementation maturity for business ethics.

   Another key area of focus was the training imparted to key employees across various levels in the organization on Prevention of Sexual Harassment at workplace to create better levels of awareness and understanding.

   In support of our CSR, Inclusion & Diversity journey the focus was on Gender Diversity and increasing women workforce as well as the initiative of recruiting employees with disability. We have also partnered with TATA Strive and focused on the group’s skill building initiative and have trained and employed trainees from the Tata Strive skills institutes across the county, including influencing our vendor partners to offer job opportunities to these candidates.

   Various planned campaigns and activities were undertaken across all Ginger Hotels to support the group initiative of volunteering. With active participation from all associates across the organization, our company was nominated and won the award for highest participation in Small Company Category in Tata Volunteering Week 7 & 8 that was organized within the financial year.

2. Learning and Development

Learning and Development initiatives were supported by interventions from internal trainers as well as partner and outsourced trainers. In FY 2017-18 as a first time initiative two Train the Trainer programs (TREND) were conducted and 31 identified executives from hotels/sales teams attended the programs. These trained departmental trainers have also helped to support the L&D training and processes at our hotels.

Mandatory training included training on mandatory modules with a focus on Prevention of Sexual Harassment at the Workplace. Three customized programs were conducted to cover key hotel resources and the corporate team. A train the trainer program was also conducted for 28 senior resources from hotels as well as the corporate team.

There has been a 45 % increase in internal training man-days from 2420 man-days (FY 2016-17) to 5326 man days (FY 2017-18) and a 57% increase in partner training man-days from 2152 to 3774 man-days as compared to the previous year. These training were conducted across different levels from Hotel Managers to associates which has helped to improve operational effeciencies and guest satisfaction scores. The overall Health & Safety score was at 82 % as against the previous year which was at 65 %. The overall Trip advisor rating improved from 3.74 to 4.09 in FY 2017-18.

Another L&D intervention was the introduction of digital learning. E-learning courses based on identified competencies were launched and the target audience of all Hotel Managers, Asst. Hotel Managers, Guest Service Executive & all Sales resources were covered. Actualization of e-learning 9 e-learning courses for each participant was achieved. A mobile learning application through gamification was developed and run for all front line associates to enhance complaint handling knowledge.

Other L&D interventions included improvement in new joinee confirmation process, competency mapping for front line levels and also refreshed SOP manuals for the key departments of Front Office, Housekeeping, Engineering and Security.

We also launched an Executive Development Program to fast track and groom our Guest Service Associates. This is a 12 month structured program with blended learning of classroom, e - learning & on the job training.

Information Technology

Following initiatives completed for the Financial Year 2017-18:

Initiatives	Metric for the Initiative
OTA Direct Connect (MMT-Ibibo)	Live at all Hotels for Seamless booking, Instant room inventory update and rate availability
Goods Service Tax (GST)	Smooth migration on 1st July
Digital Check in	Live at 9 Hotels using TAB

Extracts of Annual Return

Pursuant to the provisions of Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form No. MGT - 9 is annexed to this Report as “Annexure – I”.

Directors and Key Managerial Personnel (KMP)

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of your Company are Ms. Deepika Rao, Managing Director & CEO and Mr. Mahesh Makhija, Chief Financial Officer. During the year, Mr. Rahul Pandit resigned as the Managing Director & CEO of the Company w.e.f. 2nd April, 2018 and Ms. Deepika Rao was appointed as the Managing Director & CEO w.e.f. April 9, 2018.

In accordance with the provisions of the Companies Act, 2013, and the Article of Association of the Company, two of the Directors, i.e. Mr. Padmanabh Sinha (DIN 00101379) and Mr. Bobby Pauly (DIN 06629688) retire by rotation and are eligible for re-appointment. The Members approval for their re-appointment as Directors has been sought in the Notice convening the Annual General Meeting of the Company.

During the year under review, Mr. Rakesh Sarna resigned from the Company w.e.f. 30th September, 2017. The Board places on record its appreciation for the valuable contribution made by Mr. Rakesh Sarna during his tenure as a Director of the Company.

Your Company has received a declaration from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Act.

Pursuant to the provisions of the Companies Act, 2013, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Directors was carried out. The Board of Directors expressed their satisfaction with the evaluation process.

Board Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, five Board Meetings were convened and held and the gap between the Meetings was within the prescribed period under the Act.

Committees

Pursuant to the provisions of Section 177 and 178 of the Act and the Rules thereunder as amended from time to time, the Company had constituted the following committees:

Audit Committee

The Audit Committee of the Company currently comprises four Members, as detailed hereunder:

1. Mr. Giridhar Sanjeevi, Chairman
2. Mr. Anupam Narayan, Independent Director
3. Ms. Hiroo Mirchandani, Independent Director.
4. Mr. Bobby Pauly, Member

The Board has accepted all the recommendations of the Audit Committee of the Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted of Mr. Giridhar Sanjeevi, Mr. Padmanabh Sinha, Ms. Hiroo Mirchandani and Mr. Anupam Narayan as its Members. The role and terms of reference of the Nomination and Remuneration Committee covers the areas mentioned under Section 178 of the Companies Act, 2013 besides other terms as may be referred to by the Board of Directors of the Company.

Investment Committee

The Investment Committee of the Company is constituted of Mr. Giridhar Sanjeevi, Mr. Bobby Pauly, Ms. Hiroo Mirchandani and Mr. Anupam Narayan as its Members.

Corporate Social Responsibility

Section 135 of Companies Act, 2013 does not apply to the Company in view that the Networth, Turnover and Net Profit are below the threshold limits prescribed in the Act.

Conservation of Energy

Ginger hotels have been designed to optimize the utilization of energy and reduce energy costs.

Foreign Exchange Earnings and Outgo

As required under Section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, the information relating to Foreign Exchange Earnings and Outgo is stated in Note No. 38 of the notes to the Financial Statements.

Loans, Guarantees or Investments

The Company has not given any Loans, Guarantees or made any Investments as per the provisions of Section 186 of the Companies Act, 2013.

Related Party Transactions

All related party transactions that were entered into during the Financial Year were on an arm's length basis and were in the Ordinary Course of business. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and if required the Board approval is obtained. Ominbus approval of the Audit Committee is obtained for transactions which are of foreseen and repetitive in nature. The transactions entered into pursuant to the Ominbus approval so granted and a statement giving details of all related party transactions has been placed before the Audit Committee for their approval.

The Company has developed a Related Party Transactions Manual and Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

Risk Management Policy

The Company has adopted a Risk Management Policy, pursuant to the provision of Section 134 of the Companies Act, 2013, and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

Your Company is faced with risks of different types all of which need different approaches for mitigation which are detailed in the Risk Register.

Internal Control System and their Adequacy

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organisation. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant Audit observations and corrective actions suggested are presented to the Audit Committee.

Vigil Mechanism/Whistle Blower Policy

Your Company has adopted a Whistle Blower Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behavior, actual or suspected fraud or violation of your Company's Code of Conduct.

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, B S R & Co. LLP, Mumbai (registration number 101248W/W - 100022) were appointed Statutory Auditors of the Company from the conclusion of the Fourteenth Annual General Meeting (AGM) of Company held on August 22, 2017 till the conclusion of the Nineteenth AGM, subject to the ratification of their appointment at every AGM.

The auditors in their report have made certain observations which are self explanatory, and therefore, in the opinion of the directors do not call for any further explanation.

Secretarial Auditor

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration) Rules 2014, the Company has appointed M/s. Aabid & Co., Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2017-2018. The Secretarial Audit Report is annexed herewith as "Annexure - II". The report does not contain any qualification, reservation or adverse remarks.

Auditors' Reports

There has been no qualification, reservation or adverse remark or disclaimer made by the Statutory or Secretarial Auditors in their respective Audit Reports.

Internal Complaints Committee

The Company has zero tolerance for sexual harassment at the workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints.

During the Financial Year 2017-18, one complaint has been received by the Company on sexual harassment.

General

During the year under review:

i. No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

ii. The Company has not accepted deposits as covered under Chapter V of the Act.

iii. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

iv. There is no change in the nature of business of the Company.

v. There is no change in the share capital or the shareholding pattern.

Employees

The particulars of employees required to be furnished pursuant to Section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report as "Annexure - III".

Acknowledgement and Appreciation

Your Directors take this opportunity to express their sincere thanks to all the customers, shareholders, suppliers, bankers and other stakeholders for their unstinted support. The Directors would also like to place on record their appreciation to the employees at all levels for their hard work, dedication and commitment.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) and 134 (5) of the Companies Act, 2013:

- That in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- That such accounting policies as mentioned in Notes 1 and 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the loss of the Company for the year ended on that date;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual financial statements have been prepared on a going concern basis;
- That proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

For and on behalf of the Board of Directors

Puneet Chhatwal
Chairman
DIN : 07624616

Deepika Rao
Managing Director & CEO
DIN : 08136962

Mumbai
May 7, 2018

Registered Office:
Godrej & Boyce Complex
Gate No. 8, Plant No. 13, Office Building,
Vikhroli (East), Mumbai – 400 079

Annexure I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Information
i.	CIN	U55100MH2003PLC143639
ii.	Registration Date	December 24, 2003
iii.	Name of the Company	Roots Corporation Limited
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the registered office and contact details	Roots Corporation Limited Godrej & Boyce Complex, Gate No. 8, Plant No 13 Office Building, Vikhroli (E), Mumbai - 400 079
vi.	Whether listed company Yes / No	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Hotel Industry (Lodging and Boarding)	551	87%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Appli-cable Section
1.	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai - 400 001	L74999MH1902PLC000183	Holding	59.33%	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
c) Bodies Corp.		5,10,00,000	5,10,00,000	59.33		5,10,00,000	5,10,00,000	59.33	NIL
d) Banks / FI									
e) Any Other….									
Sub-total (A) (1)		**5,10,00,000**	**5,10,00,000**	**59.33**		**5,10,00,000**	**5,10,00,000**	**59.33**	**NIL**
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other...									
Sub-total (A) (2)									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		**5,10,00,000**	**5,10,00,000**	**59.33**		**5,10,00,000**	**5,10,00,000**	**59.33**	**NIL**
B. Public									
Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non- Institutions									
a) Bodies Corp.									
i) Indian		1,12,39,596	1,12,39,596	13.07		1,12,39,596	1,12,39,596	13.07	NIL
ii) Overseas		2,37,27,724	2,37,27,724	27.60		2,37,27,724	2,37,27,724	27.60	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-		**3,49,67,320**	**3,49,67,320**	**40.67**		**3,49,67,320**	**3,49,67,320**	**40.67**	**NIL**
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		**8,59,67,320**	**8,59,67,320**	**100**		**8,59,67,320**	**8,59,67,320**	**100**	**-**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1.	The Indian Hotels Company Limited	5,10,00,000	59.33	-	5,10,00,000	59.33	-	NIL
	Total	**5,10,00,000**	**59.33**	**-**	**5,10,00,000**	**59.33**	**-**	**NIL**

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

There is no change in the Promoters' shareholding.

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the Company
1	Omega TC Holdings Pte Ltd.	2,37,27,724	27.60%	2,37,27,724	27.60%
2	Piem Hotels Limited	65,35,948	7.60%	65,35,948	7.60%
3	Tata Investment Corporation Limited	26,14,379	3.04%	26,14,379	3.04%
4	Tata Capital	20,89,269	2.43%	20,89,269	2.43%

(v) Shareholding of Directors and Key Managerial Personnel:

NIL

V. INDEBTEDNESS

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

Rs/ lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,700	3,100	0	11,800
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	71	0	0	71
Total (i+ii+iii)	8,771	3,100	0	11,871
Change in Indebtedness during the financial year				
(i) Addition	5,000	4,600		9,600
(ii) Reduction	-1,151	-5,500	0	-6651
Net Change	3,849	-900	0	2,949
Indebtedness at the end of the financial year				
i) Principal Amount				14,820
ii) Interest due but not paid	12,620			0
iii) Interest accrued but not due	92	2,200	0	92
Total (i+ii+iii)	**12,712**	**2,200**	**0**	**14,912**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Mr. Rahul Pandit, Managing Director and Chief Executive Officer
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	 1,57,40,055 6,99,155 -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - Others, specify...	-
5.	Others, please specify	-
	Total (A)	**1,64,39,210**
	Ceiling as per the Act	**1,64,39,210**

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Mr. Anupam Narayan (Independent Director)	Ms. Ireena Vittal (Independent Director)	Ms. Hiroo Mirchandani (Independent Director)
1	Independent Directors (i) Fee for attending board / committee meetings (ii) Commission (iii) Others, please specify	3,90,000	2,10,000	6,30,000
	Total (1)	3,90,000	2,10,000	6,30,000
2	Other Non-Executive Directors (i) Fee for attending board / committee meetings (ii) Commission((iii) Others, please specify			
	Total (2)			
	Total (B)=(1+2)	**3,90,000**	**2,10,000**	**6,30,000**
	Total Managerial Remuneration	-		-
	Overall Ceiling as per the Act	-		-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	
		Ms. Somya Agarwal (from 1st April 2017 to 31st October 2017)	Mr. Mahesh Makhija	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	47,20,750	56,84,914	1,04,05,664
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961		8,25,397	8,25,397
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- Others, specify…			
5.	Others, please Specify	-	-	-
	Total	**47,20,750**	**65,10,311**	**1,12,31,061**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			**NONE**		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			**NONE**		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			**NONE**		
Punishment					
Compounding					

Annexure II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,

The Members,

ROOTS CORPORATION LIMITED,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ROOTS CORPORATION LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verifications of the **ROOTS CORPORATION LIMITED** Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company as given in Annexure-I and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by **ROOTS CORPORATION LIMITED** ("the Company") for the Financial Year ended on March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Other industry specific laws as specified in Annexure II

Note: From the above point number (ii), (iii), (iv) and (v) does not apply to the Company during the period under review.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Since the Company is not listed on any Exchange no Compliances of the Listing Agreement are applicable to the Company.

During the period of audit of the Company there are no specific events/actions occurred having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

We further report that

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

The Company has given all the details of specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Aabid & Co.
Company Secretaries

F.C.S. No: 6579
C.P. No: 6625
(CS Mohammed Aabid)
Partner

Date:
Place: Mumbai

ANNEXURE-1

LIST OF THE DOCUMENTS VERIFIED

1. Memorandum and Articles of Association of the Company.
2. Minutes of the Meetings and Board of Directors, Audit Committee, Nomination and Remuneration Committee along with Attendance Registers.
3. Minutes of the General Body meeting held during the Year under report.
4. Statutory Registers as required under Companies Act, 2013.
   - Register of Members.
   - Register of Directors and Key Managerial Personnel and their Shareholding.
   - Register of Charges.
   - Register of Contracts with Related Party and Contracts and Bodies etc. in which Directors are interested.
5. Agenda papers submitted to all the Directors/Members of the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1) and Rule 9(1) of the Companies Act, 2013.
7. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and the attachments thereof during the Financial Year under review.
8. Consent by Shareholders for Shorter Notice pursuant to Section 101(1) of the Companies Act, 2013.

ANNEXURE-II

LIST OF OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY

- Employee State Insurance Corporation Act, 1948.
- The Minimum Wages Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Water (Prevention & Control of Pollution) Act, 1974.
- Air (Prevention & Control of Pollution) Act, 1981
- Environment Protection Act, 1986
- The Payment of Bonus Act, 1965
- The Maternity Benefit Act, 1961
- The Payment of Gratuity Act, 1972
- Apprentices Act, 1961 & Rules thereof
- Protection of Women against Sexual Harassment at Workplace Act & Rules
- Goods & Service Taxes for the respective States where hotels are located.
- Value Added Taxes for the respective States where hotels are located.
- Luxury Taxes for the respective States where hotels are located.
- Shops and Establishment Act, for the respective States where the hotels are located.
- Municipal Corporation/ Development Authority Act & Compliances.
- Income -Tax Act, 1961, Rules and Regulations made there under.
- Service Tax Laws as applicable
- Other Local Laws as applicable to the Company
- The Food Safety Standard Act of India, 2006 and Food Safety and Standard Rules 2011
- Food Safety and Standards (Packing & Labelling) Regulations, 2011
- Fire and Explosive Act
- Compliance of Fire Safety Norms, Life License & Police NOC From respective States where the hotels are located.
- Hotel Insurance Policies

For Aabid & Co.
Company Secretaries

FCS No: 6579
CP No: 6625
(CS Mohammed Aabid)
Partner

Date:
Place: Mumbai

ANNEXURE III

ANNEXURE TO THE DIRECTORS' REPORT

Information As Per Section 197 of the Companies Act, 2013, Read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014 & forming part of the Directors' Report for the year ended March 31, 2018

Sr. No.	Name of Employee	Designation	Age	Gross Remuneration in ₹	Net Remuneration in ₹	Qualification	Experience (No. of Years)	Last Employ-ment held	Employment Since	Employment upto
1.	Rahul Pandit	Managing Director & Chief Executive Officer	46	1,64,39,210	1,11,14,544	Graduate & Diploma in Hotel Management	24	Lemon Tree Hotels	22.06.2015	02.04.2018

Notes:

1. Net Remuneration is arrived at by deducting from the remuneration received, the Income Tax, Company's contribution to Provident Fund .
2. All employees are entitled to Gratuity, Medical Benefits & Leave Travel Assistance as per rules of the Company.
3. All employees have adequate experience to discharge the responsibilities assigned to them.
4. None of the employees hold any Equity Shares in the Company.

For and on behalf of the Board of Directors

Mumbai, May 7, 2018

Puneet Chhatwal
Chairman
DIN : 07624616

Deepika Rao
Managing Director and CEO
DIN: 08136962

Independent Auditor’s Report

To the Members of

Roots Corporation Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Roots Corporation Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as “Ind AS financial statements”).

Management’s Responsibility for the Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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

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

Auditor’s Responsibility

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

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

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

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

We are also responsible to conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

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

Other Matters

The audited Ind AS financial statements of the Company as at and for the corresponding year ended 31 March 2017 prepared in accordance with Ind AS included in these Ind AS financial statements, have been audited by the predecessor auditors whose audit report dated 10 May 2017 expressed an unmodified opinion on those audited Ind AS financial statements. Our opinion is not modified in respect of these matter.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash flows dealt with by this Report are in agreement with the books of account;

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

   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 42 to the Ind AS financial statements;

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

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mansi Pardiwalla
Partner
Membership No: 108511

Mumbai
May 7, 2018

Annexure A to the Independent Auditors' Report - March 31, 2018

(Referred to in our report of even date)

With reference to the Annexure referred to in the Independent Auditor's Report to the Members of Roots Corporation Limited ("the Company") on the Ind AS financial statements for the year ended 31 March 2018, we report the following:

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

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

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings as disclosed in Note No. 3 to the Ind AS financial statements, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans taken by the Company are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the Ind AS financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company does not have any stock lying with third parties at the year-end. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (" the Act"). Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided any guarantees or security to the parties covered under Section 185 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and the Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of the services rendered and goods sold by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, duty of excise, duty of customs, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, except for slight delays in few cases of professional tax, luxury tax and goods and service tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, goods and service tax, value added tax, duty of excise, duty of customs, cess, professional tax, luxury tax and any other material statutory dues were in arrears as on 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, goods and service tax, value added tax, duty of excise and duty of customs which have not been deposited with the appropriate authorities on account of any dispute except as stated below:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax (excluding interest and penalty)	2,695,591	Nil	2012-13 to 2015-16	Deputy Commissioner, CGST and Central Excise
Finance Act, 1994	Service tax (excluding interest and penalty)	1,084,479	Nil	2014-15 to 2015-16	Deputy Commissioner, CGST and Central Excise
	Cess	11,504,600	Nil	2006-07 to 2017-18	Deputy Commissioner, East Singhbhum

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

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

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

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

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

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

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

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mansi Pardiwalla
Partner
Membership No: 108511

Mumbai
May 7, 2018

Annexure B to the Independent Auditors' Report – March 31, 2018

(Referred to in our report of even date)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mansi Pardiwalla
Partner
Membership No: 108511

Mumbai
May 7, 2018

BALANCE SHEET AS AT MARCH 31, 2018

₹ In Lakhs

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property,Plant and Equipment	3	**33,246**	29,496
(b) Capital work-in-progress	4	**1,496**	5,681
(c) Intangible assets	3	**632**	679
(d) Intangible assets under development	4	**6**	39
Non-current financial assets	5	**1,024**	885
Non-current tax assets, net	6	**454**	444
Other non-current assets	7	**3,900**	3,719
		40,758	40,943
Current assets			
Inventories	8	**198**	182
Financial assets			
(a) Trade Receivables	9	**2,883**	1,848
(b) Cash and Cash Equivalents	10	**244**	171
(c) Other current financial assets	11	**118**	50
Other current assets	12	**606**	697
		4,049	2,948
TOTAL		**44,807**	43,891
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	**8,597**	8,597
(b) Other equity	14	**17,367**	19,273
		25,964	27,870
Non-current liabilities			
Financial liabilities			
(a) Long-term borrowings	15	**10,829**	7,607
(b) Other non-current financial Liabilities	16	**46**	179
Long-term provisions	17	**83**	74
		10,958	7,860
Current liabilities			
Financial liabilities			
(a) Short-term borrowings	18	**2,200**	3,100
(b) Trade payables	19	**2,580**	2,517
(c) Other Current Financial Liabilities	20	**2,648**	1,902
Short-term provisions	21	**84**	82
Other current liabilities	22	**373**	560
		7,885	8,161
TOTAL		**44,807**	43,891
Significant Accounting Policies	1 & 2		

The accompanying Notes form an integral part of the IND AS Financial Statements (1 to 46)

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Roots Corporation Limited
CIN : U55100MH2003PLC143639

Deepika Rao
Managing Director and CEO
DIN: 08136962

Puneet Chhatwal
Chairman
DIN: 07624616

Mansi Pardiwalla
Partner
Membership No.: 108511

Mahesh Makhija
Chief Financial Officer
Membership No.: 46981

Date: May 7, 2018
Place: Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from operations	**23**	**18,422**	15,460
Other income	**24**	**247**	349
Total Revenue		**18,669**	15,809
EXPENSES			
Food and Beverages Consumed	**25**	**46**	42
Employee Benefits Expense	**26**	**3,299**	2,808
Finance costs	**27**	**1,121**	670
Depreciation and amortisation expense	**3**	**2,167**	1,706
Other expenses	**28**	**13,685**	11,058
Total Expenses		**20,318**	16,284
Profit/(Loss) before exceptional items and tax		**(1,649)**	(475)
Exceptional Items	**29**	**(257)**	97
Profit/(Loss) after exceptional items and tax		**(1,906)**	(378)
Tax Expense		**-**	-
Profit/(Loss) after tax for the year		**(1,906)**	(378)
Other Comprehensive Income Net of Tax			
Items that will not be reclassified subsequently to Profit or Loss			
Remeasurement of defined benefit obligation *		**(0)**	(8)
Other Comprehensive Income for the period net of tax *		**(0)**	(8)
Total Comprehensive Income for the period		**(1,906)**	(386)
Earnings per equity share:			
Basic and Diluted (INR)	**39**	**(2.22)**	(0.44)
Face Value per share (INR)	**39**	**10**	10
Significant Accounting Policies	**1 & 2**		

The accompanying Notes form an integral part of the IND AS Financial Statements (1 to 46)

* denotes less than 50 thousand

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Roots Corporation Limited
CIN : U55100MH2003PLC143639

Deepika Rao
Managing Director and CEO
DIN: 08136962

Puneet Chhatwal
Chairman
DIN: 07624616

Mansi Pardiwalla
Partner
Membership No.: 108511

Mahesh Makhija
Chief Financial Officer
Membership No.: 46981

Date: May 7, 2018
Place: Mumbai
Place: Mumbai

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

₹ In Lakhs

	Equity Share Capital Subscribed	Reserves & Surplus		Total Equity
		Securities Premium Account	Retained Earning	
At April 1, 2016	8,597	25,467	(5,808)	28,257
Changes in Equity Share Capital	-	-	-	-
Profit for the year	-	-	(378)	(378)
Other Comprehensive Income for the year, net of taxes	-	-	(8)	(8)
Total Comprehensive Income for the year	-	-	(386)	(386)
As at March 31, 2017	8,597	25,467	(6,194)	27,870
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	8,597	25,467	(6,194)	27,870
Changes in Equity Share Capital	-	-	-	-
Profit for the year	-	-	(1,906)	(1,906)
Other Comprehensive Income for the year, net of taxes	-	-	(0)	(0)
Total Comprehensive Income for the year	-	-	(1,906)	(1,906)
As at March 31, 2018	8,597	25,467	(8,100)	25,964

Significant Accounting Policies (1 & 2)

The accompanying Notes form an integral part of the IND AS Financial Statements (1 to 46)

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Roots Corporation Limited
CIN : U55100MH2003PLC143639

Deepika Rao
Managing Director and CEO
DIN: 08136962

Puneet Chhatwal
Chairman
DIN: 07624616

Mansi Pardiwalla
Partner
Membership No.: 108511

Mahesh Makhija
Chief Financial Officer
Membership No.: 46981

Date: May 7, 2018
Place: Mumbai
Place: Mumbai

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

₹ In Lakhs

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
A. Cash flow from operating activities				
Net (Loss) before tax		(1,906)		(378)
Adjustments for:				
Depreciation and amortisation	2,167		1,706	
Capital Project costs written off	257		-	
Loss on sale / write off of assets	56		84	
Finance costs	1,121		670	
Interest income	(95)		(96)	
Net Gain on Sale of Current Investments	(3)		(1)	
(Profit) from Compulsory Acquisition of Land	-		(97)	
Provision for Compensated Absences and Gratuity	41		43	
Bad Debts Written Off	8		47	
Imputed Lease Expenses	142		127	
Liabilities / provisions no longer required written back	(53)		(144)	
Provision for doubtful trade and other receivables, loans and advances	138		(8)	
		3,779		2,331
Operating Profit /(Loss) before working capital changes		1,873		1,953
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(16)		(24)	
Trade receivables	(1,181)		(73)	
Other Current Financial assets	(68)		8	
Non-current financial assets	(139)		(220)	
Other non-current and current assets	(168)		37	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	63		206	
Other current liabilities and Financial Liabilities	(87)		270	
Other non-Current Financial liabilities	(133)		39	
Provisions	(30)		18	
		(1,759)		261
Cash generated from operations		114		2,214
Income tax (paid) / refunds		(10)		179
Net cash flow from operating activities (A)		104		2,393
B. Cash flow from investing activities				
Capital expenditure on Property, Plant and Equipment, including capital advances	(1,931)		(3,623)	
Proceeds from sale of Property, Plant and Equipment	39		120	
Current investments not considered as Cash and cash equivalents				

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

₹ In Lakhs

Particulars	**For the year ended March 31, 2018**		For the year ended March 31, 2017	
- Purchased	(550)		(200)	
- Proceeds from sale	553		201	
Interest received	29		32	
Net cash flow from investing activities (B)		(1,860)		(3,469)
C. Cash flow from financing activities				
Proceeds from long-term borrowings (Refer Annexure A)	5,000		-	
Repayment of long-term borrowings (Refer Annexure A)	(1,080)		(480)	
Proceeds from other short-term borrowings (Refer Annexure A)	4,600		2,900	
Repayment of other short-term borrowings (Refer Annexure A)	(5,500)		-	
Finance costs	(1,191)		(1,528)	
Net cash used in financing activities (C)		1,829		892
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		73		(184)
Cash and cash equivalents at the beginning of the year		171		355
Cash and cash equivalents at the end of the year		244		171
		73		(184)
CASH AND CASH EQUIVALENT				
Cash and Bank Balances as per Note 10		492		419
Less: Deposits under lien as per note 5		248		248
Cash and cash equivalents at the end of the year		244		171

The accompanying Notes form an integral part of the IND AS Financial Statements (1 to 46)

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash flows".

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Roots Corporation Limited
CIN : U55100MH2003PLC143639

Deepika Rao
Managing Director and CEO
DIN: 08136962

Puneet Chhatwal
Chairman
DIN: 07624616

Mansi Pardiwalla
Partner
Membership No.: 108511

Mahesh Makhija
Chief Financial Officer
Membership No.: 46981

Date: May 7, 2018
Place: Mumbai

Statement of Net Debt Reconciliation for the year ended March 31, 2018

Annexure A

₹ In Lakhs

Net Debt Reconciliation	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016**
Cash and Cash Equivalents	244	171	355
Current borrowings	(3,964)	(4,176)	(480)
Non-Current Borrowings	(10,829)	(7,607)	(8,700)
Net Debt	**(14,549)**	**(11,612)**	**(8,825)**

₹ In Lakhs

	Cash and Cash Equivalents	**Non-Current Borrowings**	**Current Borrowings**	**Total**
Net Debt as of April 1, 2016	355	(8,700)	(480)	(8,825)
Cash Flows	(184)	1,093	(796)	113
Loans		(0)	(2,900)	(2,900)
Interest Expense		1,323	205	1,528
Interest paid		(1,323)	(205)	(1,528)
Net Debt as of March 31, 2017	171	(7,607)	(4,176)	(11,612)
Cash Flows	73	698	(688)	83
Loans Borrowed		(5,000)	(4,600)	(9,600)
Loans Repaid		1,080	5,500	6,580
Interest Expense		904	287	1,191
Interest paid		(904)	(287)	(1,191)
Net Debt as of March 31, 2018	**244**	**(10,829)**	**(3,964)**	**(14,549)**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 1 : Corporate Information

Roots Corporation Limited (RCL or 'the Company') is in the business of developing, managing and operating, what it terms, 'Smart Basics Hotels' that provides facilities to meet the key needs of today's travellers. RCL envisages creating a chain of no-frill hotels for the Indian market currently, and the international market in the near future. "Smart Basics" is a philosophy of providing intelligent thought-out facilities and services at a 'value' pricing. Currently, the Company has 45 hotels including 9 hotels on management contracts and 3 transit quarters across various geographical locations in India.

The Company has its registered office at Corporate Support Center, Godrej and Boyce Complex, Gate No.8, Vikhroli (East), Mumbai 400 079.

The financial statements for the year ended March 31, 2018 was reviewed by its Audit Committee and were approved by the Board of Directors and authorised for issue on May 7, 2018.

Note 2 : Significant Accounting Policies

(a) Statement of compliance:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(c) Use of estimates and judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions,that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment of investments:** The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax chargein the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of Profit or Loss.

- **Contingencies and Commitments:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(d) Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management fees for the management of the hotels.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner and is recognised when earned in accordance with the terms of the contract.

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

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

i. Defined Contribution Plan

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The Company contributes to the Recognised Employee's Provident Fund Scheme paid/payable during the year. The Company does not have any legal or informal obligation to pay additional sum.

ii. Defined Benefit Plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

iii. Other Long Term Employee Benefit

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

b) Other Long term Employee Benefits: These are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(f) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(s) below). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

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

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

Depreciation is charged to Profit or Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

Class of Assets		Estimated Useful Life
1.	Plant and machinery	4 to 20 years
2.	Electrical installations and equipment	20 years
3.	Hotel Wooden Furniture	15 years
4.	End User devices - Computers, Laptops, etc	6 years

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

Freehold land is not depreciated.

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

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

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

(g) Intangible Assets:

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

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

ii) the company' ability to use the intangible assets;

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

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

v) the ability to measure the development expenditure reliably.

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

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

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

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(h) Impairment of assets:

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

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

(i) Non-current assets held for sale

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

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

(j) Assets taken on lease:

Finance Lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease arrangement explicitly states that increase is on account of inflation. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

(k) Inventories:

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

Net realisable value is the estimated selling price in ordinary course of business, less the estimated costs necessary to make the sale.

(l) Government Grants

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

(m) Transactions in foreign currencies:

The functional currency of the Company is Indian Rupees (INR). Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies and outstanding at the Balance Sheet date are translated at the exchange rates prevailing at the year end. Non-monetary items denominated in foreign currencies are carried at the exchange rate in force at the dates of the transactions. Exchange differences arising on foreign currency transactions are recognised as income or expense in the year in which they arise.

(n) Income Taxes

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

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

(o) Service Tax / Goods and Service Tax input credit:

Service Tax / Goods and Service Tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

(p) Share Issue Expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52(2) of the Companies Act, 2013, to the extent balance is available for utilization in the Securities Premium Account.

(q) Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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

Provisions are recognized, when there is a present (legal or constructive) obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

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

Contingent assets are not recognized in the financial statements.

(s) Borrowing Costs:

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

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

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

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(u) Cash Flow Statement:

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

(v) Earnings Per Share:

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

(w) Exceptional items:

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

(x) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

<u>Classification</u>

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

Initial Recognition and measurement:

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

Subsequent Measurement:

<u>Debt instruments</u>

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

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

<u>Derecognition</u>

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

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

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

<u>Impairment of financial assets</u>

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

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

b) Trade receivables.

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

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

Financial Liabilities

<u>Classification</u>

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

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

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

Loans and borrowings

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

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

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

Derecognition

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

Offsetting of financial instruments

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

y) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after April 1, 2018.

Ind AS 115- Revenue from Contract with Customers:

Ind AS 115 will supersede the existing revenue recognition standard 'Ind AS 18 – Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company would complete its preliminary evaluation of the possible impact of Ind AS 115 and will adopt it retrospectively with the cumulative effect of initially applying this standard recognised as an adjustment to the opening balance of retained earnings at the date of initial application i.e. April 1, 2018 and accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. This standard is applied retrospectively only to the contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of new standard to be material on its retained earnings and to its net income on an ongoing basis.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Notes forming part of the financial statements as at and for the year ended March 31, 2018 (contd.)

Note 3 Property, Plant and Equipment and Intangible Assets

₹ In Lakhs

Particulars		Gross Block				Accumulated Depreciation and Impairment				Net Block	
		As at April 1, 2017	Additions / Adjustments	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
TANGIBLE ASSETS											
1 Freehold Land (Refer note 3 and 4)	CY	1,135	-	-	1,135	-	-	-	-	1,135	1,135
	PY	1,139	-	4	1,135	-	-	-	-	1,135	1,139
2 Buildings											
a Hotel Building (Refer notes 1, 2 and 4)	CY	12,301	4,092	(30)	16,423	436	461	(9)	906	15,517	11,865
	PY	10,010	2,291	-	12,301	189	247	-	436	11,865	9,821
b Improvements to leasehold buildings (Refer note 4 and 6)	CY	10,373	70	168	10,275	1,277	526	17	1,786	8,489	9,096
	PY	10,137	239	3	10,373	836	442	1	1,277	9,096	9,301
Total Buildings	CY	22,674	4,162	138	26,698	1,713	987	8	2,692	24,006	20,961
	PY	20,147	2,530	3	22,674	1,025	689	1	1,713	20,961	19,123
3 Plant, Machinery and Data Processing Equipments(Refer Note 4 and 6)	CY	7,239	1,494	141	8,592	1,065	811	92	1,784	6,808	6,174
	PY	6,325	1,167	253	7,239	538	711	184	1,065	6,174	5,787
4 Furniture and Fixtures (Refer Note 4 and 6)	CY	1,430	276	27	1,679	206	193	16	383	1,296	1,224
	PY	1,409	177	156	1,430	142	186	122	206	1,224	1,267
5 Office Equipment (Refer Note 4)	CY	3	-	0	3	1	1	0	2	1	2
	PY	4	-	1	3	0	2	1	1	2	4
Sub-Total	CY	32,481	5,932	306	38,107	2,985	1,992	116	4,861	33,246	29,496
	PY	29,024	3,874	417	32,481	1,705	1,588	308	2,985	29,496	27,319
INTANGIBLE ASSETS											
Computer Software (Refer Note 4)	CY	905	129	(34)	1,068	226	178	(32)	436	632	679
	PY	882	24	1	905	109	118	1	226	679	773
Sub-Total	CY	905	129	(34)	1,068	226	178	(32)	436	632	679
	PY	882	24	1	905	109	118	1	226	679	773
Total	CY	33,386	6,061	272	39,175	3,211	2,170	84	5,297	33,878	30,175
	PY	29,906	3,898	418	33,386	1,814	1,706	309	3,211	30,175	28,093
Note 4											
CAPITAL WORK-IN- PROGRESS	CY	5,681	3,934	8,119	1,496	-	-	-	-	1,496	5,681
	PY	4,975	5,515	4,809	5,681	-	-	-	-	5,681	4,975
INTANGIBLE ASSETS UNDER DEVELOPMENT	CY	39	6	39	6	-	-	-	-	6	39
	PY	39	-	-	39	-	-	-	-	39	39

1 Building Includes ₹ 14,287 Lakhs (Previous year Rs 10,164 Lakhs) constructed on Leasehold Land
2 Capital Grants amount to ₹ 351 Lakhs (Previous Year ₹ 351 Lakhs) relating to certain Hotel projects has been reduced from the Gross value of Fixed Assets.
3 This pertains to compulsory acquisition of land by KIADB at Bangalore unit for Metro project and net gain of ₹ 97 Lakhs have been recorded as an exceptional item in the previous year.
4 Deductions/Adjustments in Gross Block and Accumulated depreciation includes Transfers done during the year
5 Additions to Gross Block includes Interest capitalised during the year with a capitalisation rate of 8.9% p.a.(Refer Notes to Accounts No. 35).
6 Opening Gross Block includes Impairment provision for Ludhiana property of ₹ 520 Lakhs.
7 The useful life of assets at Faridabad property is reassessed at 15 years in place of existing 30 years with effect from 2017/18 having an impact of ₹ 21.96 lakhs on depreciation for the current year

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 5 : Non-Current Financial Assets

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
Security Deposit		
(i) Long-Term Deposits for Hotel properties	**440**	400
(ii) Other Deposits	**336**	237
	776	637
Margin Money Deposits *	**8**	8
Deposits pledged with Bank (Refer note 10)	**240**	240
	248	248
Total	**1,024**	885

* Margin Money Deposits are for Financial Bank Guarantees provided to Government authorities

Note 6 : Non-current tax assets, net

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
Income Tax assets (net)	**454**	444
(Net of Provision for Tax ₹ 43 Lakhs; previous year ₹ 43 Lakhs)		
Total	**454**	444

Note 7 : Other Non-Current Assets

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
Prepaid Expenses	**2,515**	1,915
Advance for Lease Hold Land	**978**	869
Advance to Suppliers	**163**	628
Capital Advances	**233**	247
Deposits with Vat Authority	**4**	4
Loans and Advances to employees	**7**	56
Total	**3,900**	3,719

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 8 : Inventories (At Lower of Cost and Net Realisable Value)

Particulars	**March 31, 2018 ₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Stores and Operating Supplies	198	182
(includes Food and Beverages Stock of ₹ 2 Lakhs (previous year ₹ 1 Lakh)		
Total	198	182

Note 9 : Trade Receivables

Particulars	**March 31, 2018 ₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Trade receivables		
Unsecured, considered good	2,883	1,848
Considered Doubtful	167	29
Less: Provision for doubtful debts	(167)	(29)
Total	2,883	1,848

i) For Related party balances refer note 37

Movement in Provision for Doubtful Debts

Particulars	**March 31, 2018 ₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Provision for Doubtful Debts		
Opening Balance	29	37
Add: Provision during the year	138	2
Less: Bad Debts written off against past provisions	-	(11)
Closing Balance	167	29

Note 10: Cash and Cash Equivalents

Particulars	**March 31, 2018 ₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Cash and Cash equivalents		
(a) Cash on Hand	10	6
(b) Balance with Banks in Current Accounts	234	165
	244	171
Other Balances with Banks		
Margin Money Deposits	8	8
Deposits pledged with Bank	240	240
	248	248
Total Cash and Bank Balances	492	419
Less: Term Deposits with Banks maturing after 12 months after the Balance Sheet Date and other earmarked margin money deposits classified as non-current (Refer note 5)	(248)	(248)
Total	244	171

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 11: Other current financial assets

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
Interest Accrued on Deposits	118	50
Total	118	50

Note 12: Other Current Assets

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
Others		
a. Prepaid Expenses	298	292
b. Balances with government authorities		
Good and Service Tax	53	-
c. Advance to Suppliers	189	331
d. Loans and Advances to employees	34	8
e. Loans and Advances to Directors (Refer note 37)	32	66
Total	606	697

Note 13 : Equity Share Capital

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
(a) Authorised		
Equity Shares		
10,00,00,000 (Previous year: 10,00,00,000) Equity Shares of ₹ 10/- each	10,000	10,000
Preference Shares		
1,50,00,000 (Previous year: 1,50,00,000) Preference Shares of ₹ 100/- each	15,000	15,000
Total	25,000	25,000
(b) Issued, subscribed and fully paid-up		
Equity Shares		
8,59,67,320 (Previous year: 8,59,67,320) Equity shares of ₹ 10/- each fully paid-up	8,597	8,597
Total	**8,597**	**8,597**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2018 Equity Shares		March 31, 2017 Equity Shares	
	Number	**₹ in Lakhs**	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	85,967,320	8,597	85,967,320	8,597
Shares outstanding at the end of the year	85,967,320	8,597	85,967,320	8,597

b. Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of equity share having a par value of ₹ 10/- each. The holders of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.

c. Shares held by holding Company

5,10,00,000 (Previous Year: 5,10,00,000) number of equity shares are held by The Indian Hotels Company Limited, the holding company having a paid up value of ₹ 5100 Lakhs (Previous Year 5100 lakhs)

d. The details of Shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2018		March 31, 2017	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Equity Shares of ₹ 10/- each fully paid				
The Indian Hotels Company Limited, Holding Company	51,000,000	59%	51,000,000	59%
Omega TC Holdings Pte Limited	23,727,724	28%	23,727,724	28%
Piem Hotels Limited	6,535,948	8%	6,535,948	8%

e. Shares reserved for issue under Contract/Commitments

In terms of Share Subscription Agreement and Shareholders' Agreement dated March 16, 2011 entered with Omega TC Holdings Pte Limited ("Investor") read with addendum to Subscription Agreement dated March 25, 2014 and subject to the terms and conditions stated therein the Investor has an option but not the obligation to subscribe such number of Equity Shares as is equal to the aggregate consideration of upto ₹ 10,000 Lakhs on or before December 31, 2018 or such other date as may be mutually agreed between parties provided that the Company requires an amount equivalent to the consideration and such requirement is a part of business plan.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 14 : Other Equity

Particulars		**March 31, 2018**	March 31, 2017
		₹ In Lakhs	₹ In Lakhs
(a)	Securities Premium	25,467	25,467
	Closing Balance	25,467	25,467
(b)	Retained Earnings	(8,100)	(6,194)
	Closing Balance	(8,100)	(6,194)
	Total	17,367	19,273

Particulars	**March 31, 2018**	March 31, 2017
	₹ In Lakhs	₹ In Lakhs
	(6,194)	(5,808)
Add: Profit/(Loss) for the year	(1,906)	(378)
Add: Total Comprehensive Income *	(0)	(8)
Closing Balance	(8,100)	(6,194)

*denotes less than 50 thousand

a. Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Financial Liabilities

Note 15 : Long-Term Borrowings

Particulars	**March 31, 2018** **₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Term loan		
From bank		
Secured	12,593	8,683
Less: Current Maturities of Long-Term Borrowings	(1,764)	(1,076)
Total	10,829	7,607

a) Loan now stands at ₹ 6,900 Lakhs carrying interest rate currently at 8.60% p.a. payable at monthly rests is repayable in 4 equal quarterly installments of 8%, 16%, 20%, 26% and 30% of the loan amount starting from the 3rd year till the 7th year. The Company has created a charge in April 2016 by way of hypothecation and mortgage of 4 hotel properties and Property, Plant and Equipments contained therein.

b) Loan now stands at ₹ 720 Lakhs carrying interest rate currently at 9.25 % p.a. payable at monthly rests is repayable in 1 installment of ₹ 120 Lakhs and 4 equal quarterly installments of ₹ 150 Lakhs ending in May 2019. The Loan is secured by way of hypothecation of a hotel property of the Company.

c) Loan of ₹ 5000 Lakhs carrying Interest rate of 8.20% p.a. payable at monthly rest is payable in 12 equal quartely installments of ₹ 100 Lakhs and 16 quartely installments of ₹ 300 Lakhs each. The company is in a process to create a charge by way of hypothecation and mortgage of one hotel property and assets contained therein.

Note 16 : Other Non-Current Financial Liabilities

Particulars	**March 31, 2018** **₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Contractor's Retention Money	46	179
Total	46	179

Note 17 : Long-Term Provisions

Particulars	**March 31, 2018** **₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Provision for employee benefits		
Gratuity (Refer Note 36)	83	74
Total	83	74

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Financial Liabilities

Note 18: Short-Term Borrowings

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
Deposits		
Unsecured		
Inter Corporate Deposits from Related Parties (Refer Note 37)	2,200	3,100
Total	2,200	3,100

Note 19 : Trade Payables

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
Dues to Micro,Small and Medium Enterprises	-	-
Dues to Others	2,580	2,517
Total	2,580	2,517

i) On the basis of the intimation received from 'suppliers' regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 there are no suppliers registered under the said Act. Hence, there are no disclosure made as required under the said Act.

ii) The disclosures related to Micro and Small Medium Enterprises are as under :

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
(a) The principal amount remaining unpaid to the supplier as the end of the accounting year	-	-
(b) The interest due thereon remaining unpaid to the supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16 alongwith the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 20 : Other Current Financial Liabilities

Particulars		**March 31, 2018** **₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
(a)	Current maturities of long-term debt (Refer note 15)	1,764	1,076
(b)	Interest accrued but not due on borrowings	92	71
(c)	Other Payables		
	Payables related to Capital Projects	105	95
	Payable to Holding Company	205	52
	Contractors Retention Money	75	95
	Security Deposits	60	65
	Other Payables	121	129
	Payable to employees	226	319
	Total	2,648	1,902

Note 21: Short Term Provisions

Particulars		**March 31, 2018** **₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Provision for employee benefits			
(a)	Gratuity - (Refer Note 36)	10	3
(b)	Compensated absences	74	79
Total		84	82

Note 22: Other Current Liabilities

Particulars	**March 31, 2018** **₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Advances collected from customers	194	351
Statutory Dues		
Payable to Provident Funds and other Funds	20	16
Withholding taxes	77	159
Service Tax	0	34
Goods and Service Tax	82	-
	373	560

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 23 : Revenue from Operations

Particulars	**March 31, 2018** ₹ **In Lakhs**	March 31, 2017 ₹ In Lakhs
Room Income, Food and Restaurants Income	16,589	14,017
Rental Income	662	598
Management and operating fees	921	588
Other operating income	250	257
Total	18,422	15,460

Note 24 : Other Income

Particulars	**March 31, 2018** ₹ **In Lakhs**	March 31, 2017 ₹ In Lakhs
Interest Income		
On Bank Deposit	29	32
Others	66	64
Net Gain on sale of Current investments - Fair Value through Profit and Loss	3	1
Other Non-Operating Income:		
Write back of Credit Balances	53	144
Miscellaneous Income	96	105
(Interest received on Income Tax Refund ₹ 17 Lakhs, Previous Year 52 Lakhs)		
Net Gain on Foreign Currency Transactions and Translation	-	3
Total	247	349

Note 25: Food and Beverages Consumed

Particulars	**March 31, 2018** ₹ **In Lakhs**	March 31, 2017 ₹ In Lakhs
Opening Stock	1	2
Add: Purchases	46	41
	47	43
Less: Closing Stock	1	1
Food And Beverages Consumed	46	42

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 26 : Employee Benefits Expense

Particulars	**March 31, 2018 ₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Salaries and Wages (Refer Note 35)	2,690	2,326
Contribution to Provident and Other Funds (Refer Note 36)	114	102
Retiring Gratuity	39	26
Staff Welfare Expenses	456	354
Total	3,299	2,808

Note 27 : Finance Costs

Particulars	**March 31, 2018 ₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Interest Expenses at effective interest rate on Borrowings which are measured at amortised cost - (Refer Note 35)	1,121	670
Total	1,121	670

Note 28 : Other Expenses

Particulars	**March 31, 2018 ₹ In Lakhs**	March 31, 2017 ₹ In Lakhs
Other Operating Expenses		
Linen and Room Supplies	419	436
Housekeeping Charges	942	729
Maintenance Charges	391	297
Power and Fuel	1,745	1,589
Water Charges	120	104
Repairs to Buildings	259	262
Repairs to Machinery	348	407
Repairs to Others	643	617
Linen, Uniform Washing and Laundry Expenses	462	376
Travel Agent’s Commission	976	254
Collecting Agent’s Commission	111	89
Cable/ satellite TV Subscription	45	78
Security Charges	565	471
General Expenses		
Rent	3,681	3,189
License Fees	228	203
Rates and Taxes	307	260
Insurance	29	31

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Particulars	**March 31, 2018** ₹ **In Lakhs**	March 31, 2017 ₹ In Lakhs
Advertising and Publicity	309	286
Printing and Stationery	81	73
Passage and Travelling - (Refer Note 35)	229	149
Provision for Doubtful Debts	138	-8
Legal and Professional Fees	566	477
Loss on Sale of Property, Plant and Equipment	56	84
Telephone and Communication Expenses	420	241
Director Sitting Fees	12	7
Bad Debts	8	47
Guest Hotel Expenses	284	40
Courier expenses	40	29
Other Miscellaneous Expenses	212	166
Payment to Auditors		
i. As Auditor's	25	43
ii. For Taxation matters	5	10
iii. For other Services	26	20
iv. For Reimbursement of Expenses	3	4
Total	13,684	11,058

Note 29 : Exceptional Item

Particluars	**March 31, 2018** ₹ **In Lakhs**	March 31, 2017 ₹ In Lakhs
Compulsory Acquisition of Land	-	(97)
Provision for shell deposit	60	-
Expenditure on discontinued capital projects charged off	197	-
Total	257	(97)

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 30: Tax Disclosures:

i) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	**March 31, 2018**	March 31, 2017
	₹ In Lakhs	₹ In Lakhs
Deferred Tax assets (refer note ii)	6,553	5,081
Deferred Tax liabilities (refer note b)	(6,553)	(5,081)
Net Deferred Tax Liability (refer note a)	-	-

Note:

a. The Company has restricted the recognition of deferred tax asset to the extent of deferred tax liability and not recorded deferred tax asset of ₹ 1213 Lakhs on carry forward losses in the absence of convincing evidence of taxable profits in the foreseeable years.

b. The deferred tax Liability is on account of timing difference of Depreciation of Fixed Assets.

c. The Company has not shown tax reconciliations as they have no tax profits due to carried forward losses on account of specified business and unabsorbed depreciation.

ii) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Particulars	**March 31, 2018**	March 31, 2017
	₹ In Lakhs	₹ In Lakhs
Deductible temporary differences , unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- tax losses	7,649	6,232
- deductible temporary differences		
Employee benefits	59	52
Provision for Doubtful Debts and Deposits	58	19
Total	7,766	6,303

Note 31 : Contingent Liabilities (to the extent not provided for):

The Company is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(a) On account of matters in dispute:

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, etc, which are in dispute, are as under:

Nature	**March 31, 2018** ₹ **In Lakhs**	March 31, 2017 ₹ In Lakhs
Dues not acknowledged as Debts		
Property Tax **	167	167
Service Tax*	36	-
	203	167

* The service tax amount excludes any interest or penalty

**₹ 50 Lakhs paid under protest to NDMC

In respect of Income Tax matters, the Company's appeals are pending and the said amounts have been paid / adjusted and will be recovered as refund if the matters are decided in favour of the Company.

(b) On account of guarantees given:

Bank Guarantees given for the purpose of performance of contract – ₹ Nil Lakhs (Previous year :

₹ 400 Lakhs)

(c) Others:

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

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

(ii) the proceedings are in early stages;

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

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

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

Note 32: Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 597 Lakhs (Previous year : ₹ 1,982 Lakhs).

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 33: Measurement of Financial Assets and Liabilities:

All financial assets and liabilities are subsequently carried at amortised costs and the fair value of financial assets and liabilities approximate its amortised costs.

	Total carrying cost	
	March 31, 2018 Amortised cost ₹ In lakhs	March 31, 2017 Amortised cost ₹ In lakhs
Financial Assets:		
Not Measured at fair value		
Trade Receivables	**2,883**	1,848
Cash and cash equivalents	**244**	171
Other current financial assets	**118**	50
Non-Current Financial Assets	**1,024**	885
Financial Liabilities:		
Not Measured at fair value		
Long-term borrowings	**10,829**	7,607
Other non-current financial liabilities	**46**	179
Short-term borrowings	**2,200**	3,100
Trade Payables	**2,580**	2,517
Other current financial liabilities	**2,648**	1,902

Note 34: Operating Lease:

The Company has taken certain vehicles, land and immovable properties on operating lease. These leases have varying terms, escalation clauses and renewal rights. The total lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses. The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:

₹ In Lakhs

Particulars	**March 31, 2018**	March 31, 2017
Not later than one year	**3,323**	3,063
Later than one year but not later than five years	**14,722**	13,187
Later than five years	**79,874**	76,669
	97,919	92,919

In addition, in certain circumstances the Company is committed to making additional lease payments that are contingent on the performance of the hotels that are being leased.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Expenses recognised in the statement of Profit and Loss

₹ In Lakhs

Particulars	**March 31, 2018**	March 31, 2017
Minimum Lease Payments	**3,445**	3,057
Contingent rents (% of Turnover)	**188**	95
	3,633	3,152

Note 35: Capitalisation/Reimbursement of Expenses:

Following expenses are disclosed in the Statement of Profit and Loss, at net of amounts capitalised for projects and recoveries made under management contract:

₹ In Lakhs

Particulars	**March 31, 2018**	March 31, 2017
Salaries and Wages	**2,871**	2,554
Less : Salary Capitalised	**59**	124
Less: Recoveries made under Management contracts	**122**	104
Salaries and Wages (Net)	**2,690**	2,326

Particulars	**March 31, 2018**	March 31, 2017
Passage and Travelling	**232**	156
Less : Passage and travelling Capitalised	**0**	4
Less: Recoveries made under Management contracts	**3**	3
Passage and travelling (Net)	**229**	149
Interest Expenses	1,191	1,099
Less: Interest Capitalised	**70**	429
Interest Expenses (Net)	**1,121**	670

Note 36: Employee Benefits:

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

₹ In Lakhs

	March 31, 2018	March 31, 2017
Provident Fund	**94**	86
ESIC	**20**	16
Total	**114**	102

(b) The Company operates post retirement defined benefit plans – Gratuity (Unfunded)

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

₹ In Lakhs

Particulars	Gratuity	
	Un Funded	
	March 31, 2018	March 31, 2017
Present Value of Funded Obligations	**-**	-
Present Value of Unfunded Obligations	**92**	76
Fair Value of Plan Assets	**-**	-
Amount not recognised due to asset limit	**-**	-
Net (Asset) / Liability	**92**	76

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

₹ In Lakhs

Particulars	Gratuity	
	Un Funded	
	March 31, 2018	March 31, 2017
Current Service Cost	**23**	19
Past service Cost	**-**	-
Interest Cost	**6**	5
Total	**29**	24

(iii) Expenses recognised in Other Comprehensive Income (OCI)-

₹ In Lakhs

Particulars	Gratuity	
	Un Funded	
	March 31, 2018	March 31, 2017
Opening amount recognized in OCI outside Profit and Loss	**2**	(6)
Re-measurements due to actuarial loss/ (gain) arising from:		
Changes in financial assumptions	**(5)**	6
Change in demographic assumptions Experience adjustments	**7** **(2)**	 2
Actual return on plan assets less interest on plan assets		
Adjustment to recognise the effect of asset ceiling		
Total	**2**	2

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(iv) Reconciliation of Defined Benefit Obligation -

₹ In Lakhs

Particulars	Gratuity	
	Un Funded	
	March 31, 2018	March 31, 2017
Opening Defined Benefit Obligation	**76**	62
Current Service Cost	**23**	19
Interest Cost	**5**	5
Changes in financial assumptions Changes in demographic assumptions	**(5)** **7**	6 -
Experience adjustments	**(2)**	2
Benefits Paid	**(12)**	(18)
Closing Defined Benefit Obligation	**92**	76

(v) Reconciliation of Fair Value of Plan Assets

₹ In Lakhs

Particulars	Gratuity	
	Un Funded	
	March 31, 2018	March 31, 2017
Employer contributions	**12**	18
Interest on Plan Assets	**-**	-
Re-measurements due to:		
Actual return on plan assets less interest on plan assets	**-**	-
Benefits Paid	**(12)**	(18)
Closing Fair Value of Plan Assets	-	-

(vi) Actuarial Assumptions

Particulars	Gratuity	
	Un Funded	
	March 31, 2018	March 31, 2017
Discount rate (p.a.) in %	8.00%	7.20%
Salary Escalation Rate (p.a.) in %	5.00%	5.00%
Mortality Post-Retirement	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

1) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

2) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

3) Sensitivity Analysis

	Period Ended	
	March 31, 2018	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	-3.25%	3.53%
Impact of decrease in 50 bps on DBO	3.45%	-3.36%

4) Funding Arrangements & Policy:

There is no compulsion on the part of the Company to pre fund the liability of the plan. The Company's philosophy is to not to externally fund these liabilities but instead create an accounting provisions in its books of accounts and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Company.

The expected contribution payable to the plan next year is therefore Nil.

Note 37 : Related Party Disclosures:

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

i. Holding Company

Name of the Company	Country of Incorporation
The Indian Hotels Company Limited	India

ii. Subsidiaries, Associates and Joint Ventures of Holding Company

Name of the Joint Venture	Country of Incorporation
Taj SATS Air Catering Ltd.	India

iii. Company having significant influence over

Holding Company

Name of the Company	Country of Incorporation
Tata Sons Limited (including its Subsidiaries and Joint Ventures	India

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

iv. Company having substantial interest

Name of the Company	Country of Incorporation
Omega TC Holdings PTE Limited	Singapore

v. Fellow Subsidiary Companies

Name of the Company	Country of Incorporation
Domestic	
PIEM Hotels Ltd.	India
Benares Hotels Ltd	India

vi. Key Management Personnel

Particulars	Relation
Rahul Pandit	Managing Director & CEO

(a) Details of related party transactions during the year ended 31 March 2018 and outstanding balances as at 31 March 2017:

₹ In Lakhs

S.No.	Description	March 31, 2018	March 31, 2017
I	**The Indian Hotels Company Limited**		
1	Operating Fees	**171**	145
2	Rent Paid	**4**	4
3	Room Revenue	**2**	15
4	Inter Corporate Deposits received	**3,300**	1,700
5	Inter corporate Deposits repaid	**3,500**	-
6	Interest Paid	**199**	114
7	Reimbursement of Expenses	**57**	53
8	Balance payables	1700	1,900
	Inter corporate Deposit Payable	204	52
	Others payable		
II	**PIEM Hotels Ltd.**		
1	Inter Corporate Deposits received	**500**	-
2	Interest Paid	**2**	-
3	Inter corporate Deposits repaid	500	-
III	**Taj SATS Air Catering Ltd.**		
1	Inter Corporate Deposits received	**800**	700
2	Interest Paid	**59**	55

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

S.No.	Description	March 31, 2018	March 31, 2017
3	Inter corporate Deposits repaid	**1,000**	-
4	Balance payables	**500**	700
IV	**Benares Hotels Ltd.**		
1	Inter Corporate Deposits received	**-**	500
2	Inter corporate Deposits repaid	**500**	-
3	Interest Paid	**27**	37
4	Balance payables	-	500
V	**Other Tata Companies**		
A	Tata Consultancy Services		
1	Room Revenue	**1,300**	1,275
2	Reimbursement Received	**174**	-
3	Balance Receivable	619	262
4	Balance Payable	**7**	253
B	Others		
1	Room Revenue	**81**	513
2	Reimbursement Received	**13**	-
3	Balance Receivable	**23**	158
VI	**Mr. Rahul Pandit**		
1	Managerial Remuneration*	**164**	226
2	Amount Recoverable*	**6**	6
3	Loans and Advances Outstanding	**26**	60

*The Company is in the process of taking approval from Central government for the managerial remuneration for FY 2015-16. The amount of ₹ 6 Lakhs is exceeding the managerial calculation as calculated under section 197 of the Companies Act, 2013. The same is held under trust awaiting approval from Central Government

Note 38 : Foreign Currency Transactions:

(a) Earnings in Foreign Exchange from sale of rooms/food & beverages based on actual receipts amount to ₹ 321 Lakhs. (Previous Year : ₹ 178 Lakhs).

(b) Expenditure in Foreign Exchange towards Travel, Architectural services and commission amount to ₹ 194 Lakhs. (Previous Year : ₹ 341 Lakhs)

Note 39 : Segment Information:

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments' (IndAS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 40 : Earnings Per Share (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'

Particulars	March 31, 2018	March 31, 2017
Profit after tax (₹ in lakhs)	**(1906)**	(378)
Weighted Average no. of equity shares (Nos.)	**8,59,67,320**	8,59,67,320
Earning per share – Basic/Diluted (Amount ₹)	**(2.22)**	(0.44)
Face Value per Equity Share (Amount ₹)	**10**	10

Note 41 : Financial risk management:

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

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

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

- Credit risk;
- Liquidity risk;
- Market risk

a) Credit risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions

The company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the company.

The credit risk for trade receivable for the company as at March 31, 2018 is as under

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

₹ in Lakhs

Ageing	Less Than One year	More Than one Year	Total Value
Gross Carrying Amount	2,732	318	3,050
Impairment Loss / Provision for Doubtful Debts	8	159	167
Net Carrying Amount	2,724	159	2,883

The credit risk for trade receivable for the company as at March 31, 2017 is as under

₹ in Lakhs

Ageing	Less Than One year	More Than one Year	Total Value
Gross Carrying Amount	1,728	149	1,877
Impairment Loss / Provision for Doubtful Debts	-	29	29
Net Carrying Amount	1,728	120	1,848

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

₹ In Lakhs

Term Loans	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
March 31, 2017	1,080	1,770	5,850	-	8,700
31 March 2018	1,770	1,650	6,200	3,000	12,620

₹ In Lakhs

Future Interest Payments	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
31 March 2017	768	663	971	-	2,402
31 March 2018	1,043	892	1,433	154	3,521

ii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents.

₹ In Lakhs

Particulars	March 31, 2018	March 31, 2017
Term loans	12,593	8,683
Less: Cash and cash equivalents	244	171
Net debt	12,349	8,512
Equity	25,959	27,870
Gearing ratio	0.5	0.3

c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

i) Interest rate risk

The Company adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

The total borrowing at variable rate was ₹ 12,593 Lakhs as at March 31, 2018 (Previous year ₹ 8,683 Lakhs). The carrying value of the long-term debt approximates fair value since the current interest rates approximates the market rate.

ii) Other market price risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through other comprehensive income.

The Company has not disclosed the fair value of financial instruments because their carrying amounts are reasonable approximation of fair value.

Note 42 : Specified Bank Notes disclosure

During the previous year, the Company had specified bank notes (SBNs) or other denomination note (ODNs) as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ In Lakhs

Particulars	SBNs	ODNs	Total
Closing cash on hand as on November 8, 2016	14	2	16
Add: Non Permitted receipts	5	0	5
Add: Permitted receipts	0	106	106
Less: Permitted payments	0	(41)	(41)
Less: Non Permitted payments	(2)	0	(2)
Less: Amounts Deposited in Banks	(17)	(58)	(75)
Closing Cash on hand as on December 30, 2016	-	9	9

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 43 : Unhedged Foreign Currency exposure

The unhedged foreign currency exposure payable is as under:

Currency	March 31, 2018	March 31, 2017
United States Dollar	18,610	3,250

Sensitivity

For the year ended 31 March 2018 and 31 March 2017 every 3% depreciation/ appreciation in the exchange rate between the Indian rupee and US dollar, shall not have material impact on the company's profit before tax.

Note 44 : Other Matters

Information with regard to other matters, as required by Schedule III to the Act is either Nil or not applicable to the Company for the year.

Note 45 : Statutory Auditors

Prior year financial statements have been audited by a firm of Chartered Accountants other than B S R & Co. LLP.

Note 46. Note on previous year figures

The Company had regrouped / reclassified the previous year figures in accordance with the requirements of Guidance Note on Schedule III to the Companies Act, 2013 as applicable in the current year.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Roots Corporation Limited
CIN : U55100MH2003PLC143639

Mansi Pardiwalla
Partner
Membership No: 108511

Deepika Rao
Managing Director and CEO
DIN: 08136962

Puneet Chhatwal
Chairman
DIN: 07624616

Mahesh Makhija
Chief Financial Officer
Membership No.: 46981

Date: May 7, 2018
Place: Mumbai

TAJ SATS AIR CATERING LIMITED

Directors and Corporate Information

Board of Directors

Mr. Puneet Chhatwal	Chairman (appointed w.e.f. January 24, 2018)
Mr. Mehernosh S. Kapadia	Vice Chairman
Mr. Thomas Ching Chun Fong	Director
Mr. Goh Siang Han	Director
Mr. Manfred Seah Kok Khong	Director (appointed w.e.f. January 24, 2018)
Ms. Gita Nayyar	Independent Director
Ms. Vibha Paul Rishi	Independent Director (resigned w.e.f. September 19, 2017)
Mr. Rakesh Sarna	Chairman (resigned w.e.f. September 30, 2017)

Management

Mr. Sagar Dighe	Chief Operating Officer
Mr. Sudeep Pal	Chief Financial Officer
Mr. Sanjeev Gujral	Manager
Ms. Neha Khanna	Company Secretary

Bankers

State Bank of Patiala
Hongkong & Shanghai Banking Corporation Limited
HDFC Bank Ltd.
Standard Chartered Bank
IDBI Bank
AXIS Bank
Canara Bank
State Bank of India

Auditors

B S R & Co LLP, Chartered Accountants

Registered Office

Mandlik House, Mandlik Road, Mumbai - 400 001
CIN : U55204MH2001PLC133177
Tel.: 022 66395515 Fax: 022 22027442

Corporate Office

International Airport Approach Road,
Sahar, Andheri (East), Mumbai – 400099
Tel.: 022 67057000 Fax: 022 28302066
Website: www.tajsats.com

Board's Report

To the Members,

The Directors are pleased to present the Seventeenth Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2018.

₹ / Lakhs

Financial Highlights:

Particulars	**2017-18**	**2016-17**
Income	38,732	35,048
Less: Operating costs	33,795	31,910
Gross Operating Profit	4,937	3,138
Less: Depreciation and amortization expense	1,077	1,035
Less: Finance costs	2	21
Profit before tax / (Loss) before exceptional items	**3,858**	**2,082**
Less Exceptional Items	409	-
Profit before tax / (Loss)	**3,449**	**2,082**
Tax expense / (benefit)		
-Current tax expense	1,246	674
-Deferred tax expense/(credit)	33	(1)
Net tax expense / (credit)	1,279	673
Profit after tax / (Loss)	**2,170**	**1,409**
Basic & Diluted Earnings Per Share (₹)		
(Face Value = ₹10/-)	12.48	8.10

Business Review:

While the Company was confronted with numerous environmental and operational challenges of varying degree, it has remained continuously engaged with its clients and has been largely successful in retaining its existing clients and also added new clients. The Company has recorded good results for the year under review largely aided by higher volumes and efficiency in operations. The Goa Unit has gained new business on account of international charters which has enabled the Unit to turn in a stellar performance and be at the forefront of the efforts of the Company to achieve its long term goal of sustainable and profitable growth. The members will be pleased to note that all Units of the Company have recorded improved margins over the previous year even though the realisations were lower than the comparative.

During the course the Company was awarded the 'Excellence Award' by the Institute of Economic Studies, Delhi.

The Company's Unit at Delhi was adjudged the best flight catering Unit in Delhi thereby winning this recognition for the 5th time in the last 6 years. The Mumbai Unit of the Company was awarded the ACQP Gold Award by All Nippon Airways (ANA) while the Bangalore Unit of the Company was awarded the 'Pinnacle' Award by the airport operator BIAL.

Reserves:

The Company proposes to carry ₹ 2,237 lakhs to reserves.

Finance:

The Company held Cash and cash equivalents balances of ₹ 842 lakhs as at March 31, 2018. The high balance recorded at the year-end was on account of record collections from customers in the month of March. The Company continues to focus on judicious management of its working capital. Receivables were monitored closely to bring down receivable days. Inventories and other working capital parameters were continuously monitored to ensure operational efficiency.

Dividend:

On account of improved performance and Profit After Tax reported by your Company during the current year, the Board of Directors recommended a dividend of ₹ 0.52 per share (previous year NIL). The dividend on Equity shares, if approved by the Members, would involve a cash payout of ₹ 1,091 lakhs, including dividend tax.

Share Capital:

The paid up Equity Share Capital of the Company as on March 31, 2018 was ₹ 1,740 lakhs.

Subsidiaries, Joint Ventures and Associate Companies:

The Company does not have any Subsidiary or Associate Company.

Extract of Annual Return:

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 ('Act') and the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in form MGT-9 is annexed to this Report as **Annexure – I.**

Board of Directors:

In accordance with the Act and the Articles of Association of the Company, Mr. Goh Siang Han and Mr. Ching Chun Fong, Directors of the Company, retire by rotation and are eligible for re-appointment. Your approval for their re-appointment as Directors has been sought in the Notice convening the Annual General Meeting ('AGM') of the Company.

During the year, the Board has on the recommendation of the Nomination and Remuneration Committee ('NRC') appointed Mr. Giridhar Sanjeevi, Mr. Puneet Chhatwal and Mr. Seah Kok Khong as Directors of the Company w.e.f. July 27, 2017, January 24, 2018, and January 24, 2018 respectively.

Ms. Vibha Paul Rishi and Mr. Rakesh Sarna, Directors of the Company had resigned w.e.f. September 19, 2017 and September 30, 2017 respectively. The Board wishes to place on record its appreciation for the valuable services rendered and contribution extended by Ms. Rishi and Mr. Sarna to the Company during their tenure as Directors of the Company.

The Board of Directors, based on the declarations received from the Independent Directors, confirm that the Independent Directors of the Company meet the criteria of independence as prescribed under the Act and the Rules thereunder.

Board Effectiveness

Your Company has adopted the Governance Guidelines which, inter alia, cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. They also cover aspects relating to nomination, appointment, induction and development of Directors, Director's remuneration, subsidiary oversight, Code of Conduct, Board Effectiveness Review and mandates of Board Committees.

A. Board Evaluation

The Ministry of Corporate Affairs ('MCA'), vide its Notification dated June 5, 2017, has amended Rule 4 of the Appointment Rules to exempt certain classes of unlisted public companies from the requirement of appointing Independent Directors:

Pursuant to the above, Taj SATS being a Joint venture company, stands exempted from the requirement of appointment of Independent Director and the requirement under Section 149 read with Schedule IV (VII) to the Act. Consequently, the requirement for Performance Evaluation of the Board and Independent Directors does not apply to Taj SATS.

B. Appointment of Directors and criteria for determining qualifications, positive attributes, independence of a Director

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of your Company. The NRC reviews and meets potential candidates, prior to recommending their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee. The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act.

Board Meetings:

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, four Board Meetings were held and the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The Board Meetings were held on May 11, 2017, July 27, 2017, October 26, 2017 and January 24, 2018.

Key Managerial Personnel ('KMP'):

Pursuant to the provisions of Section 203 of the Act, the KMPs of your Company for the year ended March 31, 2018 are Ms. Neha Khanna, Company Secretary, Mr. Sudeep Pal, CFO and Mr. Sanjeev Gujral, Manager.

Audit Committee:

The Audit Committee currently comprises of Mr. Giridhar Sanjeevi, Chairman, Ms. Gita Nayyar, Member and Mr. Seah Kok Khong, Member of the Committee. The role and terms of reference of the Audit Committee covers the areas mentioned under Section 177 of the Act besides other terms as may be referred to by the Board of Directors of your Company. During the year, four Audit Committee Meetings were held on May 11, 2017, July 27, 2017, October 26, 2017 and January 24, 2018. The Board has accepted all the recommendations of the Audit Committee of the Company.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee ('NRC') of the Company currently comprises of Ms. Gita Nayyar, Chairperson; Mr. Giridhar Sanjeevi, Member; Mr. Puneet Chhatwal, Member and Mr. Goh Siang Han, Member of the Committee. The role of the NRC covers the areas mentioned under Section 178 of the Act besides other terms as may be referred to by the Board of Directors of your Company. During the year, three NRC Meetings were held on April 20, 2017, July 27, 2017 and January 24, 2018.

Corporate Social Responsibility Committee:

Pursuant to the provisions of Section 135 of the Act the Company has constituted a Corporate Social Responsibility Committee ('CSR') comprising of Mr. Mehernosh Kapadia, Mr. Thomas Ching Chun Fong and Ms. Gita Nayyar, Directors of the Company and has developed a CSR Policy of the Company. The Board reviews the same periodically. During the year, two CSR Meetings were held on April 20, 2017 and January 24, 2018. The Company has complied with the expenditure required to be spent towards CSR for the year and has spent ₹ 28.60 lakhs for the same.

Statutory Auditors:

The report of B S R & Co. LLP, Chartered Accountants, Statutory Auditors, along with the notes to Schedules forms part of the Annual Report and contains an Unmodified Opinion without any qualification, reservation or adverse remark.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Neville Daroga, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report of the Company is annexed herewith as **Annexure - II.**

Human Resources:

The Board wishes to record its sincere appreciation to the employees of the Company whose efforts, hard work and dedication has enabled the Company to achieve improved operating results for the year under review. To retain its leadership in the in-flight catering business, the Company continues to innovate and customizes its human resource (HR) strategy to meet changing operational requirements and employee needs.

Internal Complaints Committee:

The Company has zero tolerance for sexual harassment at the workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Internal Complaints Committee looks into all complaints of sexual harassment and facilitates free and fair enquiry process with clear timelines. The Company has not received any complaint on sexual harassment during the year under review.

Contracts or Arrangements with Related Parties:

All Related Party Transactions ('RPTs') that were entered into during the Financial Year were at an Arm's Length Basis and were in the Ordinary Course of Business. There are no materially significant RPTs made by the Company with Promoters, Directors, KMP or other designated persons which may have a potential conflict with the interest of the Company at large.

All RPTs are placed before the Audit Committee as also the Board for approval. The Company has developed a RPTs Manual, Standard Operating Procedures for purpose of identification and monitoring of such transactions.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

Remuneration Policy:

The Board has, on the recommendation of the NRC framed a Policy for selection and appointment of Directors, Senior Management and their Remuneration along with the criteria for determining qualifications, positive attributes and Independence of a Director.

Risk Management Policy:

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors ('CSFs') and Key Performance Indicators ('KPIs') identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

Internal Control Systems and their Adequacy:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of Internal Audit is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Board.

In addition, during the year 2017-18, as required under Section 143 of the Act, the Statutory Auditors have evaluated and expressed an opinion on the Company's internal financial controls over financial reporting based on an audit. In their opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The Company takes all efforts towards conservation of energy and technology absorption. The details of Foreign Exchange earnings and outgo are furnished in the Notes to Financial Statement.

Fixed Deposit:

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

Loans, Guarantees or Investments:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the Notes to the Financial Statement.

Significant and Material Orders Passed by the Regulators:

During the year under review, there are no significant and material orders that were passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations.

Directors' Responsibility Statement:

Based on the existing system of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

Accordingly, pursuant to Section 134(5) of the Act the Board of Directors, to the best of their knowledge and ability, confirm that:

(i) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable Accounting Standards have been followed and that there are no material departures;

(ii) it has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that period;

(iii) it has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) it has prepared the annual accounts for the Financial Year ended March 31, 2018 on a 'going concern' basis; and

(v) it has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgment

Your Directors place their sincere gratitude to the Company's employees, clientele, vendors and bankers for their continued support during the year. The Directors also thank all the stakeholders, including Members, customers, lenders, vendors, business partners and the Government of India for their continued co-operation and support.

On behalf of the Board of Directors

Puneet Chhatwal
Chairman
(DIN: 07624616)

Mumbai, May 10, 2018

Registered Office:
Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN: U55204MH2001PLC133177
Tel.: 91 22 66395515 Fax: 91 22 22027442
Website: www.tajsats.com

Annexure I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

(as at the financial year ended on March 31, 2018)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details

i) CIN: **U55204MH2001PLC133177**

ii) Registration Date: **August 28, 2001**

iii) Name of the Company: **Taj SATS Air Catering Limited**

iv) Category / Sub-Category of the Company: **Indian Non-Government Company Limited by Shares**

v) Address of the Registered office and contact details: **Mandlik House, Mandlik Road, Mumbai- 400 001**.

vi) Whether listed company: **No**

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: **Nil**

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1.	Airline and Allied Catering Services	562 - Event catering and other food service activities	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai 400 001.	L74999MH1902PLC000183	Holding	51%	2 (46)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year (i.e. 01/04/17)				No. of shares held at the end of the year (i.e. 31/03/18)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF									
b) Central Government									
c) State Government (s)									
d) Bodies Corp.	0	88,74,000	88,74,000	51.00	0	88,74,000	88,74,000	51.00	0
e) Banks / FI									
f) Any Other….									
Sub-total (A) (1)	**0**	**88,74,000**	**88,74,000**	**51.00**	**0**	**88,74,000**	**88,74,000**	**51.00**	**0**
2) Foreign									
a) NRIs -									
Individuals									
b) Other –									
Individuals									
c) Bodies Corp.	0	85,26,000	85,26,000	49.00	0	85,26,000	85,26,000	49.00	0
d) Banks / FI									
e) Any Other									
Sub-total (A) (2)	**0**	**85,26,000**	**85,26,000**	**49.00**	**0**	**85,26,000**	**85,26,000**	**49.00**	**0**
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	**0**	**1,74,00,000**	**1,74,00,000**	**100.00**	**0**	**1,74,00,000**	**1,74,00,000**	**100.00**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Government									
d) State Government (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**0**	**1,74,00,000**	**1,74,00,000**	**100**	**0**	**1,74,00,000**	**1,74,00,000**	**100**	**0**

(ii) Shareholding of promoters

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year (i.e. 01/04/17)			Shareholding at the end of the year (i.e. 31/03/18)			% change in share-holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	The Indian Hotels Company Limited	88,74,000	51.00	Nil	88,74,000	51.00	Nil	Nil
2.	SATS Limited	85,26,000	49.00	Nil	85,26,000	49.00	Nil	Nil
Total		**1,74,00,000**	**100.00**	**Nil**	**1,74,00,000**	**100.00**	**Nil**	**Nil**

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

Sr. No.		Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1..	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase /decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

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

Sr. No.	Name of the Share holder	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus / sweat equity etc.)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year • Addition • Reduction	-	-	-	-
Net Change	**-**	**-**	**-**	**-**
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

VI. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Mr. Sanjeev Gujral	Total Amount
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	 46,63,000 7,90,000 Nil	 46,63,000 7,90,000 Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil
5.	Others, please specify		
	Total	**54,53,000**	**54,53,000**

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of the Directors		Total Amount
1.	Independent Directors	Gita Nayyar	Vibha Paul Rishi	
	• Fee for attending Board / Committee meetings	3,60,000	1,50,000	5,10,000
	• Commission			
	• Others, please specify			-
2.	Other Non-Executive Directors			
	• Fee for attending board / committee meetings			
	• Commission			
	• Others, please specify	-	-	-
	Total	**3,60,000**	**1,50,000**	**5,10,000**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Sudeep, CFO	**Ms. Neha Khanna, Company Secretary**	**Total**
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	64,73,670	837,103	73,10,773
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	47,344	151,880	199,224
	(c) Profits in lieu of salary u/s 17(3) of the Income tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil
5.	Others, please Specify	Nil	Nil	Nil
6.	**Total**	**65,21,014**	**988,983**	**75,09,997**

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishments or compounding of offences during the year ended March 31, 2018.

Annexure II

Form No. MR-3

Secretarial Audit Report

for the financial year ended March 31, 2018

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Taj SATS Air Catering Limited
Mandlik House, Mandlik Road,
Mumbai -400 001.

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and adherence to good corporate practices of your Company TAJ SATS AIR CATERING LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the aforesaid period, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) Since the Company is not a listed Company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company:-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Food Safety and Standards Act, 2006 .

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Since the Company is an Unlisted Company no provisions of listing agreement are applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, subject to the following observations:

The Company has complied with the expenditure required to be spent towards Corporate Social Responsibility for the period under review and has spent ₹ 28.6 lakhs for the same.

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

Adequate notices were given to all Directors to schedule the Board Meetings, Committee Meetings and the agenda and detailed notes on agenda together with the notice were sent at least seven days in advance. The Company has a proper system in existence to enable the Directors to seek and obtain further information and clarifications on the agenda items before the meeting, as also for meaningful participation at the meeting.

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

We further report that during the period the Company has not undertaken any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For example:

(i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc;

(ii) Redemption / buy-back of securities;

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;

(iv) Merger / Amalgamation / Reconstruction, etc;

(v) Foreign Technical Collaborations .

For Neville Daroga & Associates

(Neville K. Daroga)
ACS No.8663
C.P No. 3823

Place: Mumbai
Date: April 17, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TAJ SATS AIR CATERING LIMITED

Report on the audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Taj SATS Air Catering Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

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

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

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

Auditors' Responsibility

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

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

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

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

Other Matters

The audited Ind AS financial statements of the Company for the corresponding year ended 31 March 2017 prepared in accordance with Ind AS included in these Ind AS financial statements, have been audited by the predecessor auditors whose audit report dated 11 May 2017 expressed an unmodified opinion on those audited Ind AS financial statements. Our opinion is not modified in respect of these matter.

Report on Other Legal and Regulatory Requirements

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

As required by Section 143 (3) of the Act, we report that:

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

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

(c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

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

(e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

(f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

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

    i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 25 to the Ind AS financial statements;

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

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

iv. the disclosures in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
10 May 2018

Annexure-A to the Independent Auditor's Report

(Referred to in our report of even date)

With reference to the Annexure referred to in the Independent Auditor's Report to the Members of Taj SATS Air Catering Limited ("the Company") on the Ind AS financial statements for the year ended 31 March 2018, we report the following:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant, to the programme, a portion of fixed assets has been physically verified by the management during the year and the discrepancies noticed on verification between the physical assets and the book record were not material and have been adequately dealt with in books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note No. 3 to the Ind AS financial statements, are held in the name of the Company as at the balance sheet date, except the following

Particulars of land and building	Whether Title of property is in name of Company	Gross Amount (as at 31 March 2018)	Net Amount (as at 31 March 2018)	Remarks
Freehold land located at Mumbai having effective plot area of 11888.43 sft.	No	Rs 2,658,096	Rs 2,658,096	The title deeds are in the name of Indian Hotels Company Limited from whom the asset was transferred to the Company based on Business Transfer Agreement
Freehold land and building at Amritsar wherein land admeasuring 3 Kanal 16 Marla	Yes (Under Dispute)	Freehold Land at Rs 19,472,766 Building at Rs 34,153,428	Freehold Land at Rs 19,472,766 Building at Rs 0 (net of impairment provision)	There is a dispute on the land title based on the claim made by the Gram panchayat. The Company has filed an Appeal before the Joint Commissioner (Development), Mohali, Punjab The Jt. Commissioner Development granted "Stay" in the matter and hearings are in progress. However, due to transfer of the Jt. Commissioner, the new Jt. Commissioner is re-hearing the matter again. In respect of such dispute the Company has represented that the title deed in its name for the aforesaid immovable properties and it will be able to defend any counter claims to such property.

In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the company is the lessee in the agreement.

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

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (" the Act") during the year. Accordingly, paragraphs 3 (iii) (a) (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of the services rendered and goods sold by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Goods and Service Tax, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Goods and Service Tax, Duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of excise, Goods and Service tax and Value added tax as at 31 March 2018, which have not been deposited with the appropriate authorities on account of any dispute, except as stated

Name of the Statute	**Nature of Dues**	**Forum where Dispute is pending**	**Period to which the amount Relates**	**Amount Demanded (₹ In Lakh)**	**Amount not deposited under dispute (₹ In Lakh)**
West Bengal Sales tax Act, 1994	Commercial Tax	Deputy Commissioner of Commercial Taxes	2002-03	1.44	1.44
West Bengal Sales tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2006-07	82.52	82.52
West Bengal Sales tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2010-11	14.60	14.60
West Bengal Sales tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2011-12	8.43	8.43
Karnataka Sales Tax Act, 1957	Commercial Tax	Additional Commissioner of Commercial Taxes (Enforcement)	2013-14	13	13

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount Relates	Amount Demanded (₹ In Lakh)	Amount not deposited under dispute (₹ In Lakh)
Maharashtra Value Added Tax	Value Added Tax	Deputy Commissioner of Sales Tax-Mumbai	2004-05	149.51	144.57
Maharashtra Value Added Tax	Value Added Tax	Joint Commissioner of Sales Tax	2009-10	71.57	71.57
Maharashtra Value Added Tax	Value Added Tax	Deputy Commissioner of Sales Tax-Mumbai	2012-13	43.62	43.62
Finance Act 1994	Service Tax	Office of Commissioner of Service Tax	2004-05 to 2010-11, 2011-12, 2012-13,2013-14, 2014-15 & 2015-16	873	873
Delhi Value Added Tax 2004	DVAT	Office of the Additional Commissioner of DVAT, Delhi	2011-12	213	213

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

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

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

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the Ind AS financial statements as required by Indian Accounting Standards (Ind AS) 24, Related Party Disclosures prescribed under Section 133 of the Act, read with the relevant rules.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

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

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
10 May 2018

Annexure-B to the Independent Auditor's Report

(31 March 2018 on Ind AS Financial Statements)

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

We have audited the internal financial controls over financial reporting of Taj SATS Air Catering Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Mumbai
Partner
Membership No: 119057

Mumbai
10 May 2018

Balance Sheet as at March 31, 2018

₹ (in Lakhs)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,392	9,527
Capital work-in-progress		65	125
Goodwill	4(a)	7,348	7,348
Other Intangible assets	4(b)	435	463
Intangible assets under development		17	-
		17,257	**17,463**
Other Financial assets	5(a)	483	375
Deferred Tax Assets (Net)			
Advance Income Tax Asset (net)		175	1,490
Other non-current assets	6(a)	411	610
		1,069	**2,475**
Current assets			
Inventories	7	509	493
Financial assets			
Investments	8	8,149	4,568
Trade receivables	9	6,880	6,744
Cash and cash equivalents	10	842	1,790
Other balances with bank	11	89	81
Loans	12	500	700
Other financial assets	5(b)	1,007	15
Other current assets	6(b)	225	261
		18,201	**14,652**
TOTAL ASSETS		**36,527**	**34,590**
EQUITY AND LIABILITIES			
Equity			
Share capital	13	1,740	1,740
Other equity	14	24,418	22,181
		26,158	**23,921**
Liabilities			
Non-current liabilities			
Provisions	15(a)	12	22
Deferred tax liabilities (net)	16	2,780	2,802
		2,792	**2,824**
Current Liabilities			
Financial liabilities			
Trade payables	17	3,335	3,090
Other financial liabilities	18	987	1,319
Provisions	15(b)	2,470	2,493
Other liabilities	19	785	943
		7,577	**7,845**
TOTAL EQUITY AND LIABILITIES		**36,527**	**34,590**

Notes forming part of the financial statements : 1 - 38

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
May 10, 2018

For and on behalf of the Board of Directors
Taj SATS Air Catering Limited
CIN: U55204MH2001PLC133177

Puneet Chhatwal
Chairman
DIN : 07624616

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

Statement of Profit and Loss for year ended 31st March, 2018

₹ (in Lakhs)

	Note	March 31, 2018	March 31, 2017
Revenue from operations	20	37,789	34,243
Other income	21	943	805
TOTAL INCOME		**38,732**	**35,048**
Expenses			
Food and beverages consumed	22	12,096	11,031
Excise duty		21	87
Employee benefit expense and payment to contractors	23	12,728	12,115
Finance costs		2	21
Depreciation and amortisation expense	3, 4(b)	1,077	1,035
Other operating and general expenses	24	8,950	8,677
TOTAL EXPENSES		**34,874**	**32,966**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		3,858	2,082
Exceptional item	3	(409)	-
PROFIT BEFORE TAX		**3,449**	**2,082**
Tax expenses			
Current tax		1,246	674
Deferred tax		33	(1)
TOTAL TAX EXPENSE		**1,279**	**673**
PROFIT FOR THE YEAR		**2,170**	**1,409**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		108	(52)
Less :-income tax expense		41	(17)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**67**	**(35)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,237**	**1,374**
Earnings per share - Basic and diluted (₹)		12.47	8.10
Face value per ordinary share -**(₹)**		10	10
Weighted average number of equity shares		17,400,000	17,400,000

Notes forming part of the financial statements : 1 - 38

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
May 10, 2018

For and on behalf of the Board of Directors
Taj SATS Air Catering Limited
CIN: U55204MH2001PLC133177

Puneet Chhatwal
Chairman
DIN : 07624616

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

A TATA Enterprise
tata150.com

Cash Flow Statement for the year ended 31st March, 2018

	Notes	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before tax		3,449	2,082
Adjustments for :			
Depreciation and amortisation expenses		1,077	1,035
Loss/(Profit) on sale / disposal of fixed assets (net)		(5)	3
Liabilities / provisions no longer required written back		(249)	(278)
Provision for doubtful debts		100	94
Provision for doubtful advances		24	-
Doubtful advances written off		13	-
Provision for Employee Benefits		170	342
Fixed assets written off		38	-
Dividend income from current investments		(283)	(106)
Interest income		(397)	(399)
Interest income on financial assets carried at amortised cost		(4)	(3)
Finance costs		2	21
Exceptional Items		409	-
Operating Profit before Working Capital changes		**4,344**	**2,791**
(Increase) / Decrease in :			
Trade receivables		(236)	1,083
Financial assets		(1,096)	(45)
Inventories		(16)	(76)
Other assets		36	72
(Decrease) / Increase in :			
Trade payables		232	117
Other financial liabilities		92	661
Other liabilities		(361)	(117)
		(1,349)	**1,695**
Cash Generated from Operations		**2,995**	**4,486**
Net income tax (paid) / refunds		16	532
NET CASH FROM OPERATING ACTIVITIES (A)		**3,011**	**5,018**

	Notes	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment and other intangibles (including advances for capital expenditure)		(1,300)	(1,526)
Inter corporate deposits Placed		(1,815)	(700)
Inter corporate deposits redeemed		2,015	2,200
Proceeds from sale/disposal of fixed assets		52	30
Purchase of current investments in Mutual funds		(9,583)	(7,356)
Redemption proceed of current investments in Mutual funds		6,002	3,260
Earmarked balances with bank		(8)	11
Dividend income from current investments		283	106
Interest received		397	417
NET CASH USED IN INVESTING ACTIVITIES (B)		**(3,957)**	**(3,558)**
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Repayment of other short-term borrowings		-	(20)
Finance costs		(2)	(21)
NET CASH USED IN FINANCING ACTIVITIES (C)		**(2)**	**(41)**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A + B +C)		**(948)**	**1,419**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**1,790**	**371**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**842**	**1,790**

Notes forming part of the financial statements : 1 - 38

Notes:

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS - 7) statement of cash flow.

2 Figures in brackets are outflow / deduction.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
May 10, 2018

For and on behalf of the Board of Directors
Taj SATS Air Catering Limited
CIN: U55204MH2001PLC133177

Puneet Chhatwal
Chairman
DIN : 07624616

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

Balance as at April 01, 2016	Changes in equity share capital during the period	Balance as at March 31, 2017
1,740	-	1,740

Balance as at April 01, 2017	Changes in equity share capital during the period	Balance as at March 31, 2018
1,740	-	1,740

B. Other equity

Particulars	Reserves and Surplus			Total Equity
	Securities Premium Account	General Reserve	Retained Earnings	
Balance as at April 1, 2016	10,388	1,560	8,859	20,807
Profit for the year	-	-	1,409	1,409
Other Comprehensive Income	-	-	(35)	(35)
	-	**-**	**1,374**	**1,374**
Balance as at March 31, 2017	**10,388**	**1,560**	**10,233**	**22,181**
Balance as at April 1, 2017	10,388	1,560	10,233	22,181
Profit for the year	-	-	2,170	2,170
Other Comprehensive Income	-	-	67	67
	-	-	2,237	2,237
Balance as at March 31, 2018	**10,388**	**1,560**	**12,470**	**24,418**

Notes forming part of the financial statements : 1 - 38

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

Mumbai
May 10, 2018

For and on behalf of the Board of Directors
Taj SATS Air Catering Limited
CIN: U55204MH2001PLC133177

Puneet Chhatwal
Chairman
DIN : 07624616

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Vice Chairman
DIN :00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

1. Corporate Information

Taj SATS Air Catering Limited (the "Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company is jointly promoted by The Indian Hotels Company Ltd. ("IHCL") and SATS Ltd. where IHCL owns 51% of and SATS owns 49% of the Company's shares, and has the ability to significantly influence the Company's operations.

The Company provides in-flight catering services, institutional catering of food and beverages and other allied services to airlines and various other institutions, corporate houses, hospitals, cafeterias, etc. The Company has manufacturing/ production facilities at various locations including Mumbai, Delhi, Kolkata, Bangalore, Amritsar and Goa.

The Company has its registered office at Mandlik House, Mandlik Road, Mumbai -400 001.

This Financial Statement for the year ended 31st March, 2018 was reviewed by its Audit Committee and authorized for issue by the Company's Board of Directors on May 10, 2018.

2. Significant Accounting Policies

(a) Statement of compliance:

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rul es, 2015 with effect from April 1, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

(b) Basis of preparation and presentation:

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. All assets and liabilities are classified as current and non-current as per Company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(c) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful life of property, plant and equipment and intangible assets, impairment of goodwill testing and contingencies and commitments.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

- **Useful life of property, plant and equipment and intangible assets:** The carrying value of property, plant and equipment and intangible asset is calculated on the basis of estimates of depreciation periods derived from the expected technical and useful life of the asset concerned, and residual values. The expected technical and useful life of the asset concerned and its estimated residual value may change under the influence of technological developments, market circumstances and changes in the use of the asset.

- **Impairment of Goodwill:** For goodwill an annual impairment test is carried out to identify if there are any changes or events that could lead to an impairment of the goodwill. Determining whether goodwill is impaired requires an estimation of the value-in-use and the cash-generating units to which the goodwill has been allocated. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

- **Contingencies and Commitments:** In the normal course of business, claims and disputes may arise from litigations and other claims against the Company. The management assesses the claims and court cases instituted against it on the basis of facts and seeks legal advice. The Company is also involved in disputes as claiming party. In both the cases this involves subjective elements and projected outcomes. However, it is not possible to obtain certainty about the final outcome and any negotiations on claims and disputes. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, such liabilities are disclosed in the notes as contingent liabilities but are not provided for in the financial statements. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

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

(d) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is charged to the statement of profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of Assets	Estimated Useful Life
Building	30 years
Plant and Equipment	15 to 20 years
Furniture and Fixtures	15 years
Data processing equipment	6 years
Office equipment	12 years
Vehicles	8 - 16 years

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

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

(e) Intangible Assets:

Intangible assets, comprising software licenses are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Any expenses on software for support and maintenance payable annually are charged to the statement of profit and loss.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is charged to the statement of profit and loss as an expense unless it is probable that such expenditure will enable the intangible asset to increase the future benefits/ functioning capabilities from/ of the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Intangible assets are amortised on a straight line basis over the estimated useful lives. The amortisation period and the amortisation method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or loss arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss in the year of disposal.

The capitalised cost of SAP software (including licenses) is amortised over ten years from the date of capitalisation (seven years remaining as on the balance sheet date) on a straight line basis considering its estimated useful life and the cost of other software licenses is amortised over six years from the date of capitalisation (one to four years remaining from the balance sheet date) on a straight line basis considering its estimated useful life.

Business rights which represent the rights to construct, manage and operate flight catering kitchen in accordance with the agreement entered with the airport authority, are stated at cost of acquisition, less accumulated amortisation. The cost of business rights is amortised over the period of 15 years (five years remaining as on the balance sheet date) during which period the benefits are expected to accrue to the Company as per agreement.

(f) Goodwill:

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating unit (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash generating unit to which the goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the others assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(g) Impairment of tangible and intangible assets other than goodwill:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, and whenever there is an indication that the assets may be impaired.

At each Balance sheet date, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(h) Operating leases:

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

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

(i) Inventories:

Stock of food and beverages, stores and operating supplies are carried at the lower of cost (computed on a continuous weighted average basis) and net realisable value. Cost include the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

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

Provisions are recognized, when there is a present (legal or constructive) obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and circumstances surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows determined using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

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

(k) Revenue recognition:

Revenue from operations

Revenue comprises of in-flight catering and institutional catering of food and beverages, other allied services rendered to airlines and other institutions.

Revenue from sale of food and beverages is recognised, net of trade discounts, deductions and cost reimbursements, on transfer of significant risks and rewards of ownership to the buyer (which generally coincides with the delivery of food and beverages to airlines and other customers).

Revenue from rendering of allied services and fees for operations management is recognised when services are rendered.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Other income

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(l) Foreign currency transactions:

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

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Foreign currency denominated assets and liabilities are translated at the exchanges rates prevailing at the balance sheet date and exchange gain and losses arising on settlement and restatement are recognized in the statement of profit and loss.

(m) Government Grants:

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

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

(n) Employee Benefits:

A) Defined contribution plan

i. Provident and Family pension Fund: The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12% of employee's a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employee's eligible salary). The contributions are made to the provident fund managed by the trust set up by a joint venture Company, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of profit and loss

In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined contribution plan. The Company's contribution is recognised as an expense in the Statement of profit and loss.

B) Defined benefit plan

i. Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment.

The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

ii. Superannuation

The Company has a defined contribution plan for employees, wherein it annually contributes a sum

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

equivalent to a defined amount to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which the corresponding services are received from the employee.

iii. The Company also has separate unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognized immediately in the other comprehensive income and reflected immediately in retained earnings and will not be reclassified to profit and loss.

iv. Provident Fund Trust

In respect of contribution to the trust set up by the Company, since the Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit plan. Any obligation in this respect is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

C) Other long-term employee benefits

i. Compensated Absences

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

ii. Other Employee Benefits

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

(o) Income Taxes:

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

(i) Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current Tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred tax is recognised using the balance sheet approach. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arises from initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

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

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

Minimum Alternative Tax (“MAT”) credit is recognized as a deferred tax asset, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Such asset is reviewed at each Balance Sheet date and MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(p) Financial Instruments:

i. Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

- Cash and Cash Equivalents – Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

- Debt Instruments – The Company classifies its debt instrument as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

i. Financial assets at amortised cost

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

ii. Financial assets at fair value through Other Comprehensive Income (FVOCI)

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

iii. Financial assets at fair value through profit or loss (FVTPL)

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

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

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

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

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred subsequently all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continued involvement in the financial asset.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement

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

De-recognition

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

Derivatives

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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

Impairment of financial assets

Impairment loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

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

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(q) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

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

(r) Recent Accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after April 1, 2018.

Ind AS 115- Revenue from Contract with Customers:

Ind AS 115 will supersede the existing revenue recognition standard 'Ind AS 18 – Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company has completed its preliminary evaluation of the possible impact of Ind AS 115 and the Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

Ind AS 21- The effect of changes in Foreign exchange rates (Appendix B)

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation."

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 3 : Property, Plant and Equipment

₹ (in Lakhs)

	Freehold Land (Refer Footnote (ii))	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Data processing equipment	Vehicles	Total
Cost								
At April 1, 2016	351	4,095	3,564	117	26	95	1,731	9,979
Additions	-	92	840	27	5	40	568	1,572
Disposals/ Transfer	-	-	35	1	1	2	5	44
At March 31, 2017	**351**	**4,187**	**4,369**	**143**	**30**	**133**	**2,294**	**11,507**
Additions	-	98	852	18	17	27	321	1,333
Disposals/ Transfer	-	-	67	11	-	-	2	80
Impairment loss	-	342	160	12	1	1	-	516
At March 31, 2018	**351**	**3,943**	**4,994**	**138**	**46**	**159**	**2,613**	**12,244**
Depreciation								
At April 1, 2016	-	317	544	13	4	18	123	1,019
Charge for the year	-	336	452	15	3	21	144	971
Disposals	-		9	-	-	-	1	10
At March 31, 2017	**-**	**653**	**987**	**28**	**7**	**39**	**266**	**1,980**
Charge for the year	-	354	431	15	5	31	175	1,011
Disposals	-	-	28	2	-	-	2	32
Impairment loss		44	59	3	1	-	-	107
At March 31, 2018	**-**	**963**	**1,331**	**38**	**11**	**70**	**439**	**2,852**
Net block as at March 31, 2017	**351**	**3,534**	**3,382**	**115**	**23**	**94**	**2,028**	**9,527**
Net block as at March 31, 2018	**351**	**2,980**	**3,663**	**100**	**35**	**89**	**2,174**	**9,392**

Footnote:

(i) The Air Catering business was acquired on a slump sale basis from IHCL and its Affiliates on October 1, 2001. As a result, the fixed assets were recorded as per the values assigned by the independent valuers.

(ii) In accordance with the Business Transfer Agreement entered with IHCL, the land located at Mumbai is to be conveyed in favour of the Company. However, the same is pending completion of certain legal formalities.

(iii) During the year, the Company recognised an impairment charge of ₹ 409 lakhs against property, plant and equipment, relating to Amritsar unit. The same is based on internal assessment of market conditions of existing market conditions for use of those property, plant and equipment.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note : 4(a) Goodwill

Goodwill recorded at the time of acquisition of the Air Catering business represents excess over the recorded value of the net assets acquired. On transition to Ind AS, the carrying amount of goodwill in the opening Ind AS balance sheet prepared as at April 01, 2015 shall be its carrying amount in accordance with the previous GAAP of ₹ 7,348 lakhs. The company tests Goodwill for impairment atleast annually or more frequently if events or changes in circumstances indicate that it might be impaired. The goodwill has been allocated to Airline and Allied catering (which is considered as Cash Generating Unit). The company estimated value in use based on future cashflows of this CGU using a 2% - 5% annual growth rate for periods subsequent to the forecast period of five years and discount rate of 11% - 12%. A sensitivity analysis of the computation to a combined change in key parameters (operating margins, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of this CGU would decrease below its carrying amount.

Note : 4 (b) Intangible Assets (Acquired)

	Software	Business Rights	Total
Cost			
At April 1, 2016	540	24	564
Adjustments	-	-	-
Additions	22	-	22
Disposals	-	-	-
At March 31, 2017	**562**	**24**	**586**
Adjustments	-	-	-
Additions	38	-	38
Disposals	-	-	-
At March 31, 2018	**600**	**24**	**624**
Amortisation			
At April 1, 2016	56	3	59
Adjustments	-	-	-
Charge for the year	61	3	64
Disposals			-
At March 31, 2017	**117**	**6**	**123**
Adjustments	-	-	-
Charge for the year	63	3	66
Disposals	-	-	-
At March 31, 2018	180	9	189
Net block as at March 31, 2017	**445**	**18**	**463**
Net block as at March 31, 2018	**420**	**15**	**435**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note : 5 Other Financial Assets

₹ / Lakhs

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
a) Non Current		
Security deposit with public bodies and others	**469**	358
Earmarked deposits with Banks	**14**	17
Earmarked deposits include ₹14 lakhs (as on March 31, 2017 ₹14 lakhs) pledged with Airport Authority of India and NIL (as on March 31, 2017 ₹3 lakhs swith various banks for issuance of bank guarantee.)		
	483	375
b) Current		
Security deposit with public bodies and others	**2**	4
Other advances	**995**	-
Interest receivable		
Bank Deposits	**6**	3
Inter Corporate Deposits	**1**	-
Others	**3**	3
	10	6
Receivable from related parties	**(0)**	5
(* less than ₹ 50,000)		
	1,007	15

Note : 6 Other Assets

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
a) Non Current		
Capital Advances	**187**	385
Prepaid Expenses	**106**	145
Export incentive receivable	**118**	80
	411	610
b) Current		
Prepaid Expenses	**124**	133
Indirect tax recoverable	**2**	7
Advance to Suppliers	**50**	67
Advance to Employees	**49**	54
	225	261

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note : 7 Inventories

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Food and Beverages	**257**	239
Stores and Operating Supplies	**252**	254
	509	493

Footnote:

(a) Inventories are valued at the lower of cost and net realisable value. Cost are determined using the weighted average method and includes purchase price and non-refundable taxes.

(b) The write down of inventories to net realisable value during the year amounted to ₹ 6 lakhs (as on March 31, 2017 ₹ 6 lakhs) and the same are included in food and beverage consumed.

Note : 8 Investments

		March 31, 2018		March 31, 2017	
		Holdings (unit) As at	₹ (in Lakhs)	Holdings (unit) As at	₹ (in Lakhs)
i)	Investments carried at fair value through profit and loss				
	TATA Money Market Fund Regular Plan - Daily Dividend	1,66,105.881	1,664	39,950.449	400
	ABSL Floating rate Fund - STP - Daily Dividend	17,61,208.338	1,762	13,87,348.969	1,388
	BSL Cash Plus - Daily Dividend	-	-	8,18,441.564	820
	UTI Money Market - Institutional Plan - Daily dividend	2,27,249.975	2,280	1,40,146.622	1,406
	Axis Liquid Fund - Daily Dividend (CFDDR)	1,52,412.096	1,525	-	-
	Kotak Floater - Regular Plan - Daily dividend	90,720.5451	918	54,724.60	554
			8,149		4,568
TOTAL			**8,149**		**4,568**

Note : 9 Trade and other receivables

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Unsecured		
Considered good	**6,880**	6,744
Considered doubtful	**420**	320
	7,300	7,064
Less : Provision for doubtful debts	**420**	320
	6,880	6,744

Footnote:

i)	**Provision for Doubtful Debts**		
	Opening Balance	**320**	226
	Add: Provision during the year	**100**	94
		420	320
	Less: Bad Debts written off against past provisions	**-**	-
	Less: Reversal of provision no longer required	**-**	-
	Closing Balance	**420**	320

ii) For related party balances refer Note 29

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note : 10 Cash and Cash Equivalents

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Cash on hand	**8**	10
Cheques, Drafts on hands	**16**	-
Balances with bank in current account	**818**	1,780
	842	1,790

Note : 11 Other balances with banks

Earmarked balances	**89**	81
	89	81

Note : 12 Loans

Unsecured, considered good		
Current		
Inter Corporate Deposit to Roots Corporation Limited (Related Party)	500	700
	500	700

Footnotes:

Inter Corporate Deposits to Roots Corporation Limited for a period of 90 days bearing interest @ 8.5 % p.a for working capital funding. The above loan was given for its business activities.

Note : 13 Share Capital

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Authorised Share Capital		
25,000,000 equity shares of ₹ 10/- each with voting rights	**2,500**	2,500
	2,500	2,500
Issued Share Capital		
17,400,000 (Previous Year - 17,400,000) equity shares of ₹ 10 /- each with voting rights	**1,740**	1,740
	1,740	1,740
Subscribed and Paid Up		
17,400,000 (previous year - 17,400,000) equity shares of ₹ 10 /- each fully paid up with voting rights	**1,740**	1,740
	1,740	1,740

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Footnotes:

(i) The Company has one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in the case of interim dividend.

(ii) Reconciliation of number of equity shares

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	**₹ (in Lakhs)**	**No. of shares**	**₹ (in Lakhs)**
Balance at the beginning of the year	17,400,000	1,740	17,400,000	1,740
Add : Shares issue during the year				
Balance at the end of the year	**17,400,000**	**1,740**	**17,400,000**	**1,740**

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

(iv) Shares held by the Joint Venturers

	As at March 31, 2018		As at March 31, 2017	
Particulars	**No. of shares**	**% of Holding**	**No. of shares**	**% of Holding**
Indian Hotels Company Ltd. ("IHCL") (includes 3 (as at March 31, 2017 - 3) equity shares held by IHCL as beneficiary owner *	**8,874,000**	**51%**	8,874,000	51%
SATS Ltd. (includes 2 (as at March 31, 2017 - 2) equity shares held by SATS Ltd. as beneficiary owner.	**8,526,000**	**49%**	8,526,000	49%

*Out of the above, 7,600,000 and 1,224,000 equity shares of ₹ 10 each fully paid up have been allotted to Indian Hotels Company Ltd. for consideration other than cash during the financial year ended March 31, 2002 and March 31, 2003 respectively.

Note : 14 Other Equity

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Securities Premium Account	**10,388**	10,388
General Reserve	**1,560**	1,560
Retained Earnings		
Balance at the beginning of the year	**10,233**	8,859
Add: Profits for the year	**2,170**	1,409
Add: Remeasurements of post employment benefit obligation	**67**	(35)
Closing Retained Earnings	**12,470**	10,233
Total Other Equity	**24,418**	22,181

Note : 15 Provisions

a) Long term provisions		
Post-retirement pension	**12**	22
	12	22
b) Short term provisions		
Compensated absences	**953**	1054
Gratuity	**53**	203
Post-retirement pension	**15**	4
Other employee benefits	**1,449**	1232
	2,470	2,493

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note : 16 Deferred Tax Liabilities (Net)

₹ (in Lakhs)

		As at March 31, 2018	As at March 31, 2017
(a)	**Current Tax Expense**		
	(i) For the year	**1,246**	653
	(ii) Relating to previous year		21
	Deferred Tax Expense	**33**	
		1,279	673
(b)	**The income tax expenses for the year reconciled to the accounting profit:**		
	Profit before tax from continuing operations:	**3,449**	2,082
	Income tax expenses calculated at 34.608% (previous year 33.063%)	**1,194**	688
	Effect of depreciation expense not deductible in determining taxable profit	**(17)**	2
	Effect of Corporate Social Responsibility expense not deductible in determining taxable profit	**10**	1
	Effect of Dividend Income that is exempt from taxation	**(98)**	(35)
	Effect on deferred tax balances due to the change in the income tax rate	**153**	-
	Others	**92**	(4)
		1,334	652
	Tax relating to previous year	**(55)**	21
	Less: MAT Credit	**-**	-
		1,279	673

(c) Particulars	**Opening balance as at 1st April,2017**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance as at 31st March,2018**
(i) Property, plant and equipment and intangible assets	3,274	47	-	3,321
(ii) Provision for employee benefits	(366)	33	-	(333)
(iii) Provision for doubtful debts	(106)	(48)	-	(154)
	2,802	32	-	2,834
Less: MAT Credit Entitlement	-			54
Net Deferred Tax Liabilities	**2,802**			**2,780**

Particulars	**Opening balance as at 1st April,2016**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance as at 31st March,2017**
(i) Property, plant and equipment and intangible assets	3,234	40	-	3,274
(ii) Provision for employee benefits	(354)	(12)	-	(366)
(iii) Provision for doubtful debts	(77)	(29)	-	(106)
(iv) Others	-	-		-
	2,803		-	2,802
Less: MAT Credit Entitlement	-			-
Net Deferred Tax Liabilities	**2,803**			**2,802**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(d) Major components of deferred tax assets/(liabilities) are as under:

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	**3,322**	3,274
Total (A)	**3,322**	3,274
Deferred Tax Assets:		
Provision for Employee Benefits	**333**	366
MAT Credit Entitlement	**54**	-
Provision for doubtful debts	**155**	106
Others	**-**	-
Total (B)	**542**	472
Net Deferred Tax Liabilities (A-B)	**2,780**	2,802

Note : 17 Trade Payables

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Micro and Small Enterprises (Refer Footnote (i) and (ii))	**181**	16
Vendor Payables	**3,154**	3,074
	3,335	3,090

Footnotes:

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

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

	As at March 31, 2018	As at March 31, 2017
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	181	16
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note : 18 Other financial liabilities

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Current financial liabilities		
Payables to Related Parties	**23**	3
Deposits from others - Unsecured	**80**	62
Creditors for capital expenditure	**40**	215
Employee related liabilities	**58**	321
Airport Authority of India levy (AAI)	**786**	717
Others	**-**	1
	987	1,319

There is no amount due and outstanding to be credited to Investor Education and protection fund.

Note : 19 Current Other Liabilities

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Advances collected from customers	**358**	547
Statutory dues	**427**	396
	785	943

Note : 20 Revenue from Operations

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Sale of Food and beverages	29,992	27,217
Revenue from Air Catering and Allied Services	6,746	6,054
Management and operating fees	10	27
Service Export Incentive Scheme Income	38	80
Others	1,003	865
Total	37,789	34,243

Note : 21 Other Income

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Interest Income on:		
Inter-corporate deposits	**67**	190
Deposits with banks	**8**	9
Others	**12**	10
	87	209
Interest on Income Tax Refunds	**315**	197
Dividend Income from Current Investments	**283**	106
Profit on disposal of property, plant and equipment	**9**	15
Others	**249**	278
Total	**943**	805

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note : 22 Food and Beverages Consumed

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Opening Stock	**239**	223
Add : Purchases	**12,114**	11,047
	12,353	11,270
Less : Closing Stock	**257**	239
Food and Beverages Consumed	**12,096**	11,031

Note : 23 Employee Benefit Expense and Payment to Contractors

₹ (in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Salaries, Wages, Bonus etc.	**7,399**	7,160
Company's Contribution to Provident and Other Funds (Refer note (i))	**568**	546
Reimbursement of Expenses on Personnel Deputed to the Company	**112**	178
Payment to Contractors	**3,439**	3,033
Staff Welfare Expenses	**1,210**	1,198
Total	**12,728**	12,115

(i) The Company has recognised the following amounts under the head "Company's Contribution to Provident Fund and Other Funds":

Particulars	As at March 31, 2018	As at March 31, 2017
Provident Fund:		
To Regional Provident Fund (RPF)	**21**	22
To Indian Hotels Company Limited Employee Provident Fund Trust	**144**	141
Gratuity Fund	**181**	184
Company's Contribution to Family Pension Scheme	**191**	184
Employee Deposit Linked Insurance	**7**	7
Superannuation Fund	**24**	8
Total	**568**	546

(ii) Consequent to the acquisition of the Air Catering business from IHCL and its affiliates, the employees attached to the respective Air Catering Divisions of IHCL were transferred to the Company. Since a formal approval to establish the Provident Fund trust for Mumbai, Delhi and Amritsar location is still awaited from the PF Commissioner, the Fund continues to be administered by IHCL. Provident Fund for other locations i.e. Kolkata, Bangalore and Goa are administered by the respective Regional Provident Fund Commissioner "RPFC".

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note : 24 Other operating and general expenses

₹ (in Lakhs)

		As at March 31, 2018	As at March 31, 2017
(i)	**Operating expenses consist of the following :**		
	Catering Supplies	**1,527**	1,342
	Other Supplies	**336**	326
	Fuel, Power and Light	**2,822**	2,615
	Repairs to Buildings	**253**	203
	Repairs to Machinery	**312**	312
	Repairs to Others	**323**	345
	Linen and Uniform Washing and Laundry Expenses	**163**	195
	Travel Agents' Commission	**104**	189
	Other Operating Expenses	**1,261**	1,102
		7,101	6,629
(ii)	**General expenses consist of the following :**		
	Rent	**272**	241
	License Fees	**33**	21
	Rates and Taxes	**191**	579
	Insurance	**162**	176
	Advertising and Publicity	**1**	2
	Printing and Stationery	**110**	89
	Passage and Travelling	**90**	98
	Provision for Doubtful Debts	**100**	94
	Provision for Doubtful Advances	**24**	-
	Doubtful Advances written off	**13**	
	Expenditure on Corporate Social Responsibility (Refer Footnote (ii))	**29**	3
	Professional Fees	**442**	364
	Outsourced Support Services	**0**	3
	Loss on Sale of Fixed Assets	**4**	18
	Payment made to Statutory Auditors (Refer Footnote (i))	**46**	64
	Directors' Fees and Commission	**4**	4
	Operating / Management Fees Paid	**44**	48
	Other Expenses	**284**	244
		1,849	2,048
	Total	**8,950**	8,677

Footnotes:

(i)	Payment made to Statutory Auditors:		
	As auditors	**45**	50
	As tax auditors	**1**	7
	For other services	**-**	5
	For out-of pocket expenses	**-**	2
		46	64

(ii) During the year the Company has incurred ₹ 29 lakhs (Previous Year : ₹ 3 Lakhs) towards Corporate Social Responsibility expenditure. (Refer Note 35)

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

25. Contingent Liabilities (to the extent not provided for):

The Company is involved in the following appellate, judicial and arbitration proceeding matters arising in the course of conduct of the Company's businesses. In few of the proceedings in respect of matters under litigation are in early stages, and in other cases, the claims are indeterminate.

(a) On account of matters in dispute:

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, etc. which are in dispute, are as under:

₹ (in Lakhs)

Nature of tax	Amounts claimed			Paid under protest
	Taxes	Interest and penalty	Total	
Service tax				
March 31, 2018	**873**	**-**	**873**	**-**
March 31, 2017	739	-	739	-
Sales tax and State value added taxes				
March 31, 2018	**283**	**315**	**598**	**5**
March 31, 2017	211	131	342	5
Profession Tax				
March 31, 2018	**4**	**2**	**6**	**2**
March 31, 2017	4	2	6	2

(b) Others:

1. The license fees for permission for water pipeline over the land belonging to International Airport Private Limited has been enhanced by ₹ 9 Lakhs (As at March 31, 2017: ₹ 9 Lakhs) during the financial year 2008-09 which has been contested by the Company.

2. Management is generally unable to reasonably estimate a range of possible loss for proceedings related to labour disputes, including where:

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

   (ii) the proceedings are in early stages;

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

   (iv) there are significant factual issues to be resolved; and/or

   (v) there are novel legal issues presented.

   However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

Note : 26 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 526 Lakhs (Previous year – ₹ 738 Lakhs).

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note : 27 Operating leases

Company has taken land on operating lease and has incurred total lease expense of ₹ 753 Lakhs and ₹ 679 Lakhs for the year ended March 31, 2018 and March 31, 2017 respectively, which has been debited to statement of Profit and Loss.

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

₹ (in Lakhs)

Particulars	**March 31, 2018**	March 31, 2017
Not later than one year	626	574
Later than one year but not later than five years	**2,829**	2,766
Later than five years	**449**	1,161
Total	**3,904**	4,501
Paid during the year	**360**	525
Contingent Rent Paid during the year	**393**	154
Total	**753**	**679**

Note : 28 Employee Benefits:

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

₹ (in Lakhs)

	March 31, 2018	March 31, 2017
Provident Fund	**165**	163
Gratuity Fund	**181**	184
Company's contribution to Family Pension Scheme	**191**	184
Employee Deposit Linked Insurance	**7**	7
Superannuation Fund	**24**	8
Total	**568**	**546**

(b) The Company operates post retirement defined benefit plans as follows: -

Funded:

i. Post Retirement Gratuity

ii. Provident fund- managed through The Indian Hotels Company Limited Employee Provident Fund Trust

Unfunded:

iii. Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is unfunded.

(c) The above defined benefit plans typically expose the Company to actuarial risks such as: investment risks, interest rate, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan asset should be invested in equity securities to leverage the return generated by the Fund.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will partially offset by an increase in the return on the plan's debt investments
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(d) **Pension Scheme for Employees:**

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

(e) **Provident Fund:**

Provident fund related assets are controlled by a separate independent Trust (Indian Hotels Company Limited Employee Provident Fund Trust). These trusts maintain their assets at the group level and do not have assets identifiable specifically for the Company.

The Company contributed ₹ 144 lakhs (previous year ₹ 141 lakhs) towards the above trust and the scheme has been recognised in the statement of profit and loss.

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

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

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Present Value of Funded Obligations		
31st March 2018	**3,295**	**-**
31st March 2017	3,256	-
Present Value of Unfunded Obligations		
31st March 2018	**-**	**26**
31st March 2017	-	26
Fair Value of Plan Assets		
31st March 2018	**(3,242)**	**-**
31st March 2017	(3,053)	-
Net (Asset) / Liability		
31st March 2018	**527**	**26**
31st March 2017	203	26

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

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Current Service Cost		
Year Ended 31st March 2018	**177**	**1**
Year Ended 31st March 2017	157	3
Interest Cost		
Year Ended 31st March 2018	**4**	**2**
Year Ended 31st March 2017	27	2
Total Expense		
Year Ended 31st March 2018	**181**	**4**
Year Ended 31st March 2017	184	5

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(iii) Reconciliation of Defined Benefit Obligation

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Opening Defined Benefit Obligation		
31st March 2018	**3,256**	**26**
31st March 2017	2,871	41
Current Service Cost		
31st March 2018	**177**	**1**
31st March 2017	157	3
Interest Cost		
31st March 2018	**211**	**2**
31st March 2017	209	3
Actuarial loss / (gain)		
31st March 2018	**(127)**	**(4)**
31st March 2017	171	11
Benefits Paid		
31st March 2018	**(222)**	**-**
31st March 2017	(152)	(32)
Closing Defined Benefit Obligation		
31st March 2018	3,295	26
31st March 2017	3,256	26

(iv) Reconciliation of Fair Value of Plan Assets

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Opening Fair Value of Plan Assets		
31st March 2018	**3,053**	**-**
31st March 2017	2,477	-
Interest on Plan Assets		
31st March 2018	**207**	**-**
31st March 2017	182	-
Actual return on Plan Assets less Interest on Plan Assets		
31st March 2018	**(22)**	**-**
31st March 2017	131	-
Contribution by Employer		
31st March 2018	**227**	**-**
31st March 2017	415	32
Benefits Paid		
31st March 2018	**(222)**	**-**
31st March 2017	(152)	(32)
Closing Fair Value of Plan Assets		
31st March 2018	**3,242**	**-**
31st March 2017	3,053	-

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(v) Description of Plan Assets (Managed by an Insurance Company)

Particulars	Gratuity - Funded		Pension - Unfunded	
	31.03.2018	31.03.2017	**31.03.2018**	31.03.2017
Government of India Securities	37%	20%	-	-
Corporate Bonds	33%	42%	-	-
Equity	14%	14%	-	-
Money Market & Others	16%	24%	-	-
Grand Total	**100%**	**100%**	**-**	**-**

(vi) Actuarial Assumptions

Particulars	Gratuity - Funded		Pension - Unfunded	
	31.03.2018	31.03.2017	**31.03.2018**	31.03.2017
Discount rate (p.a.)	7.60%	6.95%	7.60%	6.95%
Salary Escalation Rate (p.a.)	5.00%	5.00%	5.00%	5.00%
Mortality rate *				
Mortality in service	Table 1	Table 1	Table 1	Table 1
Mortality in retirement	NA	NA	Table 2	Table 2

*Table 1 – Indian Assured Lives Mortality (2006-08) Ult table - Table 2 – UK Published PA (90) annuity rated down by 4 years

(vii) Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Year ended March 31, 2018	
	Discount Rate	**Salary Escalation Rate**
Impact of increase in 50 bps on DBO	-3.35%	3.63%
Impact of decrease in 50 bps on DBO	3.56%	-3.44%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(viii) Amount recorded in Other Comprehensive Income

Particulars	**Year Ended 31st March 2018 ₹ (in Lakhs)**	Year Ended 31st March 2017 ₹ (in Lakhs)
Opening amount recognized in OCI outside the profit & loss account	148	97
Remeasurements during the period due to		
Change in financial assumptions	(154)	175
Change in demographic assumptions	(9)	-
Experience adjustments	33	7
Experience adjustments on plan assets	22	(131)
Adjustment to recognize the effect of asset ceiling	-	-
	(108)	51
Closing amount recognized in OCI outside profit & loss account	40	148

Footnote:

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note : 29 Related Party Disclosures:

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

i. Entities having joint control

Name of the Company	Country of Incorporation
The Indian Hotels Company Limited (IHCL)	India
SATS Ltd.	Singapore

ii. Key management Personnel

Particulars	Relation
Sagar Dighe	Chief Operating Officer
Sudeep Pal	Chief Financial Officer
Sanjeev Gujral	Manager
Neha Khanna	Company Secretary

iii. Post employment benefit plan:

Taj SATS Air Catering Limited Staff Gratuity Trust
Taj SATS Air Catering Limited Superannuation Scheme
The Indian Hotels Company Limited Employee Provident Fund Trust

(b) Details of related party transactions during the year ended March 31, 2018 and outstanding balances as at March 31, 2018:

₹ (in Lakhs)

Particulars	Venturers (IHCL and SATS Ltd.)	Key Management Personnel	Others (IHCL Subsidiaries)	Others (IHCL's Venture - TMFK)	Post Retirement benefit plans
Operating fees received accrued	-	-	-	**10**	-
	-	-	-	**27**	-
Purchase of goods	**0.31**	-	-	**0.21**	-
	2	-	-	-	-
Sale of goods	**8**	-	**5**	**0.44**	-
	63	-	-	*1*	-
Purchase of services	**165**	-	**0.31**	-	-
	209	-	*44*	-	-
Sale of services	**6**	-	-	**23**	-
	24	-	*1*	*31*	-
Interest Received	-	-	67	-	-
	-	-	*55*	-	-
Deposit Placed	-	-	**500**	-	-
	-	-	*700*	-	-
Contributions to funds	-	-	-	-	**348.23**
	-	-	-	-	*332.13*
Remuneration Paid (See		**345**	-	-	-
Footnote i)	-	*304*	-	-	-
Balance outstanding at the end of the year					
Trade Payables					
31st March 2018	**23**	-	-	-	-
31st March 2017	*11*	-	-	-	-
Due from/(to) on Current A/c					
31st March 2018	**3**	-	**1**	**24**	-
31st March 2017	-	-	-	*16*	
Deposits Receivable					
31st March 2018	-	-	**500**	-	-
31st March 2017	-	-	*700*	-	-

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Remuneration paid to Key Management Personnel

₹ (in Lakhs

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Sagar Dighe	215	191
Sudeep Pal	**65**	60
Sanjeev Gujral	**55**	44
Neha Khanna	**10**	9
Total	**345**	304

Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole and long term incentive.

(c) Statement of Material Transactions

₹ (in Lakhs)

Name of the Company	**The Indian Hotels Company Ltd.**	**Taj Madras Kitchen Private Ltd.**	**Piem Hotels Ltd.**	**Skydeck Properties and Developers Private Ltd.**	**Roots Corporation Ltd.**	**United Hotels Ltd.**	**Taj GVK Hotels & Resorts Ltd.**	**Post -retirement benefit plans**
Purchase of goods	**0.31**	**0.21**	**-**	-	-	-	-	-
	2	**-**	**-**	-	-	-	-	-
Sale of goods	**8**	**0.09**	**1.12**	-	-	**4**	**0.35**	-
	63	**-**	**-**	-	-	*2*	**-**	-
Purchase of services	**165**	**-**	**0.21**	**-**	**0.18**	-	-	-
	209	**-**	**-**	**-**	*41*	-	-	-
Sale of services	**6**	**23**	**-**	-	-	-	-	-
	24	*31*	*1*	-	-	-	-	-
Interest on ICD received	-	**-**	**8**	**0.35**	**59**	-	-	-
	-	-	-	-	*55*	-	-	-
Operating fees received/accrued	-	**10**	**-**	-	-	-	-	-
	-	*27*	**-**	-	-	-	-	-
Deposits Placed	-	**-**	**-**	**-**	**500**	-	-	-
	-	**-**	**-**	**-**	*700*	-	-	-
Contribution to funds	-	**-**	**-**	**-**	**-**	-	**-**	**348.23**
	-	**-**	**-**	**-**	**-**	-	**-**	*332.13*

Figures in Italic relate to previous year

Note : 30 Segment Information:

The Company is engaged in the business of airline and allied catering only. These, in the context of Indian Accounting Standard 108 (IND AS 108) on segment reporting are considered to constitute single operating segment. The Company has its entire operations in India and hence entire revenue is generated in India, all the services are rendered to the customers in India and there are no assets which are situated outside India.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

As the Company is engaged in a single operating segment, segment information is tabulated below:

Revenue from major products and services

The following is an analysis of the Company's revenue from operations from its major products and services.

₹ (in Lakhs

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of food and beverages	**29,992**	27,217
Handling services	**3,413**	3,043
Hi-Lift services	**2,654**	2,421
Total	**36,059**	32,681

Information about major customers

Included in revenue arising from operations of ₹ 37,789 Lakhs (2016-17: ₹ 34,243 Lakhs) (see note 20) are revenues of approximately ₹ 20,947 Lakhs (2016-17: ₹ 20,243 Lakhs) which arose from sales to Company's four largest customers. No other single customers contributed 10% or more to the Company's revenue for the year ended 31st March 2018 and 31st March 2017.

31. Earnings per Share (EPS):

Earnings Per Share is calculated in accordance with Indian Accounting Standard 33 – 'Earnings Per Share' – (IND AS-33) prescribed under Section 133 of the Companies Act, 2013.

Particulars	March 31, 2018	March 31, 2017
Profit after tax –(₹ Lakhs)	**2,170**	1,409
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS	**17,400,000**	17,400,000
Considered in calculation of Diluted EPS	**17,400,000**	17,400,000
Face Value per Ordinary Share (₹)	**10**	10
Earnings Per Share (₹):		
Basic	**12.47**	8.10
Diluted	**12.47**	8.10

Note : 32 Financial Instruments

a. Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

Fair Value Measurement:

₹ Lakhs

March 31, 2018	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	842	842
Other balances with bank	-	89	89
Investments	8,149	-	8,149
Loans	-	500	500
Trade Receivables	-	6,880	6,880
Other financial assets	-	1,490	1,490
Total	**8,149**	**9,801**	**17,950**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

March 31, 2018	Fair value through profit or loss	Amortised cost	Total carrying value
Financial liabilities:			
Trade Payables	-	3,335	3,335
Other financial liabilities	-	987	987
Total	**-**	**4,322**	**4,322**
March 31, 2017	**Fair value through profit or loss**	**Amortised cost**	**Total carrying value**
Financial assets:			
Cash and cash equivalents	-	1,790	1,790
Other balance with banks	-	81	81
Investments	4,568	-	4,568
Loans	-	700	700
Trade Receivable	-	6,744	6,744
Other financial assets	-	390	390
Total	**4,568**	**9,705**	**14,273**
Financial liabilities:			
Trade Payables	-	3,090	3,090
Other financial liabilities	-	1,319	1,319
Total	-	4,409	4,409

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes mutual funds that have quoted price/ declared NAV.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

₹ (in Lakhs)

As of March 31, 2018:	₹ (in Lakhs)	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	8,149	-	-	8,149
Government securities	-	-	-	-
Total	**8,149**	**-**	**-**	**8,149**
As of March 31, 2017:	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Mutual fund units	4,568	-	-	4,568
Government securities	-	-	-	-
Total	4,568	-	-	4,568

(i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

ii) The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(b) Financial risk management:

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

i. Market risk

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

a. Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. However, Company does not have any exposure in foreign currency and hence it is not exposed to foreign currency exchange rate risk.

b. Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company does not have any long term borrowings at variable interest rates and hence is not exposed to interest rate risk.

ii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits, loans and other financial assets. Intercorporate deposits are placed with Roots Corporation limited, subsidiary of Indian Hotels Ltd (The Controlling entity). None of the other financial instruments of the Group result in material concentration of credit risk.

(c) Capital Management:

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

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 17,926/- Lakhs and ₹ 14,273/- Lakhs as of March 31, 2018 and March 31, 2017 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments.

Taj SATS's exposure to customers is diversified and customers contributing to more than 10% of outstanding accounts receivable and unbilled revenue are as given below.

Particulars	**As at March 31, 2018**	As at March 31, 2017
Customer count	**2**	1
Amount receivable (₹ Lakhs)	**4,345**	3,629

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

There is no other customer single customer contributing to more than 10% of the accounts receivable and unbilled revenue.

(d) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

All the financial liabilities of the Company will mature within one year from the date of the financial statements and the Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

(e) Fair value of financial assets and liabilities that are measured at amortised cost

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2018.

₹ (in Lakhs)

Financial assets	**Total carrying value**	**Total Fair value**
Trade receivables	6,880	6,880
Other balance with banks	89	89
Loans	500	500
Cash and Cash Equivalents	842	842
Other financial assets:		
- current	1,007	1,007
- non-current	483	483
Total	**9,801**	**9,801**

₹ (in Lakhs)

Financial liabilities	**Total carrying value**	**Total Fair value**
Trade payables	2,906	2,906
Other financial liabilities:		
- current	1,419	1,419
Total	**4,325**	**4,325**

As at 31st March, 2017

₹ (in Lakhs)

Financial assets	**Total carrying value**	**Total Fair value**
Trade receivables	6,744	6,744
Other balance with banks	81	81
Loans	700	700
Cash and Cash Equivalents	1,790	1,790
Other financial assets:		
- current	10	10
- non-current	375	375
Total	**9,700**	**9,700**

As at 31st March, 2017

₹ (in Lakhs)

Financial liabilities	**Total carrying value**	**Total Fair value**
Trade payables	2,680	2,680
Other financial liabilities:		
- current	1,989	1,989
Total	**4,325**	**4,325**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note : 33 Earnings in Foreign Exchange:

₹ (in Lakhs)

	Year Ended 31.03.2018	Year Ended 31.03.2017
Earnings in Foreign Exchange: (On accrual basis)	9,409	8,341

Earnings in foreign exchange represent amounts received/receivable by the Company from International Airlines, charters, diplomatic missions etc. in Indian Rupees out of their repatriable funds and include settlements made in foreign currency by the customers.

Note : 34 Expenditure in Foreign Currency:

₹ (in Lakhs)

	Year Ended 31.03.2018	Year Ended 31.03.2017
Passage and Travelling	**12**	12

Note : 35 Corporate Social Responsibility:

The gross amount required to be spent by the Company during the year is ₹29 Lakhs (previous year ₹3 Lakhs). Against this sum, the Company has spent ₹29 Lakhs (previous year ₹3 Lakhs) on projects other than construction / acquisition of assets. The entire amount has been disbursed prior to the end of the financial year.

Note : 36 Other Information:

Information with regard to other matters, as required by Schedule III to the Act is either NIL or not applicable to the Company for the year.

Note : 37 Dividends:

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company.

On May 10, 2018 the Board of Directors of the Company have proposed a final dividend of ₹ 0.52 per share in respect of the year ended March 31, 2018, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 1,091 Lakhs, inclusive of dividend distribution tax of ₹ 186 Lakhs.

Note 38 : Prior year comparatives:

Prior year financial statements have been audited by a firm of Chartered Accountants other than B S R & Co. LLP. The figures for the previous year has been regrouped / rearranged as necessary to confirm to the current year's presentation.

Financial Statement caption	Old Caption	New Caption	₹ in Lakhs
Provisions	Long-term Gratuity	Short-term Gratuity	203

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057

For and behalf of the Board of Directors
Taj SATS Air Catering Limited

Puneet Chhatwal
Chairman
DIN: 07624616

Mehernosh Kapadia
Vice Chairman
DIN: 00050530

Giridhar Sanjeevi
Director
DIN: 06648008

Sudeep Pal
Chief Financial Officer
DIN: 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

TAJ ENTERPRISES LIMITED

CIN : U55101DL1979PLC009746

Directors and Corporate Information

Board of Directors:

Mr. Beejal Desai
Mr. Nabakumar Shome
Mr. Ashok Binnani

Statutory Auditors:

M/s Sahni Natarajan & Bahl
Chartered Accountants
New Delhi

Banker

Central Bank of India

Registered Office:

Taj Palace Hotel
Sardar Patel Marg
New Delhi

Board's Report

To the Members

Your Directors hereby present the Thirty Ninth Annual Report of the Company, together with the Audited Statements of Account for the year ended 31st March, 2018.

Financial Results

The operations of the Company for the period under report reflect a profit after tax of ₹ 10,64,000 (previous year Profit ₹ 25,25,000). An amount of ₹ 3,47,46,000 inclusive of ₹ 3,22,21,000 brought forward from earlier years has been transferred to the Balance Sheet.

Review of Business Operations and State of Company's Affairs

No material changes and commitments have occurred between the end of the financial year to which these financial statements relate and the date of this Report, which affect the financial position of the Company.

Holding Company

The Indian Hotels Company Limited is the ultimate Holding Company.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company has no activity relating to conservation of energy or technology absorption. There were no foreign exchange earnings and expenditure during the year under review.

Risk Management

The operations of the Company are at a very small scale which are constantly reviewed and monitored from the risk management perspective.

Internal Control Systems and their Adequacy

The Company has adequate internal control system, commensurate with the size and scale of its operations.

Particulars of Loans, Guarantees or Investments

The Company has not given any guarantees nor made any investments under Section 186 of the Act during the year under review. The particulars of Inter-Corporate Loans/Short Term Inter Corporate Deposits made by the Company are furnished in Note No. 8 of the Notes to Accounts.

Borrowings

The Company does not have any borrowings.

Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Ashok Binnani, Director of the Company, retires by rotation and being eligible, seek re-election.

During the year under report, Mr. Beejal Akshaykumar Desai and Mr. Nabakumar Shome were appointed as Additional Directors of the Company with effect from December 4, 2017 and holds office upto the date of forthcoming Annual General Meeting (AGM). It is purpose to appoint Mr. Beejal Akshaykumar Desai and Mr. Nabakumar Shome as Director of the Company at the ensuring Annual General Meeting. The Board Commends their appointment.

Mr. P. K. Bhatia and Mr. S. Chakravarty, Director resigned from the Directorship of the Company with effect from January 12, 2018 and January 15, 2018 respectively. The Directors place on record their appreciation of the services rendered by Mr. P.K. Bhatia and Mr. S. Chakravarty during their tenure as Director of the Company.

Board Meetings

The Company had convened 5 (five) Board Meetings during the financial year under report.

Auditors

M/s Sahni Natarajan and Bahl, Chartered Accountants (Firm Registration No. 002816N) Statutory Auditors of the Company, hold office till the conclusion of the 39th AGM of the Company. The Board has recommended the appointment of M/s Damji Merchant & Company, Chartered Accountants (Firm Registration No. 102082W), as the Statutory Auditors of the Company in their place, from the conclusion of this AGM till the conclusion of 44th AGM of the Company on such remuneration as shall be mutually agreed between the Board and Auditors.

The report of the Statutory Auditors along with the notes to Schedules is enclosed to this report and does not contain any qualification, reservation or adverse remark or disclaimer.

Extract Of Annual Return

The details forming part of the extract of Annual Return in Form MGT 9 pursuant to Section 92 (3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules 2014, is annexed herewith.

Staff

The Company does not have any employee drawing salary in terms of the provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory auditors, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that: -

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

(ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) it has prepared the annual accounts on a going concern basis; and

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

General

The Directors state that no disclosure or reporting is required in respect of the following items:

1. Disclosure on Deposits covered under Chapter V of the Act as the Company has not accepted any deposits from public.

2. The provisions relating to Secretarial Audit, appointment of Key Managerial Personnel, constitution of Audit Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility, Vigil Mechanism, are not applicable to the Company.

3. During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

For and on behalf of the Board of Directors

Nabakumar Shome
Director
(DIN:03605594)

Beejal Desai
Director
(DIN: 03611725)

Place : Mumbai
Dated : 3rd May, 2018

Regd. Office:
Taj Palace Hotel
Sardar Patel Marg
New Delhi 110 021
CIN: U55101DL1979PLC009746

Annexure to Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on **March 31, 2018**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration & Other Details:

1.	CIN	: U55101DL1979PLC009746
2.	Registration Date	: July 18, 1979
3.	Name of the Company	: Taj Enterprises Limited
4.	Category/Sub-category of the Company	: Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	: Taj Palace Hotel Sardar Patel Marg, New Delhi – 110 021
6.	Whether listed company	: No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	: NA

II. Principal Business Activities of the Company

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company

III. Particulars of Holding, Subsidiary and Associate Companies -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai - 400 001	L74999MH1902 PLC000183	Ultimate Holding	93.19% (together with Subsidiaries)	2(87)(ii)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year (i.e. 01/04/17)				No. of shares held at the end of the year (i.e. 31/03/18)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	Nil	46,596	46,596	93.19	Nil	46,596	46,596	93.19	Nil
e) Banks / FI									
f) Any other									
Sub-total (A)(1)	**Nil**	**46,596**	**46,596**	**93.19**	**Nil**	**46,596**	**46,596**	**93.19**	**Nil**

Category of shareholders	No. of shares held at the beginning of the year (i.e. 01/04/17)				No. of shares held at the end of the year (i.e. 31/03/18)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2) **Foreign**									
a) NRIs- Individuals									
b) Other-Individuals									
c) Bodies Corporate									
d) Banks/FI									
e) Any Other									
Sub-Total (A)(2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**Nil**	**46,596**	**46,596**	**93.19**	**Nil**	**46,596**	**46,596**	**93.19**	**Nil**
B. Public Shareholding									
1. **Institutions**									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
2. **Non-Institutions**									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	Nil	3,404	3,404	6.81	Nil	3,404	3,404	6.81	Nil
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2)	**Nil**	**3,404**	**3,404**	**6.81**	**Nil**	**3,404**	**3,404**	**6.81**	**Nil**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**Nil**	**3,404**	**3,404**	**6.81**	**Nil**	**3,404**	**3,404**	**6.81**	**Nil**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**Nil**	**50,000**	**50,000**	**100**	**Nil**	**50,000**	**50,000**	**100**	**Nil**

ii) Shareholding of Promoter-

Sr. No	Name of the shareholder's	Shareholding at the beginning of the year (i.e. 01/04/17)			Shareholding at the end of the year (i.e. 31/03/18)			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	The Indian Hotels Company Limited*	7,000	14.00	Nil	22,298	44.60	Nil	Nil
2	TIFCO Holdings Limited*	15,298	30.60	Nil	Nil	Nil	Nil	Nil
3	Piem Hotels Limited	10,548	21.10	Nil	10,548	21.10	Nil	Nil
4	Inditravel Limited	12,450	24.90	Nil	12,450	24.90	Nil	Nil
5	Taida Trading and Industries Limited	1,300	2.60	Nil	1,300	2.60	Nil	Nil

iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year (i.e. as on 01/04/17)		Date	Increase/ Decrease in the shareholding		Cumulative Shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	The Indian Hotels Company Limited*	7,000	14.00	01/04/17	15,298	30.60	22,298	44.60
2	TIFCO Holdings Limited*	15,298	30.60	01/04/17	(15,298)	(30.60)	Nil	Nil

* TIFCO Holdings Limited was holding 15,298 number of shares in the Company, which is amalgamated with The Indian Hotels Company Limited vide NCLT order dated March 8, 2018 (w.e.f. Appointed Date April 1, 2017)

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Jagat Singh				
	At the beginning of the year	3,000	6.00	3,000	6.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	3,000	6.00	3,000	6.00
2	Dev Raj Jt. With Lalitya Kumari				
	At the beginning of the year	100	0.20	100	0.20
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	100	0.20	100	0.20
3	Jai Singh				
	At the beginning of the year	100	0.20	100	0.20
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	100	0.20	100	0.20
4	Maharaj Dev Raj				
	At the beginning of the year	99	0.20	99	0.20
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	99	0.20	99	0.20
5	Rajkumari Lalitya				
	At the beginning of the year	99	0.20	99	0.20
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	99	0.20	99	0.20
6	Pratap Singh				
	At the beginning of the year	2	0.00	2	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	2	0.00	2	0.00

Sr. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Hari Singh				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	1	0.00	1	0.00
8	Sumer Singh				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	1	0.00	1	0.00
9	K.C Tholia				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	1	0.00	1	0.00
10	Ram Chandra				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	1	0.00	1	0.00

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative Shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

V. **Indebtedness**

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2017-18.

VI. **Remuneration of Directors and Key Managerial Personnel-**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The Company is a Board managed Company and does not have any Managing Director, Whole Time Directors and / or Manager.

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD : Not Applicable

VII. Penalties / Punishment/ Compounding Of Offences:

There were no penalties/ punishments/ compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Nabakumar Shome
Director
(DIN: 03605594)

Beejal Desai
Director
(DIN: 03611725)

Mumbai, May 3, 2018

Registered Office:

Taj Palace Hotel
Sardar Patel Marg,
New Delhi 110 021
CIN: u55101dl1979plc009746

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TAJ ENTERPRISES LIMITED

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

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

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

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

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. : 002816N

Sudhir Chhabra
Partner
Membership No. 083762

Place: New Delhi
Date : May 04, 2018

Annexure-A to the Independent Auditor's Report

(This is the annexure referred to in Para 1 of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

1. In respect of the Fixed Assets:
   a. The Company has maintained proper records showing the full particulars including quantitative details and situation of fixed assets.
   b. The fixed assets of the Company have been physically verified by the management at reasonable intervals. According to the information and explanations given to us by the management, no material discrepancies have been noticed on such verification.
   c. According to the information and explanations given to us and on the basis of examination of records of the Company, title deed of immovable property is held in the name of the Company.
2. In our opinion and according to the information and explanations given to us, the Company does not have any inventory. Accordingly the provisions of clause 3(ii) of the Order are not applicable to the Company.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with in respect of Loans and Investments made by the Company. The Company has not given any guarantee or provided security in connection with a loan to any other body corporate or person.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as defined under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, the maintenance of the cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. In respect of the statutory and other dues:
   a. According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and any other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at March 31, 2018 for a period of more than six months from the date they became payable.
   b. According to the information and explanations given to us, there are no disputed demands for Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise or Value Added Tax.
8. In our opinion and according to the information and explanations given to us, the Company has not borrowed either from financial institution, bank, Government or by way of debentures. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company.
9. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

10. According to the information and explanations given to us and to the best of our knowledge and belief, no fraud by the Company, or any fraud on the Company by its officers and employees has been noticed or reported by the Company during the year.
11. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not paid managerial remuneration during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. According to the information and explanations given to us and to the best of our knowledge and belief, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, all transactions entered into with the Related Parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and details have been disclosed in the Financial Statements as required by the applicable accounting standard.
14. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. According to the information and explanations given to us and to the best of our knowledge and belief, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. : 002816N

Sudhir Chhabra
Partner
Membership No. 083762

Place: New Delhi
Date : May 04, 2018

Annexure-B to the Independent Auditor's Report

(This is the annexure referred to in Para 2(f) of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. : 002816N

Sudhir Chhabra
Partner
Membership No. 083762

Place: New Delhi
Date: May 04, 2018

Balance Sheet as at March 31, 2018

	Note No.	As at 31st March 2018	(₹ in Thousands) As at 31st March 2017
ASSETS			
Non Current Assets			
Property, Plant and Equipment	2	1,770	1,784
Financial Assets			
Investments	3	720	720
Other Financial Assets	4	-	-
Other Non-Current Assets	5	59	49
Current Assets			
Financial Assets			
Cash and Cash Equivalents	6	584	1,113
Other balances with banks	7	37,322	25,704
Loans	8	-	10,000
Other Financial Assets	9	507	607
TOTAL		**40,962**	**39,977**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	5,000	5,000
Other Equity	11	35,810	34,746
		40,810	39,746
Liabilities			
Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	12	135	231
Current Tax Liabilities(net)	13	14	-
Other Current Liabilities	14	3	-
TOTAL		**40,962**	**39,977**
Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. 002816N

Sudhir Chhabra
Partner
Membership No : 083762
Place : New Delhi
Date : May 04, 2018

For and on behalf of the Board

Ashok Binnani	**Beejal Desai**	**Nabakumar Shome**
Director	Director	Director
03326335	03611725	03605594

Place : Mumbai
Date : May 03, 2018

Statement of Profit and Loss for year ended 31st March, 2018

(₹ in Thousands)

	Note No.	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Income			
Other Income	15	2,402	4,187
Total Income		**2,402**	**4,187**
Expenses			
Depreciation and Amortisation Expense	2	14	17
Other Expenses	16	715	741
Total Expenses		**729**	**758**
Profit Before Tax		**1,673**	**3,429**
Tax Expense	17		
- Current Tax		619	904
- Taxes for Earlier Years		(10)	-
Total Tax Expense		**609**	**904**
Profit After Tax		**1,064**	**2,525**
Other Comprehensive Income		-	-
Total Comprehensive income for the period		**1,064**	**2,525**
Profit for the period attributable to:			
Owners of the Company		1,064	2,525
Non-controllling interest		-	-
		1,064	**2,525**
Earnings Per Share:			
Basic and Diluted	23	21.28	50.50
(On face value of equity share of Rs. 100/- each)			
Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. 002816N

Sudhir Chhabra
Partner
Membership No : 083762
Place : New Delhi
Date : May 04, 2018

For and on behalf of the Board

Ashok Binnani	**Beejal Desai**	**Nabakumar Shome**
Director	Director	Director
03326335	03611725	03605594

Place : Mumbai
Date : May 03, 2018

Statement of Changes in Equity for the year ended March 31, 2018

(₹ in Thousands)

	Equity Share Capital	Retained Earnings	Profit & Loss B/fd
Balance as at April 1, 2016	**5,000**	**32,221**	**37,221**
Profit for the year	-	2,525	2,525
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	**-**	**2,525**	**2,525**
Balance as at March 31, 2017	**5,000**	**34,746**	**39,746**
Profit for the year	-	1,064	1,064
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	**-**	**1,064**	**1,064**
Balance as at March 31, 2018	**5,000**	**35,810**	**40,810**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. 002816N

Sudhir Chhabra
Partner
Membership No : 083762
Place : New Delhi
Date : May 04, 2018

For and on behalf of the Board

Ashok Binnani	**Beejal Desai**	**Nabakumar Shome**
Director	Director	Director
03326335	03611725	03605594

Place : Mumbai
Date : May 03, 2018

Statement of Cash Flow for the year ended 31st March, 2018

(₹ in Thousands)

		For the year ended 31st March 2018	For the year ended 31st March 2017
A)	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	1,673	3,429
	Adjustment for:		
	Depreciation	14	17
	Dividend Income	-	(1,260)
	Interest Income	(2,402)	(2,927)
	Operating Profit before Working Capital Changes (1)	**(715)**	**(741)**
	Increase/(Decrease) in Trade and Other Payables	(93)	(226)
	Changes in Working Capital (2)	**(93)**	**(226)**
	Cash generated/(used in) Operations (1+2)	**(808)**	**(967)**
	Direct Tax Paid	(605)	(934)
	Net Cash Flow from/(used in) Operating Activities (A)	**(1,413)**	**(1,901)**
B)	**Cash Flow from Investing Activities**		
	Interest Received	2,502	2,909
	Fixed Deposit made	(11,618)	(1,672)
	Dividend Received	-	1,260
	Inter Corporate Deposits Received	10,000	-
	Net Cash Flow from/(used in)Investing Activities (B)	**884**	**2,497**
C)	**Cash Flow from Financing Activities**		
	Interest Paid	-	-
	Net Cash Flow from/(used in) Financing Activities (C)	-	-
	Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	**(529)**	**596**
	Cash & Cash Equivalents as at the begining of the year	1,113	517
	Cash & Cash Equivalents as at the end of the year (Refer Note - 6)	**584**	**1,113**

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard-7 on "Statement of Cash Flows".
2. The previous year figures have been regrouped / rearranged wherever considered necessary.
3. Figures in bracket represents cash outflow.

As per our report of even date attached

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. 002816N

Sudhir Chhabra
Partner
Membership No : 083762
Place : New Delhi
Date : May 04, 2018

For and on behalf of the Board

Ashok Binnani	**Beejal Desai**	**Nabakumar Shome**
Director	Director	Director
03326335	03611725	03605594

Place : Mumbai
Date : May 03, 2018

Notes to Financial Statements for year ened March 31, 2018

CORPORATE INFORMATION

Taj Enterprises Limited ("the Company"), is a public limited company incorporated in 1979 and has its registered office at Hotel Taj Palace, Sardar Patel Marg, New Delhi 110021, promoted by The Indian Hotels Company Limited ("IHCL") which holds controlling interest along with its other subsidiaries in the Company.

The Financial Statements were approved by the Board of Directors and authorised for issue on May 03, 2018.

1. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance:

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

b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis.

All income & expenditure having a material bearing on the financial statement is accounted for on accrual basis and provision is made for all known losses and liabilities.

c) Critical accounting estimates and judgements:

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

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of Property, Plant and Equipment:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of Property, Plant and Equipment at the balance sheet date. This reassessment may result in change in depreciation expense in future periods.

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

- **Income Tax:** Provision for tax liabilities requires judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

d) Revenue Recognition:

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is measured at the fair value of the consideration received or receivable.

Dividend income is recognized as and when the owner's right to receive payment is established.

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

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

e) Property, Plant and Equipment:

Property, Plant and Equipment is stated at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any.

All Property, Plant and Equipment is initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs.

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

Depreciation is provided on the basis of written down value method as per their useful life as prescribed in Schedule II of the Companies Act, 2013.

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

f) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

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

g) Income Tax:

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

i) Current tax:

Current Tax expense is accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

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

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

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

h) Earnings Per Share:

Basic Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares unless the effect of potential dilutive equity shares is anti-dilutive.

i) Provisions, Contingent Liabilities and Contingent Assets:

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

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, but their existence or otherwise would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent asset being a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company, is not recognized but disclosed in the financial statements.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

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

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

k) **Financial Instruments:**

Financial Assets:

Classification

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

Initial Recognition and measurement

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

Debt instruments at amortised cost

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

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in Subsidiaries (including Fellow Subsidiaries), Joint Ventures and Associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

The Company has elected to continue with the carrying value of its Investment in fellow subsidiary recognized as of April 1, 2015 (Ind AS transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  i) the Company has transferred substantially all the risks and rewards of the asset, or
  ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

ii) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

Initial recognition and measurement

Financial Liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables which are subsequently measured at amortised cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

l **Recent accounting pronouncements:**

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

ii) Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Note 2 : Property, Plant and Equipment

(₹ in Thousands)

	Land (Freehold)	Buildings	Total Assets
Cost			
At April 1, 2016	1,692	129	1,821
Additions	-	-	-
Disposals	-	-	-
At March 31, 2017	**1,692**	**129**	**1,821**
Additions	-	-	-
Disposals	-	-	-
At March 31, 2018	**1,692**	**129**	**1,821**
Depreciation			
At April 1, 2016	-	20	20
Charge for the Year	-	17	17
Disposals	-	-	-
At March 31, 2017	**-**	**37**	**37**
Charge for the year	-	14	14
Disposals	-	-	-
At March 31, 2018	**-**	**51**	**51**
Net Block			
At March 31, 2017	**1,692**	**92**	**1,784**
At March 31, 2018	**1,692**	**78**	**1,770**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 3 : investments

(₹ in Thousands)

	31st March 2018	31st March 2017
Investment carried at Cost		
Investment in Unquoted Equity Shares		
Inditravel Limited (Fellow Subsidiary Company)	720	720
72,000 (Previous years 72,000) Equity Shares of Rs.10/- each fully paid up		
TOTAL	**720**	**720**
Notes:		
Aggregate amount of Investments		
a) Unquoted	720	720
b) Quoted	-	-
Market Value of Quoted Investments	-	-
c) Aggregate amount of impairment in value of investments	-	-

Note 4 : Other Financial Assets- Non Current

(₹ in Thousands)

	31st March 2018	31st March 2017
Other Advances		
(Unsecured and considered Doubtful)		
Private Club Consultants	1,000	1,000
Less: Provision for doubtful advances	(1,000)	(1,000)
TOTAL	**-**	**-**

Note 5 : Other Non-Current Assets

(₹ in Thousands)

	31st March 2018	31st March 2017
Advance Tax and TDS Recoverable (Net)	-	10
Income Tax Refundable	59	39
TOTAL	**59**	**49**

Note 6 : Cash And Cash Equivalents

(₹ in Thousands)

	31st March 2018	31st March 2017
Bank Balances		
- Balances with Banks		
In Current Account	584	1,113
TOTAL	**584**	**1,113**

Note 7 : Other Balance With Banks

(₹ in Thousands)

	31st March 2018	31st March 2017
Other balances with banks		
- Fixed Deposit having maturity period more than 3 months but less than 12 months	37,322	25,704
TOTAL	**37,322**	**25,704**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 8 : Loans - Current

(₹ in Thousands)

	31st March 2018	31st March 2017
Inter-Corporate Deposit (Unsecured and Considered good)		
Taj Air Limited*	-	10,000
TOTAL	**-**	**10,000**

* For General Business Purposes.

Note 9 : Other Financial Assets- Current

(₹ in Thousands)

	31st March 2018	31st March 2017
Interest Accrued on Deposits	507	607
TOTAL	**507**	**607**

Note 10 : Equity Share Capital

(₹ in Thousands)

	31st March 2018	31st March 2017
Authorised Capital		
Equity Shares		
100,000 (Previous Years 100,000) Equity Shares of ₹ 100/- each	10,000	10,000
	10,000	**10,000**
Issued, Subscribed and Fully Paid Up Capital		
50,000 (Previous Years 50,000) Equity Shares of ₹ 100/- each, fully paid up	5,000	5,000
TOTAL	**5,000**	**5,000**

Rights and Restrictions attaching to Equity Shares:

The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 100/-. Each holder of equity shares is entitled to one vote per share. In the event of Liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

Details of Shareholders holding more than 5 percent shares of the total number of equity shares

Name of the Shareholders	31st March 2018		31st March 2017	
	No. of Shares	%	No. of Shares	%
The Indian Hotels Company Limited #	22,298	44.6%	7,000	14.0%
TIFCO Holdings Limited #			15,298	30.6%
Piem Hotels Limited	10,548	21.1%	10,548	21.1%
Inditravel Limited	12,450	24.9%	12,450	24.9%
Mr. Jagat Singh	3,000	6.0%	3,000	6.0%

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Equity Shares held by the Holding Company and by Subsidiaries of the Holding Company

	31st March 2018	31st March 2017
	No. of Shares	No. of Shares
The Indian Hotels Company Limited (Holding Company) #	22,298	7,000
TIFCO Holdings Limited (Fellow Subsidiary Company) #	-	15,298
Piem Hotels Limited (Fellow Subsidiary Company)	10,548	10,548
Inditravel Limited (Fellow Subsidiary Company)	12,450	12,450
TOTAL	**45,296**	**45,296**

TIFCO Holding Ltd was holding 15298 number of shares in the company, which is amalgamated with The Indian Hotels Company Ltd. vide NCLT Order dated 8 March 2018 (w.e.f. Appointed Date 1 April 2017)

Reconciliation of Issued, Subscribed and Fully Paid up Equity Share Capital

	31st March 2018	31st March 2017
	No. of Shares	No. of Shares
Number of Equity Shares at the beginning of the year	50,000	50,000
Number of Equity Shares at the end of the year	50,000	50,000

Note 11 : Other Equity

(₹ in Thousands)

	31st March 2018	31st March 2017
Retained Earnings		
Balance brought forward from previous year	34,746	32,221
Add:- Profit for the year	1,064	2,525
TOTAL	**35,810**	**34,746**

Note 12 : Other Financial Liabilities- Current

(₹ in Thousands)

	31st March 2018	31st March 2017
Other Financial Liabilities		
Expenses Payable	135	231
TOTAL	**135**	**231**

Note 13 : Current Tax Liabilities (Net)

(₹ in Thousands)

	31st March 2018	31st March 2017
Provision for Income Tax (Net)	14	-
TOTAL	**14**	**-**

Note 14 : Other Current Liabilities- Current

(₹ in Thousands)

	31st March 2018	31st March 2017
Statutory dues	3	-
TOTAL	**3**	**-**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 15 : Other Income

(₹ in Thousands)

	31st March 2018	31st March 2017
Interest		
- Inter Corporate Deposit carried at Amortised Cost	41	1,085
- Fixed Deposits with Bank carried at Amortised Cost	2,361	1,842
Dividend		
- Long Term Trade Investments-Fellow Subsidiary carried at Cost	-	1,260
TOTAL	**2,402**	**4,187**

Note 16 : Other Expenses

(₹ in Thousands)

	31st March 2018	31st March 2017
Security Services	621	584
Bank Charges	2	2
Travelling & Conveyance	-	1
Miscellaneous Expenses	1	-
Printing & Stationery	5	2
Legal & Professional (Refer Note below)	86	152
TOTAL	**715**	**741**

Note : Auditor's Remuneration (Excluding Service Tax/Good and Service Tax (GST)) :

(₹ in Thousands)

	31st March 2018	31st March 2017
Statutory Audit	40	40
Taxation Matters	15	15
TOTAL	55	55

Note 17 : Reconciliation between Tax Expense and Accounting Profit

A) Income Tax recognised in Profit or loss:

(₹ in Thousands)

	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Current Tax		
In respect of the current year	619	904
In repect of earlier years	(10)	-
Total tax expense recognised in the current year	**609**	**904**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

B) Reconciliation of tax expense with the effective tax

(₹ Thousand)

	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
Profit before tax (a)	1,673	3,429
Income tax rate as applicable (b)	25.75%	30.90%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	431	1,059
Permanent tax differences due to:		
Effect of income that is exempt from taxation (Dividend income)	-	(389)
Effect of expenses that are not deductible in determining taxable profit	188	234
Tax expense for Current Year	**619**	**904**
Prior year taxes as shown above	(10)	-
Income tax expense recognised in Profit or loss	**609**	**904**

Note 18 : Financial Instruments by category

The carrying value and fair value of instruments by categories as on March 31,2018

(₹ Thousand)

	Amortised cost	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair value
Financial assets:					
Cash and Cash Equivalents (Refer Note 6)	584	-	-	584	584
Other Balances with Banks (Refer Note 7)	37,322	-	-	37,322	37,322
Loans (Refer Note 8)	-	-	-	-	-
Other financial assets-Current (Refer Note 9)	507	-	-	507	507
Total - Financial Assets	**38,413**	**-**	**-**	**38,413**	**38,413**
Financial liabilities:					
Other financial liabilities (Refer Note 12)	135	-	-	135	135
Total - Financial Liabilities	**135**	**-**	**-**	**135**	**135**

The carrying value and fair value of instruments by categories as on March 31,2017

	Amortised cost	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair value
Financial assets:					
Cash and Cash Equivalents (Refer Note 6)	1,113	-	-	1,113	1,113
Other Balances with Banks (Refer Note 7)	25,704	-	-	25,704	25,704
Loans (Refer Note 8)	10,000	-	-	10,000	10,000
Other financial assets-Current (Refer Note 9)	607	-	-	607	607
Total - Financial Assets	**37,425**	**-**	**-**	**37,424**	**37,424**
Financial liabilities:					
Other financial liabilities (Refer Note 12)	231	-	-	231	231
Total - Financial Liabilities	**231**	**-**	**-**	**231**	**231**

The Carrying amount of Investment in Subsidiary is treated as Deemed Cost thus it does not need to be classified as FVTPL/ FVTOCI/ Amortised Cost.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 19 : The accounts have been prepared on the basis that the Company will continue as a going concern despite the fact that the Company has not been into operations for the last Eighteen years.

Note 20 : Contingent Liabilities and Commitments:

(to the extent not provided for)

a) **Contingent Liabilities:**

The Company does not have any contingent liability.

b) **Commitments:**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for is Nil (P.Y. Nil).

Note 21 : Segment Reporting:

As the Company is not carrying any operations, there are no reportable segments, as required by Ind AS- 108 "Operating Segments".

Note 22 : The Company does not have any employee on its payroll during the period under report.

Note 23 : Earnings Per Share (EPS)

		Year Ended 31st March, 2018	Year Ended 31st March, 2017
Profit After Tax (₹ in Thousands)	A	1,064	2,525
Weighted average number of Equity Shares	B	50,000	50,000
Earnings Per Share - Basic and Diluted (₹)	A/B	21.28	50.50
Face Value per Equity Share (₹)		100	100

Note 24 : The Company has not received any information from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the MSMED Act) and hence disclosure, if any, relating to amounts unpaid as at the year-end together with interest paid / payable under the MSMED Act, have not been given.

Note 25 : Related Party Disclosures:

a) The names of the Related Parties of the Company are as under:

Holding Company

- The Indian Hotels Company Limited

Significant Shareholder and also Fellow Subsidiary Company

- Inditravel Limited
- TIFCO Holding Limited (amalgamated with The Indian Hotels Company Limited Refer Note 10)
- PIEM Hotels Limited

b) The details of transactions with related parties are as follows:

(₹ in Thousands)

Particulars	**Year Ended 31st March, 2018**	**Year Ended 31st March, 2017**
The Indian Hotels Company Limited		
– Reimbursements Paid	844	1,209
Inditravel Limited		
– Dividend received	-	1,260

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 26 : Financial Risk Management Objectives and Policies

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risk applicable to Company is equity price risk.

Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

b. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities, including deposits with banks and inter-corporate deposits. Credit risk from balances with banks and inter-corporate deposits are managed by the Company's respective department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Note 27 : Capital Management

The Company's objectives when managing capital are to:

a) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

b) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net Debt (total borrowings net of cash and cash equivalents)

divided by

Total 'Equity' (as shown in the Balance Sheet).

The Company does not have any debt and thus Debt to Equity ratio is Nil.

As per our report of even date attached

For Sahni Natarajan and Bahl	**For and on behalf of the Board**		
Chartered Accountants			
Firm Registration No. 002816N			
Sudhir Chhabra	**Ashok Binnani**	**Beejal Desai**	**Nabakumar Shome**
Partner	Director	Director	Director
Membership No : 083762	DIN: 03326335	DIN: 03611725	DIN: 03605594
Place : New Delhi	Place : Mumbai		
Date : May 04, 2018	Date : May 03, 2018		

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Directors and Corporate Information

Board of Directors:

Farhat Jamal	- Chairman (Retired w.e.f. April 20, 2018)
Prabhat Verma	- (Appointed w.e.f. May 17, 2018)
Faisal Momen	
Rajeev Newar	- (resigned w.e.f. August 1, 2017)
Nabakumar Shome	- (Appointed w.e.f. October 30, 2017)
Sudhir Nagpal	

Registered Office & Share Department:
Mandlik House, Mandlik Road
Mumbai – 400 001
Tel.: 022-66395515, Fax: 022-22027442
CIN: U60300MH1977PLC019952
Email: investorrelations@tajhotels.com

Auditors:
M/s. Chandrashekar Iyer & Co
Chartered Accountants, Chennai

Bankers:
HDFC Bank Limited
State Bank of India
Central Bank of India

Board's Report

To the Members

The Directors have pleasure in presenting the Forty First Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2018.

Financial Results

The Company's financial performance, for the year ended March 31, 2018 is summarized below:

₹

Particulars	2017-18	2016-17
Total Income	15,75,04,012	14,59,20,550
Operating Profit/(Loss) for the year	52,77,929	96,37,253
Depreciation	(34,43,785)	(38,26,489)
Provision for Impairment	-	-
Assets Written Off	-	-
Profit / (Loss) Before Tax	**18,34,144**	**58,10,764**
Provision for Current Tax	(2,68,500)	(7,01,000)
Provision for Deferred Tax	-	-
Minimum alternative tax credit	2,68,500	7,01,000
Excess / (Short) Provision for Taxation relating to earlier years	-	-
Profit After Tax	**18,34,144**	**58,10,764**
Balance brought forward from previous year	3,07,94,017	2,91,57,539
Profit available for appropriation	3,26,28,161	3,49,68,303
Appropriations :		
Dividend		
● Proposed Dividend	-	34,68,225
● Tax on Dividend	-	7,06,061
Transfer to General Reserve	-	-
Profit & Loss Account Balance	**3,26,28,161**	**3,07,94,017**

Review of Business Operations and State of Company's Affairs

During the year under review, the Total Income of the Company was ₹ 1,575 Lakhs. Profit/ (Loss) before Tax was ₹ 18 lakhs and Profit/ (Loss) after Tax was ₹ 18 Lakhs.

No material changes and commitments have occurred between the end of the Financial Year to which these financial statements relate and the date of this Report, which affect the financial position of the Company.

Dividend

On account of the performance of the Company, no dividend has been recommended for the year 2017-18. (Previous Year ₹ 1/- per Equity Share on 34,68,225 Equity Shares)

Share Capital

As on March 31, 2018 the issued, subscribed and paid-up share capital of your Company comprised 34,68,225 Equity Shares of ₹ 10 each aggregating ₹ 3,46,82,250. The Company has not issued any shares during the year under review. The Company has neither bought back its shares, nor has it issued any Sweat Equity or Bonus Shares or provided Stock Option to its employees during the year under review. None of the Directors of the Company hold shares of the Company as on March 31, 2018.

Borrowings

The Company does not have any borrowings.

Extract of the Annual Return

The details forming part of the extract of the Annual Return in form MGT - 9 pursuant to Section 92(3) of the Companies Act , 2013 ('the Act') read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as Annexure I.

Directors

Retirement / Resignation

Mr. Rajeev Newar resigned as a Director of the Company w.e.f. August 1, 2017.

Mr. Farhat Jamal stepped down as a Director of the Company w.e.f. April 20, 2018, consequent to his retirement from The Indian Hotels Company Limited.

The Board places on record its appreciation of the services rendered by these Directors to the Company during their respective tenures.

Appointments

Mr. Nabakumar Shome and Mr. Prabhat Verma were appointed as Additional Directors of the Company w.e.f. October 30, 2017 and May 17, 2018 respectively. They hold office upto the date of the forthcoming Annual General Meeting ('AGM') of the Company.

In accordance with the Act and the Articles of Association of the Company, one of your Director viz. Mr. Faisal Momen retires by rotation and is eligible for re-appointment.

The approval of the shareholders for their appointments / re-appointments as Directors has been sought in the Notice convening the AGM of your Company.

Board Meetings

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, four Board Meetings were convened and held viz. on April 25, 2017; July 20, 2017; October 30, 2017 and January 23, 2018 respectively. The intervening gap between the meetings did not exceed the period prescribed under the Act.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo

The Company takes all efforts towards conservation of energy and technology absorption. The information relating to foreign exchange earnings and outgo is furnished in Note no. 32 of Notes to the Accounts.

Loans, Guarantees or Investments

The Company has not given any guarantees or made Inter-Corporate Loans under Section 186 of the Act during the year under review. The particulars of investments made by the Company are furnished in the Notes to Accounts.

Internal Control Systems and their adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

The Internal Audit Team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Board.

Contracts or Arrangements with Related Parties

All Related Party Transactions ('RPTs') that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

The Company has developed a RPTs Framework for the purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all RPTs is placed before the Board of Directors for their approval on a quarterly basis.

Risk Management

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Particulars of Employees

The Company does not have any employee drawing salary in terms of the provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board wishes to place on record its appreciation of the services rendered by the employees of the Company during the year under review.

Women Empowerment and Anti Sexual Harassment Initiative

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company has not received any complaint on sexual harassment during the year under review.

Compliance with Secretarial Standards on Board Meetings and General Meetings

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

Auditors

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Auditors' Report.

At the AGM, the Members will be requested to appoint M/s Chandrashekhar Iyer & Co, Chartered Accountants (Firm No. 114260W), as the Statutory Auditors from the conclusion of this AGM upto the conclusion of the next AGM and authorise the Board of Directors to fix their remuneration.

M/s. Chandrashekar Iyer & Co., Chartered Accountants have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory auditors, including audit of internal financial controls over Financial reporting by the statutory auditors and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2017-18.

Pursuant to the provisions of Section 134(3)(c) & 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, hereby confirm that, for the financial year ended March 31, 2018:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

(ii) It has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2018 and of the Profit of the Company for that period;

(iii) It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) It has prepared the annual accounts on a going concern basis;

(v) It has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

General

The Directors state that no disclosure or reporting is required in respect of the following items:

1. Disclosure on Deposits covered under Chapter V of the Act as the Company has not accepted any deposits from public.
2. The provisions relating to Secretarial Audit, appointment of Key Managerial Personnel, constitution of Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Vigil Mechanism are not applicable to the Company.
3. During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.
4. The Company does not have any Subsidiaries, Associates or Joint Ventures.

On behalf of the Board of Directors

Faisal Momen
Director
DIN: 00064878

Nabakumar Shome
Director
DIN: 03605594

Mumbai, May 17, 2018

Registered Office:
Mandlik House, Mandlik Road,
Mumbai 400 001
Maharashtra
CIN: U60300MH1977PLC019952
Tel.: 022 66395515
Fax: 022 22027442
Email: investorrelations@tajhotels.com

A TATA Enterprise
tata150.com

Annexure I

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U60300MH1977PLC019952
ii)	Registration Date	:	02/11/1977
iii)	Name of the Company	:	Taj Trade and Transport Company Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares/ Indian Non- Government Company
v)	Address of the registered office and contact details	:	Mandlik House, Mandlik Road, Colaba, Mumbai- 400001
vi)	Whether listed company	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	NA

II. Principal Business activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

Sr. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1	Khazana Shops	477	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held along with subsidiaries	Applicable section
1	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai- 400 001	L74999MH1902PLC000183	Ultimate Holding Company	89.51	2(46)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (i.e 01/04/2017)				No. of Shares held at the end of the year (i.e 31/03/2018)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	0	32,04,763	32,04,763	92.40	0	32,04,763	32,04,763	92.40	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	0	**32,04,763**	**32,04,763**	**92.40**	0	**32,04,763**	**32,04,763**	**92.40**	0
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter/ Promoter Group (A)=(A)(1)+(A)(2)	0	**32,04,763**	**32,04,763**	**92.40**	0	**32,04,763**	**32,04,763**	**92.40**	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	0	12,499	12,499	0.36	0	12,499	12,499	0.36	0
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	2,50,963	2,50,963	7.24	0	2,50,963	2,50,963	7.24	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
1) Directors and Relatives	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	0	**263,462**	**263,462**	**7.60**	0	**263,462**	**263,462**	**7.60**	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	**263,462**	**263,462**	**7.60**	0	**263,462**	**263,462**	**7.60**	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	**34,68,225**	**34,68,225**	**100**	0	**34,68,225**	**34,68,225**	**100**	0

(ii) Shareholding of Promoters

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year (i.e 01/04/2017)			Shareholding at the end of the Year (i.e. 31/03/2018)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	The Indian Hotels Company Limited	12,54,000	36.16	-	12,54,000	36.16	-	-
2	TIFCO Holdings Limited*	3,62,999	10.47	-	3,62,999	10.47	-	-
3	Piem Hotels Limited	8,86,500	25.56	-	8,86,500	25.56	-	-
4	Northern India Hotels Limited	49,998	1.44	-	49,998	1.44	-	-
5	Inditravel Limited	5,50,766	15.88	-	5,50,766	15.88	-	-
6	Oriental Hotels Limited	1,00,500	2.89	-	1,00,500	2.89	-	-
	TOTAL	**32,04,763**	**92.40**	**-**	**32,04,763**	**92.40**	**-**	**-**

*TIFCO Holdings Limited (TIFCO) has amalgamated with The Indian Hotels Company Limited ('IHCL') vide the Order dated March 8, 2018, from the National Company Law Tribunal, Bench at Mumbai. As such the holding of TIFCO has automatically transferred to IHCL with effect from April 11, 2018.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No	Name of the Shareholder	Shareholding at the beginning of the year (i.e 01/04/2017)		Cumulative Shareholding during the year (i.e 01/04/2017 to 31/03/2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Name of the Promoter				
	At the beginning of the year	32,04,763	92.40	32,04,763	92.40
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc).	No Changes			
	At the end of the year	32,04,763	92.40	32,04,763	92.40

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (i.e 01/04/2017)/end of the year (31/03/2018)		Cumulative Shareholding during the year (i.e. 01/04/2017 to 31/03/2018)	
	Name of the Shareholder	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Indra Kumar Bagri	10,867	0.31	10,867	0.31
2	D Shriya Reddy	9,375	0.27	9,375	0.27
3	D Divya Reddy	9,375	0.27	9,375	0.27
4	Phiroze Dinshaw Lam jointly with Mrs. Khursheed Lam	7,502	0.22	7,502	0.22
5	Phiroze D. Lam jointly with Mrs. Khursheed Lam	7,500	0.22	7,500	0.22
6	B. Arvind Kumar	6,750	0.19	6,750	0.19
7	Keith Michael Louis jointly with Mrs. C. M. Louis	6,000	0.17	6,000	0.17
8	Radhika Mehta Arora	5,200	0.15	5,200	0.15
9	Arvind Suri	4,999	0.14	4,999	0.14
10	Khushroo Dastur jointly with Ms. Prabha Dastur	3,750	0.11	3,750	0.11

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Names of Director	Shareholding at the beginning of the year (i.e 01/04/2017)		Cumulative Shareholding during the year (i.e. 01/04/2017 to 31/03/2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	None of the Directors hold Shares of the Company and the Company does not have any Key Managerial Personnel			
	At the end of the year				

V. Indebtedness

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL as the Company is debt free			
Total (i+ii+iii)				
Change in Indebtedness during the financial year Addition Reduction				
Net Change				
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration		Total Amount
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	Not applicable as the Company does not have any Managing Director, Whole-time Directors and/or Manager	
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others, please specify		
	Total		

B. Remuneration to other directors:

Non-Executive Directors

Sr. No.	Particulars of Remuneration	Name of the Director	Total Amount
1)	Fee for attending Board / Committee Meetings	Not Applicable as the Company does not pay any remuneration to the Non-Executive Directors	
2)	Commission		
3)	Other, please specify		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	Not applicable as the Company does not have any Key Managerial Personnel	
2	Stock Option		
	Sweat Equity		
	Commission - as % of profit - others, specify		
	Others, please specify		
	Total		

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offence during the year ended March 31, 2018.

On behalf of the Board of Directors

Faisal Momen
Director
DIN: 00064878

Nabakumar Shome
Director
DIN: 03605594

Mumbai, May 17, 2018

Registered Office:
Mandlik House,
Mandlik Road,
Mumbai 400 001
Maharashtra
CIN: U60300MH1977PLC019952
Tel.: 022 66395515
Fax: 022 22027442
Email: investorrelations@tajhotels.com

Independent Auditor's Report

To The Members of Taj Trade and Transport Company Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Taj Trade And Transport Company Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the balance sheet, the statement of profit and loss (including other comprehensive income) , the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

   (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

   (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 25 to the Ind AS financial statements;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. there are no amounts that are required to be transferred, to the Investor Education and Protection Fund by the Company .

For Chandrashekar Iyer & Co
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Partner
Membership No.47723

Mumbai, April 20, 2018

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018, we report that:

(i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. During the year the Company had physically verified the fixed assets once and the material discrepancies had been suitably dealt with in the accounts. In our opinion the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has no immoveable property. Accordingly, sub clause (c) of clause (i) of paragraph 3 of the said order are not applicable.

(ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records have been adequately provided for in the books of accounts.

(iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clauses (a) , (b) and (c) of clause (iii) of paragraph 3 of the said order are not applicable.

(iv) According to the information and explanations given to us , the company has neither made any loans and investments. Accordingly, clause (iv) of paragraph 3 of the said order are not applicable.

(v) In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Act and the rules framed there under are applicable.

(vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities of the Company.

(vii) a. The Company is regular in depositing with appropriate authorities applicable undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, goods and service tax (GST), custom duty, excise duty, and any other statutory dues applicable to it.

According to the information and explanations given to us and on basis of examination of records, no undisputed amounts payable in respect of provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax , goods and service tax (GST), customs duty, excise duty were outstanding, as at March 31, 2018 for a period of more than six months from the date they became payable.

b. According to the records of the Company there are no dues of sales tax/Value added tax,goods & service tax, income-tax, customs duty and excise duty which have not been deposited on account of any dispute except the following :

Name of the Statue	Nature of Dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Kolkata Sales tax	Sales Tax	537,108/-	1994-95	West Bengal Appellate Authority
Maharashtra Sales Tax	Lease Tax	3,542,060/-	1998-99 to 2000-01	Sales Tax Appellate Tribunal (Mumbai)
Income Tax Act , 1961	Income Tax	942,450/-	AY 2012-13	Dy. Commissioner of Income Tax, Mumbai
Maharashtra Value Added Tax	MVAT	15,269,448/-	2010-11	Joint Commissioner of Sales Tax (Appeals), Mumbai

(viii) According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders or Government and accordingly clause viii of paragraph 3 of the said order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given by the management, no fraud on or by the company has been noticed or reported during the year.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Accordingly clause (xi) of paragraph 3 of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties during the year are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Chandrashekar Iyer & Co
Chartered Accountants
Firm Registration No.: 114260W

(Chandrashekhar Iyer)
Partner
Membership No.:47723

Mumbai, April 20,2018

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Taj Trade And Transport Company Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chandrashekar Iyer & Co
Chartered Accountants
Firm Registration No.: 114260W

(Chandrashekhar Iyer)
Partner
Membership No.:47723

Mumbai, April 20, 2018

Balance Sheet as at March 31, 2018

CIN NO. U60300MH1977PLC019952

	Note	March 31, 2018 ₹	March 31, 2017 ₹
Assets			
Non-current assets			
Property, plant and equipment	3	**21,241,260**	20,881,065
Capital work-in-progress	3	**993,956**	1,451,274
Intangible assets	4	**183,193**	78,913
		22,418,409	22,411,252
Financial assets			
Investments	5	**19,444,221**	19,444,221
Loans	6	**228,629**	98,182
Income Tax Asset		**17,780,342**	14,281,989
Other financial assets	7	**1,472,977**	2,119,361
Total non-current assets		**61,344,578**	58,355,005
Current assets			
Inventories	9	**73,262,456**	65,184,565
Financial assets			
Investments	8	**49,866,159**	47,733,823
Trade receivables	10	**1,233,583**	1,358,250
Cash and cash equivalents	11	**18,352,756**	15,499,692
Bank balances other than cash and cash equivalents	12	**36,527,789**	36,523,701
Loans	6	**8,888,240**	17,472,198
Other current assets	13	**453,645**	830,738
Total current assets		**188,584,628**	184,602,967
Total Assets		**249,929,206**	242,957,972
Equity and Liabilities			
Equity			
Equity share capital	14	**34,682,250**	34,682,250
Other equity	15	**110,437,434**	112,777,576
Total equity		**145,119,684**	147,459,826
Liabilities			
Non-current liabilities			
Provisions	16	**3,628,244**	2,515,494
Total non current liabilities		**3,628,244**	2,515,494
Current Liabilities			
Financial liabilities			
Trade payables	17	**87,623,015**	78,862,861
Provisions	16	**402,524**	395,955
Other current liabilities	18	**13,155,739**	13,723,836
Total current liabilities		**101,181,278**	92,982,652
Total Equity and Liabilities		**249,929,206**	242,957,972
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements from 1 to 39

As per our report attached

For Chandrashekar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place : Mumbai
Dated : April 20, 2018

For and on behalf of the Board

Farhat Jamal
Director
DIN : 01875688

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

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Statement of Profit and Loss for the year ended March 31, 2018

CIN NO. U60300MH1977PLC019952

	Note	March 31, 2018 ₹	March 31, 2017 ₹
Income			
Revenue from operations	19	**151,339,084**	134,990,494
Other income	20	**6,164,928**	10,930,056
Total Income		**157,504,012**	145,920,550
Expenses			
Material Purchased	21	**96,124,668**	50,121,038
Changes in Inventories	22	**(7,567,704)**	16,711,338
Employee benefit expenses	23	**29,014,578**	31,299,862
Depreciation and amortisation expense		**3,443,785**	3,826,489
Other expenses	24	**33,670,082**	37,502,771
Total Expenses		**154,685,409**	139,461,498
Profit/ (Loss) before exceptional items and tax		**2,818,603**	6,459,052
Exceptional items		**-**	-
Profit/ (Loss) before tax		**2,818,603**	6,459,052
Tax expense			
Current tax		**268,500**	701,000
MAT Credit utilised		**(268,500)**	(701,000)
Deferred tax		**-**	-
Total		**-**	-
Profit/ (Loss) after tax		**2,818,603**	6,459,052
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**(984,459)**	(648,288)
		(984,459)	(648,288)
Total comprehensive Income for the period		**1,834,144**	5,810,764
Profit/ (Loss) for the period attributable to:			
Owners of the Company		**2,818,603**	6,459,052
Total Comprehensive Income for the period attributable to			
Owners of the Company		**1,834,144**	5,810,764
Earnings per share:			
Basic - (₹)		**0.81**	1.86
Diluted - (₹)		**0.81**	1.86
Face value per equity share - (₹)		**10**	10
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements from 1 to 39

As per our report attached

For Chandrashekar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place : Mumbai
Dated : April 20, 2018

For and on behalf of the Board

Farhat Jamal
Director
DIN : 01875688

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Cash Flow Statement for the year ended March 31, 2018

CIN NO. U60300MH1977PLC019952

	March 31, 2018 ₹	March 31, 2017 ₹
Cash Flow From Operating Activities		
Net Profit Before Tax	**3,087,103**	6,459,052
Adjustments For :		
Depreciation and Amortisation	**3,388,743**	3,826,489
Provision for Doubtful Debts and Advances	**-**	386,608
Loss/(profit) on sale of assets	**(107,350)**	(1,120,659)
Dividend Income	**(2,135,340)**	(3,793,733)
Interest Income	**(2,758,221)**	(3,591,738)
Provision for Contingencies	**-**	1,117,046
Provision for devaluation of stock	**(510,187)**	(1,893,058)
Provision for Employee Benefits	**(984,459)**	1,620,485
	(3,106,814)	(3,448,560)
Cash Operating Profit before working capital changes	**(19,711)**	3,010,492
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**(7,567,704)**	12,925,223
Trade Receivables	**124,667**	2,757,669
Short-term loans and advances	**8,669,841**	(10,800,025)
Loans and advances	**(667,447)**	1,086,955
Other Current Assets	**377,093**	136,936
Other Non-Current Assets	**646,384**	(719,361)
	1,582,834	5,387,397
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**8,760,154**	(16,543,566)
Short term provisions	**6,569**	105,815
Long-term Provisions	**1,112,750**	1,514,670
Other Liabilities	**(568,097)**	(1,053,895)
	9,311,376	(15,976,976)
Cash Generated from Operating Activities	**10,874,499**	(7,579,087)
Direct Taxes (Paid)/ Refunded	**(3,229,853)**	(926,602)
Net Cash Generated From Operating Activities (A)	**7,644,646**	(8,505,689)

Cash Flow Statement for the year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	**(1,441,833)**	(575,058)
Purchase of intangible assets	**(104,280)**	-
Sale of Property, Plant and Equipment	**141,937**	1,764,340
Capital Work in Progress	**(1,884,374)**	(1,451,274)
Purchase of current Investments	**(2,132,336)**	(2,199,398)
Sale of current Investments	**-**	-
Interest Received	**2,758,221**	3,877,593
Dividend Received	**2,049,457**	3,793,733
Bank Balances not considered as Cash and Cash Equivalents	**(4,088)**	16,819,838
Net Cash Generated/(Used) In Investing Activities (B)	**(617,296)**	22,029,774
Cash Flow From Financing Activities		
Dividend paid (Including tax on dividend)	**(4,174,286)**	(10,435,716)
Net Cash Generated/ (Used) In Financing Activities (C)	**(4,174,286)**	(10,435,716)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**2,853,064**	3,088,369
Cash and Cash Equivalents - Opening	**15,499,692**	12,411,323
Cash and Cash Equivalents - Closing	**18,352,756**	15,499,692

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements from 1 to 39

As per our report attached

For Chandrashekar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place : Mumbai
Dated : April 20, 2018

For and on behalf of the Board

Farhat Jamal
Director
DIN : 01875688

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Notes to Financial Statements for year ended March 31, 2018

1. Corporate Information

Taj Trade and Transport co ltd is incorporated and domiciled in India and has its registered office at Mandlik House, Mandlik Road, Colaba, Mumbai 400 001. The Company is primarily engaged in the business of Retailing Merchandise under the brand name of Taj Khazana.

2. Statement of significant accounting policies

a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

- All assets and liabilities are classified into current and non-current generally on the criteria of realisation / settlement within twelve months period from the Balance sheet date.

d) Revenue recognition:

Revenue and cost is recognised and accounted on accrual basis. Sale of goods is net of sales tax, returns and trade discounts. Service Income is net of service tax and is recognised when earned in accordance with the terms of the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

e) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes all expenditure incidental to acquisition and installation.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Depreciation is charged to profit or loss so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful life
Leasehold Improvements	**05 years**
Plant & Machinery / Office Equipment	**15 years**
Furniture & Fixtures	**15 years**
Electrical fittings	**10 years**
Computers	**6 years**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

f) Intangible Assets:

Intangible assets include cost of acquired software and Licences. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. The estimated useful life used for amortising intangible assets are as under:

Nature of Assets	**Useful life adopted**
Software and Licences	6 years

g) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

h) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss[1].

i) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell

j) Inventories:

Traded goods and consumables are valued at lower of cost and net realisable value. Cost of traded goods is arrived on the basis of specific identification method. In the case of stocks of beauty salons, the same is valued under FIFO method.

k) Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

l) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

m) Employee Benefits

(i) Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

(ii) Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

(iii) Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

(iv) Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

n) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

o) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

p) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

q) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the decision-maker who are responsible for allocating resources and assessing performance of the operating segments and have been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

r) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Investment in equity – others is carried at lower of cost or fair value

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) The Company has transferred substantially all the risks and rewards of the asset, or

(b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

<u>Impairment of financial assets</u>

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

<u>Classification</u>

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

	Improvements to leasehold buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles *	Total	Capital Work in Progress
Cost							
At April 1, 2016	4,788,214	7,251,806	18,574,901	-	1,200	30,616,121	86,105
Additions	96,900	372,925	105,233	-	-	575,058	1,451,274
Adjustment						-	
Disposals/ Transfer	-	-	1,007,310	-		1,007,310	86,105
At March 31, 2017	**4,885,114**	**7,624,731**	**17,672,824**	**-**	**1,200**	**30,183,869**	**1,451,274**
Additions	641,884	1,564,033	1,479,170	98,438	-	3,783,525	1,884,374
Adjustments						-	
Disposals/ Transfer	-	15,000	78,849	-		93,849	2,341,692
At March 31, 2018	**5,526,998**	**9,173,764**	**19,073,146**	**98,438**	**1,200**	**33,873,545**	**993,956**
Depreciation							
At April 1, 2016	2,642,713	1,348,102	1,913,895	-	-	5,904,710	
Charge for the year	1,005,222	1,228,892	1,527,609	-	-	3,761,723	
Adjustments						-	
Disposals	-	-	363,629	-	-	363,629	
At March 31, 2017	**3,647,935**	**2,576,994**	**3,077,875**	**-**	**-**	**9,302,804**	
Charge for the year	555,606	1,280,522	1,546,851	5,763	-	3,388,743	
Disposals	-	15,000	44,261	-		59,261	
At March 31, 2018	**4,203,541**	**3,842,516**	**4,580,465**	**5,763**	**-**	**12,632,285**	
Net Block							
At March 31, 2017	**1,237,179**	**5,047,737**	**14,594,949**	**-**	**1,200**	**20,881,065**	**1,451,274**
At March 31, 2018	**1,323,456**	**5,331,248**	**14,492,681**	**92,675**	**1,200**	**21,241,260**	**993,956**

Footnotes :

1 * Cars & Vehicles including Leased Cars upto March 31, 2003 costing ₹ 49,39,770/- (Previous Year ₹ 49,39,770/-), WDV ₹ 1,200/- (Previous Year ₹ 49,39,770/-), WDV ₹ 1,200/- (Previous Year ₹ 1,200/-) have been held for disposal and valued at WDV or Net Realisable Value whichever is lower. Refer to note number 29 to notes to accounts.

2 For Capital Commitments refer note no. 25.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 4 : Intangible Assets (Acquired)

₹

	Software	Goodwill	Total
Cost			
At April 1, 2016	**276,965**	**10,574,151**	**10,851,116**
Additions	-	-	-
Adjustments			-
Disposals		-	-
At March 31, 2017	**276,965**	**10,574,151**	**10,851,116**
Additions	159,322	-	159,322
Adjustments			-
Disposals	-	-	-
At March 31, 2018	**436,287**	**10,574,151**	**11,010,438**
Amortisation			
At April 1, 2016	133,286	10,574,151	10,707,437
Charge for the year	64,766	-	64,766
Adjustments			-
Disposals		-	-
At March 31, 2017	**198,052**	**10,574,151**	**10,772,203**
Charge for the year	55,042	-	55,042
Adjustments			
Disposals	-	-	
At March 31, 2018	**253,094**	**10,574,151**	**10,827,245**
Net Block			
At March 31, 2017	**78,913**	**-**	**78,913**
At March 31, 2018	**183,193**	**-**	**183,193**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 5 : Investments

	March 31, 2018		March 31, 2017	
Non Current Investments	**Holdings As at**	**₹**	Holdings As at	₹
Fully Paid Quoted Equity Instruments				
Investments in Associate of Holding Companies (At Cost)				
Oriental Hotels Limited shares of ₹ 1 each fully paid	**1,664,090**	**18,608,480**	1,664,090	18,608,480
	1,664,090	**18,608,480**	1,664,090	18,608,480
Fully Paid Unquoted Equity Instruments				
Investments in Subsidiary and Associates of Holding Companies (At Cost)				
Inditravel Limited shares of ₹ 10 each fully paid	**72,001**	**720,750**	72,001	720,750
Taida Trading and Industries Limited shares of ₹ 100 each fully paid	**680**	**68,000**	680	68,000
	72,681	**788,750**	72,681	788,750
Other Investments (Cost or Fair value whichever is lower)				
Bombay Mercantile Co-op Bank Ltd	**333**	**9,990**	333	9,990
Saraswat Co-op Bank Ltd	**1,000**	**10,000**	1,000	10,000
	1,333	**19,990**	1,333	19,990
Total Investment in Equity instruments		**19,417,220**		19,417,220
Investment in Others				
National Saving Certificate *		**95,000**		95,000
		95,000		95,000
Total Non-current Investments - Gross		**19,512,220**		19,512,220
Less : Provision for Diminution in value of Investments **		**(67,999)**		(67,999)
Total Non-current Investments - Net		**19,444,221**		19,444,221

Footnotes :

1) Aggregate value of cost of Quoted Investments	**18,608,480**	18,608,480
2) Aggregate market value of Quoted Investments	**69,558,962**	59,075,195
3) Aggregate value of Unquoted Investments	**903,740**	903,740
4) Aggregate amount of provision for diminution in value of investments	**(67,999)**	(67,999)

5) * Security Deposit for VAT

6) ** Provision for diminution in value has been made on the basis of book value of the shares of the respective companies as per last audited Balance Sheet.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Note 6 : Loans		
A) Non Current		
(Unsecured, considered good unless stated otherwise)		
Loans and advances to Employees	**172,673**	42,226
Security Deposit	**55,956**	55,956
	228,629	98,182
B) Current		
(Unsecured, considered good unless stated otherwise)		
Related Parties		
Considered Good	**182,014**	11,331,501
Considered Doubtful	**470,324**	-
	652,338	11,331,501
Less provision for doubtful advances (Related Parties)	**470,324**	-
	182,014	11,331,501
Interest Receivable	**1,092,270**	1,150,218
Others	**7,613,956**	4,990,479
	8,888,240	17,472,198

	March 31, 2018 ₹	March 31, 2017 ₹
Note 7 : Other Financial Assets		
A) Non Current		
Deposits with Banks (Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin money/Pledged deposits classified as Non - current)	**1,469,137**	2,087,586
Interest receivable	**3,840**	31,775
	1,472,977	2,119,361

Note 8 : Investments

Current Investments	**March 31, 2018 Holdings As at**	**March 31, 2018 ₹**	March 31, 2017 Holdings As at	March 31, 2017 ₹
Investments in Mutual Fund Units (Quoted)				
ICICI Prudential Mutual Fund	**369,071**	**36,954,847**	353,427	35,388,509
Birla Sun Life Cash Plus	**123,789**	**12,398,383**	118,520	11,854,419
JPMorgan India	**511,204**	**512,929**	48,953	490,895
TOTAL		**49,866,159**		47,733,823
1) Aggregate amount of cost of quoted Investments		**49,866,159**		47,733,823
2) Aggregate market value of quoted Investments		**49,866,159**		47,733,823

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Note 9 : Inventories (At lower of cost and net realisable value)		
Stock in Trade *	**79,261,031**	71,693,327
Less: Provision for Devaluation of Stock	**5,998,575**	6,508,762
	73,262,456	65,184,565

* Stock in Trade is valued at lower of Cost & Market Value

	March 31, 2018 ₹	March 31, 2017 ₹
Note 10 : Trade receivables		
Umsecured Considered good	**1,233,583**	1,358,250
	1,233,583	1,358,250

	March 31, 2018 ₹	March 31, 2017 ₹
Note 11 : Cash and Cash Equivalents		
Cash on hand	**421,093**	192,574
Balances with bank in current account	**8,262,789**	6,265,743
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**9,668,874**	9,041,375
	18,352,756	15,499,692

	March 31, 2018 ₹	March 31, 2017 ₹
Note 12 : Bank Balances Other than Cash and Cash Equivalents		
Other Balances with banks		
Call and Short-term deposit accounts (Of which ₹ 6,18,449 (Previous year ₹ 5,44,090) is held as security against Bank Guarantee)	**36,527,789**	36,523,701
Long Term Bank Deposit held as security against Bank guarantee	**1,469,137**	2,087,586
	37,996,926	38,611,287
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current (Refer Note no.7)	**1,469,137**	2,087,586
	36,527,789	36,523,701

	March 31, 2018 ₹	March 31, 2017 ₹
Note 13 : Other Assets		
Current		
Prepaid Expenses	**453,645**	830,738
	453,645	830,738

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Note 14 : Equity Share Capital		
Authorised Share Capital		
Equity Shares		
40,00,000 (Previous Year 40,00,000) Equity Shares of ₹ 10 each	**40,000,000**	40,000,000
	40,000,000	40,000,000
Issued Share Capital		
Equity Shares		
34,68,225 (Previous Year 34,68,225) Equity Shares of ₹ 10 each fully paid.	**34,682,250**	34,682,250
	34,682,250	34,682,250

Footnotes:

	March 31, 2018		March 31, 2017	
	No. of shares	**₹**	No. of shares	₹
As at the beginning of the year	**3,468,225**	**34,682,250**	3,468,225	34,682,250
Add : Issued during the year	**-**	**-**	-	-
As at the end of the year	**3,468,225**	**34,682,250**	3,468,225	34,682,250

(ii) Shareholders holding more than 5% shares in the Company :

	March 31, 2018		March 31, 2017	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Equity shares of ₹ 10 each fully paid				
The Indian Hotels Company Limited	**1,254,000**	**36.16%**	1,254,000	36.16%
TIFCO Holdings Limited	**362,999**	**10.47%**	362,999	10.47%
Inditravel Limited	**550,766**	**15.88%**	550,766	15.88%
Piem Hotels Limited	**886,500**	**25.56%**	886,500	25.56%

(iii) Shares in the entity held by the holding company/ ultimate holding company or by its subsidiaries and associates.

	March 31, 2018		March 31, 2017	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Name of the Company				
Equity shares of ₹ 10 each fully paid				
Shares held by Ultimate Holding Company				
The Indian Hotels Company Limited	**1,254,000**	**36.16%**	1,254,000	36.16%
	1,254,000	**36.16%**	1,254,000	36.16%
<u>Shares held by Subsidiaries of Ultimate Holding Company</u>				
TIFCO Holdings Limited	**362,999**	**10.47%**	362,999	10.47%
Inditravel Limited	**550,766**	**15.88%**	550,766	15.88%
Piem Hotels Limited	**886,500**	**25.56%**	886,500	25.56%
Northern India Hotels Limited	**49,998**	**1.44%**	49,998	1.44%
	1,850,263	**53.35%**	1,850,263	53.35%
<u>Shares held by Associates of Ultimate Holding Company</u>				
Oriental Hotels Limited	**100,500**	**2.90%**	100,500	2.90%
	100,500	**2.90%**	100,500	2.90%

(iv) The company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

(v) The Board of Directors in its meeting on 25th April,2017 proposed a dividend of ₹ 1 per equity share and the same was approved by the share holders at the Annual General Meeting held on 9th August, 2017, this resulted in cash out flow of ₹ 41,74,286 including corporate dividend tax.

(vi) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 15: Statement of Changes in Equity

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Particulars	Equity Share Capital Subscribed	Other Equity				Total
		Reserves and Surplus				
		Securities Premium Account	General Reserve	Other reserves	Retained Earnings	
Balance as at March 31, 2016	34,682,250	28,125,000	46,866,523	2,817,750	39,593,255	**152,084,778**
Profit/(Loss) for the year ended March 31, 2017					6,459,052	6,459,052
Other Comprehensive Income for the year ended March 31, 2017, net of taxes, (excluding actuarial gain/ losses, given below)					-	-
Remeasurements of post employment benefit obligation, net of tax					(648,288)	(648,288)
Total Comprehensive Income for the year ended March 31, 2017	**-**	**-**	**-**	**-**	**5,810,764**	**5,810,764**
Dividends				-	(8,670,563)	(8,670,563)
Tax on Dividend				-	(1,765,153)	(1,765,153)
Balance as at March 31, 2017	**34,682,250**	**28,125,000**	**46,866,523**	**2,817,750**	**34,968,303**	**147,459,826**
Profit/(Loss) for the year ended March 31, 2018					2,818,603	2,818,603
Other Comprehensive Income for the year ended March 31, 2018, net of taxes, (excluding actuarial gain/ losses, given below)					-	-
Remeasurements of post employment benefit obligation, net of tax					(984,459)	(984,459)
Total Comprehensive Income for the year ended March 31, 2018	**-**	**-**	**-**	**-**	**1,834,144**	**1,834,144**
Dividends				-	(3,468,225)	(3,468,225)
Tax on Dividend				-	(706,061)	(706,061)
Balance as at March 31, 2018	**34,682,250**	**28,125,000**	**46,866,523**	**2,817,750**	**32,628,161**	**145,119,684**

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Note 16 : Provisions		
A) Non- Current		
Employee Benefit Obligation		
Leave Encashment	**1,475,558**	1,429,801
Gratuity	**2,152,686**	1,085,693
	3,628,244	2,515,494
B) Current		
Employee Benefit Obligation		
Leave Encashment	**402,524**	395,955

	March 31, 2018 ₹	March 31, 2017 ₹
Note 17: Trade Payables		
Micro and Small Enterprises	**-**	-
Others	**84,389,666**	73,620,598
Accrued expenses and others	**3,233,349**	5,242,263
	87,623,015	78,862,861

	March 31, 2018 ₹	March 31, 2017 ₹
Note 18 : Other current Liabilities		
A) Current		
Statutory dues	**11,813,756**	10,228,998
Related Parties	**181,503**	-
<u>Others</u>		
Provision for Contingencies	**1,117,046**	1,117,046
Others	**43,434**	2,377,792
	13,155,739	13,723,836

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Note 19: Revenue from Operations		
Sale of Goods	**132,926,886**	127,578,596
Sale of Services	**18,412,198**	7,411,898
Total	**151,339,084**	134,990,494

	March 31, 2018 ₹	March 31, 2017 ₹
Note 20 : Other Income		
Interest Income from financial assets at amortised cost		
Deposits with banks (Tax deducted at source ₹ 2,59,976/- (Previous Year ₹ 3,60,760/-)	**2,758,221**	3,591,738
Total	**2,758,221**	3,591,738
Dividend received on Investment carried at cost		
Dividend Income - Non-Current (Trade)	**-**	332,818
Dividend Income - Non-Current (Non Trade)	**3,000**	1,261,517
Dividend Income - Current Investment	**2,132,340**	2,199,398
Profit on sale of assets (Net)	**107,350**	1,120,659
Exchange Gain (Net)	**92,483**	271,596
Others	**1,071,534**	2,152,330
Total	**6,164,928**	10,930,056

	March 31, 2018 ₹	March 31, 2017 ₹
Note 21 : Materials Purchased		
Purchase of stock in trade - Trading	**96,124,668**	50,121,038
Total Material purchased	**96,124,668**	50,121,038

	March 31, 2018 ₹	March 31, 2017 ₹
Note 22 : Changes in Inventories		
(i) Trading		
Opening Stock	**71,693,327**	88,404,665
Closing Stock	**79,261,031**	71,693,327
Total	**(7,567,704)**	16,711,338

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Note 23 : Employee Benefit Expenses		
Salaries, Wages, Bonus etc.	**20,541,180**	19,958,980
Company's Contribution to Provident and Other Funds	**1,881,334**	1,485,994
Reimbursement of Expenses on Personnel Deputed to the Company	**3,352,643**	5,459,259
Staff Welfare Expenses	**3,239,421**	4,395,629
Total	**29,014,578**	31,299,862

	March 31, 2018 ₹	March 31, 2017 ₹
Note 24 : Other expenses		
Other expenses consist of the following :		
Electricity	**1,025,775**	995,812
Repairs to Machinery	**393,768**	143,845
Repairs - Others	**430,414**	565,146
Commission to others	**40,334**	42,643
Rent	**19,278,121**	21,766,719
Rates and Taxes	**366,367**	38,183
Insurance	**1,100,386**	642,699
Business Promotion Expenses	**1,112,324**	2,579,139
Travelling and Conveyance Expenses	**1,834,323**	1,369,588
Credit Cards Charges	**2,433,781**	2,040,058
Legal and Professional Charges	**1,688,991**	2,220,437
Payment made to Statutory Auditors (Refer Footnote (i))	**498,375**	431,250
Miscellaneous Expenses	**3,467,123**	4,667,252
Total	**33,670,082**	37,502,771

Footnote:

(i) Payment made to Statutory Auditors:

	March 31, 2018 ₹	March 31, 2017 ₹
As auditors	**345,000**	345,000
As tax auditors	**86,250**	86,250
For out-of pocket expenses	**67,125**	-
	498,375	431,250

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

25. Contingent Liabilities:

Contingent liabilities and commitments (to the extent not provided for)

Particulars	March 31, 2018	March 31, 2017
Contingent Liabilities	₹	₹
(a) Claims against the company not acknowledged as debts	-	-
(i) Sales tax demand under appeal	**1,52,69,448**	1,52,69,448
(ii) Income tax demand under appeal	**9,42,450**	9,42,450
	1,62,11,898	1,62,11,898
(b) Other money for which the company is contingently liable		
Employee Related Matters	**91,12,036**	85,49,920
(c) Guarantees given by banks on behalf of the company	**5,44,090**	5,44,090
	96,56,126	90,94,010
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	**3,97,859**	3,97,859
	-	-
	2,62,65,883	2,57,03,767

The management believes that the outcome of the proceedings will not have an adverse effect on the company's financial position and results of the operation

26. The Company is carrying slow-moving/non-moving inventory of ₹ 52,48,125(P.Y. ₹ 65,08,762) which is more than one year old in its books. An amount of ₹ 52,48,125(P.Y. ₹ 65,08,762) is being carried forward as provision for obsolescence against this stock.

27. The Company is carrying forward a provision of ₹ 7,50,450(P.Y ₹7,50,450) on account of shortages/damages in the consignment stocks.

28. The Company has Consignment stock arrangement with suppliers in ordinary course of business. The value of such stock, at cost, which has been excluded from the Balance sheet amounts to ₹ 13,57,01,073 (P.Y. ₹11,73,20,662).

29. Assets held for disposal:

Particulars	Original Cost (₹)	Book Value (₹)	Book Value of Previous Year (₹)
Cars & Vehicles	49,39,770 (P.Y. 49,39,770)	1,200	1,200

The estimated realisation value of the above assets is higher than the present book value.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

30. Employee Benefits

Applicable Disclosures as per IND AS-19 :

The Company has calculated the various benefits to employees as under:

(A) Defined contribution plans

The company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and other funds(net of recoveries)

Particulars	**March 31,2018 (₹)**	March 31, 2017 (₹)
Provident fund	10,80,217	8,90,873

(B) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Funded

(C) Defined benefit plans – as per actuarial valuation on March 31, 2018: -

		March 31, 2018 ₹	March, 31, 2017 ₹
(i)	**Amount to be recognised in Balance Sheet and movement in net liability**		
	Present Value of Funded obligation	**7,650,835**	6,956,276
	Fair Value of Plan Assets	**54,98,149**	5,870,582
	Net (Assets) / Liability	**21,52,686**	1,085,694
(ii)	**Expense recognised in Statement of Profit & Loss**		
	Current service cost	**458,933**	427,512
	Interest Cost	**61,006**	15,530
	Total	**519,939**	443,042
(iii)	**Expense recognised in Other Comprehensive Income**		
	Remeasurements due to:		
	Changes in financial assumptions	**638,508**	213,901
	Experience adjustment	**308,247**	48,522
	Actual return on plan assets less interest on plan assets	**37,704**	385,865
	Adjustment to recognise the effect of assets ceiling		
	Total	**984,459**	648,288
(iv)	**Recondilitation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	**6,956,276**	10,456,210
	Current service cost	**458,933**	427,512
	Interest cost	**443,871**	835,451
	Remeasurements due to actuarial loss/(gain) arising from		
	Changes in Financial assumptions	**638,508**	213,901
	Experience adjustment	**308,247**	48,522
	Benefit Paid	**(1,155,000)**	(5,025,320)
	Closing Defined Benefit Obligation	**7,650,835**	6,956,276

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

		March 31, 2018 ₹	March, 31, 2017 ₹
(v)	**Recondiliation of Fair value of Plan Assets**		
	Opening of Fair Value of Plan Assets	**5,870,582**	10,261,846
	Interest on plan assets	**382,865**	819,921
	Remeasurements due for		
	Actual return on plan assets less interest on plan assets	**(37,704)**	(385,865)
	Contribution by Employer	**437,406**	200,000
	Benefits Paid	**(1,155,000)**	(5,025,320)
	Closing of Fair Value of Plan Assets	**5,498,149**	5,870,582
(vi)	**Acturial Assumption**		
	Discount rate (p.a.)	**7.55%**	7.30%
	Salary Escalation rate (p.a.)	**9%**	7%
	Pension Escalation Rate (p.a.)	**-**	-
	Annual Increase in healthcare costs (p.a.)	**-**	-
	Mortality table (LIC)	**-**	-

(vii) Disaggregation of Plan Assets

	March 31, 2018				**March 31, 2017**			
	Quoted	**Unquoted**	**Total**	**%**	**Quoted**	**Unquoted**	**Total**	**%**
	₹	₹	₹		₹	₹	₹	
Government Debt Instruments	2,143,861		2,143,861	39%	2,017,752		2,017,752	34%
Insurer managed funds	-	1,254,003	1,254,003	23%	-	1,254,003	1,254,003	21%
Cash and cash equivalents	-	820,314	820,314	15%	-	1,194,747	1,194,747	20%
Investments funds	-	1,279,971	1,279,971	23%	-	1,374,896	1,374,896	23%
Other	-	-	-	0%	-	29,184	29,184	0%
Total	2,143,861	3,354,288	5,498,149	100%	2,017,752	3,852,830	5,870,582	100%

(viii) Sensitivity Analysis

	March 31, 2018	
	Discount Rate	Salary Escalation rate
	(%)	(%)
impact of increase in 50 bps on DBO	-2.53%	2.61%
impact of decrease in 50 bps on DBO	2.66%	-2.50%

(ix) Any other additional disclosure given in the report

Mortality Table*	
Mortality in service	Table 1
Mortality in retirement	NA

*Table 1- Indian Assured Lives - Mortality (2006-08) Ult Table

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

31. Current, Deferred tax (asset)/Liability:

Deferred tax Asset on unabsorbed depreciation, business loss and others has been recognised to the extent of deferred tax liability.

Income Tax relating to continuing operations

Income Tax expenses recognised in the statement of Profit and loss a/c:

Particulars	**Year ended 31st March 2018**	Year ended 31st March 2017
Current Tax	**₹**	₹
In respect of the current year	**268,500**	701,000
In repect of earlier years		
MAT Credit	**(268,500)**	(701,000)
	-	-
Deferred Tax		
In respect of the current year		
MAT credit		
Other items		
	-	-
Total tax expense recognised in the current year relating to continuing operations	**-**	-

Reconciliation of tax expense with the effective tax

Particulars	**Year ended 31st March 2018 ₹**	Year ended 31st March 2017 ₹
Profit before tax from continuing operations (a)	**2,862,036**	6,459,052
Income tax rate as applicable (b)	**25.75%**	25.75%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)] - c	**736,973**	1,663,206
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	**(549,850)**	(976,886)
Permanent disallowances	**296,973**	377,681
Deferred tax liability not reversed since deferred tax assets not created due to no probable certainty in earlier years	**(488,589)**	(1,064,001)
Deferred tax assets not created due to no probable certainty		
Deferred tax assets reversed due to no probable certainty		
d	**(736,973)**	(1,663,206)
Tax for current year (c+d)	**-**	-
Prior year taxes as shown above	**-**	-
Income tax expense recognised in profit or loss (relating to continuing operations)	**-**	-

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

32. Additional information

Sr. No.	Particulars	March 31, 2018 (₹)	March 31, 2017 (₹)
(i)	Value of imports on CIF basis :- Trading Goods	Nil	Nil
(ii)	Expenditure in Foreign Currency –		
	- Passage and Travelling	-	-
	- Professional Fees	-	-
(iii)	Earnings in foreign exchange		
	Value of sales at shops including value of goods sold on consignment basis and settled in foreign currency or through foreign based credit card agencies (As certified by the management and not verified by the auditors)	5,99,32,156	7,19,34,097
	Export – F.O.B. value	9,62,700	16,87,269

33. Details of opening stock, purchases, sales and closing stock of traded items for the year ended March 31,2018

Particulars	Opening Stock (₹)	Purchases (₹)	Sale (₹)	Closing Stock (₹)
Crafts and wall coverings	**1,68,75,809**	**15,95,053**	**1,80,97,864**	**83,37,347**
Previous year	1,16,99,304	1,40,05,990	2,31,28,493	1,68,75,809
Costume Jewellery	**70,33,461**	**4,64,71,516**	**2,80,91,108**	**2,99,22,229**
Previous year	59,98,669	54,42,100	90,16,658	70,33,461
Fabric/ Garments/ Leather	**81,26,428**	**1,29,90,626**	**2,33,59,264**	**53,14,306**
Previous year	1,03,32,595	93,83,923	2,21,95,012	81,26,428
Saree and stoles	**3,06,52,202**	**95,76,802**	**3,31,85,578**	**2,44,10,467**
Previous year	3,52,93,937	1,80,14,875	4,82,94,745	3,06,52,202
Assorted	**90,05,427**	**2,54,90,671**	**3,01,93,172**	**1,12,76,683**
Previous year	2,50,80,160	31,07,616	2,49,43,690	90,05,427
Total	**7,16,93,327**	**9,61,24,668**	**13,29,26,886**	**7,92,61,031**
Previous year	8,84,04,665	4,99,54,504	12,75,78,598	7,16,93,327

Note:

The particulars of sales, purchase, opening and closing stock given above represent broad categories, consisting of individual items that very in nature and price and quantity. Current year's figures are therefore not comparable with those of the previous year.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

34. Earnings per share

		March 31, 2018 (₹)	March 31, 2017 (₹)
A	Numerator used for calculating basic and diluted Earnings per share		
	Profit/(Loss)after Taxation	**28,62,036**	64,59,052
B	Weighted average number of shares used as denominator for calculating basic and diluted Earnings per share	**34,68,225**	34,68,225
C	Nominal value per share (₹)	**10**	10
D	Basic and diluted earnings per share (₹)	**0.83**	1.86

35. The details of provisions as required by the provisions of Accounting IND AS 37 "Provision, Contingent Liabilities and Contingent Assets are as under;

Nature of Provision	Leave Encashment and Gratuity (₹)
Opening Balance	**2,911,449**
Additional provisioning	15,56,724
Benefits paid during the year	4,37,405
Closing Balance	**40,30,768**

36. Amounts due to Micro, Small and Medium Enterprises:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act,2006" has been determined to the extend such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

	March 31, 2018 (₹)	March 31, 2017 (₹)
a) Principal amount due thereon remaining unpaid to any supplier at end of each accounting year.	-	-
b) Interest due there on remaining unpaid to supplier as at end of each accounting year.	-	-
c) The amount of interest paid in terms of Section 16 of Micro , Small and Medium Enterprises Development Act , 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

		March 31, 2018 (₹)	March 31, 2017 (₹)
e)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	**-**	-
f)	The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above paid to the small enterprise, for the purpose of are actually disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

37. There is no separate reportable segment, as the company is predominantly engaged in only one segment i.e. Retail outlets (Khazana). Therefore, the provisions of Ind AS – 108 issued by the Institute of Chartered Accountants of India , pertaining to segment reporting , is not applicable. There is only one geographical segment in which the company operates i.e. India.

38. Related Party Disclosure under AS – 18, issued by the Institute of Chartered Accountants of India

(a) Name of related parties are as under :

A.	**Holding Company**	The Indian Hotels Company Limited
B.	**Subsidiaries of Holding Company**	Taj SATS Air Catering Limited TIFCO Holdings Limited KTC Hotels Limited United Hotels Limited Roots Corporation Limited Piem Hotels Limited Inditravel Limited Northern India Hotels Limited Taj Enterprises Limited Benares Hotels Limited Lands End Properties Private Limited Luthria & Lalchandani Hotel & Properties Pvt. Ltd. Skydeck Properties and Developers Private Limited Sheena Investments Private Limited ELEL Hotels & Investments Limited Taj International Hotels (H.K) Limited Cheiftain Corporation NV IHOCO BV St. James Court Hotels Limited Taj International Hotels Limited Samsara Properties Limited Apex Hotel MGMT Services Pte Ltd PIEM International Hotels (H.K) Limited BAHC 5 (Pte Ltd) Apex Hotel Mangement Services (Australia) Pty Ltd United Overseas Holdings Inc. IHMS LLC

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

C.	**Joint Ventures of Holding Company**	Taj Kerala Hotels & Resorts Limited Taj Safaris Limited Kaveri Retreat & Resorts Limited Taj Madras Flight Kitchen Pvt Ltd Taj Karnataka Hotels & Resorts Ltd Taj GVK Hotels & Resorts Ltd TAL Hotels & Resorts Ltd IHMS Hotels (SA) (proprietary) Ltd

(b) The details of related parties' transactions during the year and outstanding balances as at 31st March 2018 are as follows:

Particulars	**Holding Company**		**Subsidiaries of Holding**	
	March 31, 2018 (₹)	March 31, 2017 (₹)	**March 31, 2018 (₹)**	**March 31, 2017 (₹)**
Deputed Staff cost	**18,20,326**	-	**18,65,958**	-
Operating / Licence fees paid	**1,52,40,433**	1,51,70,629	**-**	-
Dividend received	**-**	-	**-**	12,60,017
Sale of Inventory	**-**	-	**-**	-
Sale of Fixed Assets	**-**	-	**-**	-
Other operating Income	**-**	2,49,747	**-**	-
Dividend Paid	**16,16,999**	31,35,000	**5,50,766**	46,25,658
Purchase of services	**45,00,258**	46,32,509	**-**	-
Current account dues	**-**	99,38,424	**21,014**	-1,85,903

	Associates of Holding		**Joint Ventures**	
	March 31, 2018 (₹)	March 31, 2017 (₹)	**March 31, 2018 (₹)**	March 31, 2017 (₹)
Operating / Licence fees paid	**10,96,835**	11,83,385	**2,50,017**	2,11,197
Dividend received	**-**	3,32,818	**-**	-
Dividend Paid	**10,36,998**	2,51,250	**-**	-
Purchase of services	**2,28,038**	1,30,570	**13,000**	-
Current account dues	**(41,414)**	29,827	**52,232**	-

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

(c) Statement of material transactions

	March 31, 2018 ₹	March 31, 2017 ₹
Holding Company		
The Indian Hotels Company Ltd		
Dividend paid	**16,16,999**	31,35,000
Lease Rentals for Hotel/Factory Premises	**1,52,40,433**	1,51,70,629
Reimbursement of Deputed Staff Salary	**18,20,326**	-
Reimbursement of Fuel, Power, Light Etc	**20,26,597**	10,16,916
Reimbursement of Laundary expenses	**2,41,956**	3,40,282
Reimbursement of Other expenses	**22,31,725**	2,75,311
Sale of Inventory	**-**	-
Sale of Fixed Assets	**-**	-
Other Operating Income	**-**	2,49,747
Current account dues	**(51,146)**	99,38,424
Subsidiaries of Holding Company		
Piem Hotels Limited		
Dividend paid	**8,86,500**	22,16,250
Lease Rentals for Hotel/Factory Premises	**-**	-
Reimbursement of Deputed Staff Salary	**-**	-
Reimbursement of Fuel, Power, Light Etc	**-**	-
Reimbursement of Laundary expenses	**-**	-
Reimbursement of Other expenses	**-**	-
Sale of Inventory	**-**	-
Sale of Fixed Assets	**-**	-
Current account dues	**-**	-
Inditravel Limited		
Dividend Income - Non-Current Investment	**-**	12,60,017
Dividend paid	**5,50,766**	13,76,915
Reimbursement of Deputed Staff Salary	**18,65,958**	35,74,010
Current account dues	**21,014**	-
St. James Courts Hotels Limited		
Current account dues	**(1,85,903)**	(1,85,903)
TIFCO Holdings Limited		
Dividend paid	**-**	9,07,498

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	March 31, 2018 ₹	March 31, 2017 ₹
Northern India Hotels Limited		
Dividend paid	**49,998**	1,24,995
Associates of Holding Company		
Oriental Hotels Ltd		
Lease Rentals for Hotel/Factory Premises	**10,96,835**	11,83,385
Dividend Income - Non-Current Investment	**-**	3,32,818
Dividend paid	**1,00,500**	2,51,250
Reimbursement of Laundary expenses	**1,44,681**	61,180
Reimbursement of Other expenses	**83,357**	69,390
Current account dues	**1,40,089**	29,827
Joint Ventures		
Kaveri Retreat & Resorts Limited- Corporate		
Lease Rentals for Hotel/Factory Premises	**2,50,017**	2,11,197
Reimbursement of Laundry expenses	**13,000**	
Reimbursement of Other expenses	**56,439**	
Current account dues	**52,232**	-

39. Figures of the previous year have been regrouped/ rearranged wherever necessary so as to make them comparable with those of the current year.

Signatures to Notes 1 to 39.

For Chandrashekar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place : Mumbai
Dated : April 20, 2018

For and behalf of the Board

Farhat Jamal	**Faisal Momen**	**Nabakumar Shome**
Director	Director	Director
DIN : 01875688	DIN : 00064878	DIN : 03605594

United Hotels Limited

Directors and Corporate Information

Board of Directors

Rohit Khosla	Chairman
Rajinder Kumar	Working Director
Virinder Kumar	Working Director
Narinder Kumar	Working Director
Mohit Gupta	Director
Gaurav Pokhariyal	Director
Satyajeet Krishnan	Director

Audit Committee

Rohit Khosla
Rajinder Kumar
Mohit Gupta

Corporate Social Responsibility Committee

Rohit Khosla
Rajinder Kumar
Gaurav Pokhariyal

Company Secretary

P.K. Bhatia

Auditors

M/s. R. K. Khanna & Co.
Chartered Accountants

Bankers

Central Bank of India
Standard Chartered
HDFC Bank

Registered Office

United Hotels Limited
CIN – U74899DL1950PLC001861
Vivanta by TAJ - Ambassador New Delhi
Sujan Singh Park
New Delhi – 110 003

BOARD'S REPORT

The Directors hereby present the Sixty Seventh Annual Report of the Company together with the Financial Statement (Audited Statements of Account) for the year ended 31st March, 2018.

(₹ in Lakhs)

Financial Results	2017-18	2016-17
Total Income	4,136.37	3,950.08
Expenditure	3,800.51	3,445.63
Operating Profit Less:	**335.86**	**504.45**
Depreciation provided for the year	134.49	137.10
Profit before Tax	**201.37**	**367.35**
Provision for Taxation		
Current year	125.00	150.00
Short/(excess) of earlier years	(33.38)	-
Deferred Tax	(66.53)	(13.02)
Profit after Tax for the year	**176.28**	**230.36**
(i) Ind AS- OCI Movements – Net Defined Benefit Plans	(29.77)	(0.52)
Total Comprehensive Income for the year	**146.51**	**229.84**
Add/(Less) :		
(i) Profit brought forward from Previous Year	378.41	479.51
Balance available for appropriation		
Appropriation:		
(i) Dividend @ 10 % i.e. ₹ 84.00 lakh, {Previous year dividend @ 10%} on 84,00,000 Equity Shares, which, if approved, by the shareholders at the ensuing Annual General Meeting. will be paid out of the provision for Dividend	84.00	84.00
(ii) Tax on Dividend	17.10	68.40
(iii) General Reserves	-	-
(iv) Balance carried forward	423.80	378.41

OPERATIONS

The Company achieved a Total Income of ₹ 41.36 crores during 2017-18 as against the Total Income of ₹ 39.50 crores in the previous year. The Profit before Tax for the current year was ₹ 2.01 crores as against ₹ 3.67 crores in the previous year. The decrease in profit before tax was primarily due to the expenses incurred on refurbishment of rooms and provision for contingencies. The Profit after Tax was ₹ 1.76 crores as against ₹ 2.30 crores in the previous year.

DIVIDEND

In view of the performance of the Company, your Directors recommend the payment of a dividend @ ₹ 1.00 per share on 84,00,000 Equity Shares of ₹ 10/- each amounting to ₹ 84.00 lakh.

PARTICULARS OF EMPLOYEES

The Company had no employees during the year who were in receipt of remuneration aggregating to:

(a) Not less than ₹ 102.00 lacs for the year, if employed throughout the financial year, or

(b) Not less than ₹ 8.50 lacs per month, if employed for part of the financial year.

DIRECTORS

During the year under report, Mr. Rajeev Newar resigned from the Directorship of the Company w.e.f. August 1, 2017. The Directors place on record its appreciation of the services rendered by Mr. Newar during his tenure as a Director of the Company.

Mr. Mohit Gupta was appointed as Additional Director of the Company effective October 16, 2017 and holds office up to the date of the forthcoming Annual General Meeting. It is proposed to appoint Mr. Gupta as Director of the Company at the ensuing Annual General Meeting. The Board commends his appointment.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Narinder Kumar, Mr. Virinder Kumar and Mr. Rohit Khosla, Directors of the Company are liable to retire by rotation and being eligible seek reappointment.

Subject to the approval of the shareholders, Mr. Rajinder Kumar and Mr. Virinder Kumar, Working Directors of the Company Working have been re-appointed by the Board of Directors of the Company for a further term of 5 years w.e.f. 01.04.2018 on expiry of their term of appointment on March 31, 2018. Taking into consideration their knowledge and experience, the Board commends their re-appointment as Working Directors of the Company. The approval for their re- appointment as Working Directors has been sought in the Notice convening the Annual General Meeting of the Company.

HOLDING, SUBSIDIARY COMPANIES

The Indian Hotels Company Limited (IHCL) is the ultimate Holding Company of the Company. The Company does not have any subsidiary company.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

The Company had convened 4 (four) Board Meetings during the financial year under report.

AUDIT COMMITTEE

Your Company has an Audit Committee of Directors with Mr. Rohit Khosla, Mr. Rajinder Kumar and Mr. Mohit Gupta as its members.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013 (the Act), your Company has a Corporate Social Responsibility (CSR) Committee with Mr. Rohit Khosla, Mr. Rajinder Kumar and Mr. Gaurav Pokhariyal as the members of the Committee. The terms of reference of the CSR Committee include the matters specified in Section 135 of the Act read with rules thereunder. Your Company has adopted the Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company and the monitoring thereof as recommended by the CSR Committee. The details as required under Section 135 of the Companies Act, 2013 read with rule 8 of (Corporate Social Responsibility Policy) Rules, 2014, are given in Annexure – 1 to this Report.

INTERNAL COMPLAINTS COMMITTEE

The Company has an 'Internal Complaints Committee' under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the prevention and redressal of complaints of sexual harassment and for the matters concerned, connected or incidental thereto.

During the financial year 2017-18, the Company received one complaint at Vivanta by Taj – Ambassador, on sexual harassment. After completion of investigation, the services of the accused employee have been terminated.

LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186

During the year under report, the Company has placed/renewed a sum of ₹ 5.00 crores as short term Inter Corporate Deposit with bodies corporate within the limits prescribed under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business. A statement giving details of all related party transactions is placed before the Audit Committee for their approval on quarterly basis.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure – 2 and is attached to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial control and compliance systems established and maintained by the company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditor and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company' internal financial controls were adequate and effective during the financial year 2017-18.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability, confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that period;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts on a going concern basis; and

e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no activity relating to energy conservation or technology absorption as it is a service industry.

The details of Foreign Exchange earnings and outgo are furnished below.

Particulars	**31-Mar-18 INR**	31-Mar-17 INR
Earning in Foreign exchange receipt (excluding taxes)	**97,073,591**	98,533,910
Expenses in Foreign exchange including capital expenditure	**7,903,564**	7,074,317

RISK MANAGEMENT

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Companies Act, 2013 ("the Act") and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, there were no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee.

DEPOSITS

Your Company has not accepted any deposits from public covered under Chapter V of the Act

BORROWINGS

The Company does not have any borrowings.

AUDITORS

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Auditors' Report.

At the Annual General Meeting the Members will be required to appoint the Auditors and fix their remuneration.

ACKNOWLEDGMENTS

The Directors record their grateful appreciation of the devoted services rendered by all the employees, which made possible the results achieved by the Company.

On behalf of the Board of Directors

Place: New Delhi
Date: May 2, 2018
Regd. Office:
Vivanta by Taj - Ambassador
Sujan Singh Park
New Delhi 110 003

Rohit Khosla
Chairman
(DIN: 07163135)

Annexure I

Annual Report on Corporate Social Responsibility Activities
[Pursuant to (Companies Corporate Social Responsibility Policy) Rules, 2014]

1. A Brief Outline of the Policy

   The CSR Policy of the Company is aimed to improving the quality of the life of the communities we serve through long term stakeholder value creation. Accordingly, the CSR activities/programs were undertaken in line with and as specified in Schedule VII of the Act to serve and to be seen to serve society and community and create significant and sustained impact in their lives and provide opportunities for Tata employees to contribute to these efforts through volunteering.

2. The composition of the CSR Committee :-
   Chairman: Mr. Rohit Khosla
   Member: Mr. Rajinder Kumar
   Member: Mr. Gaurav Pokhariyal

3. Average Net Profit of the company for last three financial years: ₹ 607.52 lakhs

4. Prescribed CSR expenditure: - ₹ 12.15 lakhs

5. Details of CSR spent for the financial year is: - ₹ 12.16 lakhs

   A) Manner in which the amount spent during financial year, is detailed below:-

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes	Amount outlay (budget) project/ programme wise (₹ In lakhs)	Amount spent on the project/ programme (₹ In lakhs)	Cumulative expenditure up to 31st March, 2018 (₹ In lakhs)	Amount spent: Direct/ through implementing agency
1	Contribution to Sai Milan NGO for Mid-Day Meal Programme (AAP KI RASOI)	Eradicating Extreme Hunger & Poverty	Local area/ others	2.00	1.20	1.20	through implementing agency
2	Adoption of Rail Museum -Railway Board-Ministry of Railways under CSR committee Delhi Hotels. Upkeep and cleanliness of National Railway Museum at New Delhi.	Conservation of Heritage Sites	Local area/ others	5.00	7.27	7.27	through implementing agency
3	Environment activity at Neighborhoods – Cleanliness of Hotel Periphery under CSR committee Delhi Hotels	Environment Sustainability & Upkeep of Public Facilities & Properties	Local area/ others	4.50	3.69	3.69	through implementing agency
4	Contribution to support Education by reimbursement of Annual School fees for 2 girls through NGO.	Promotion of Education	Local area/ others	0.50	-	-	through implementing agency
			TOTAL	**12.00**	**12.16**	**12.16**	

6. The CSR Committee Responsibility Statement.

   The activities of the Company are in compliances with the CSR objectives and CSR policy of the Company.

On behalf of the Board of Directors

Place: New Delhi
Date: May 2, 2018
Regd. Office:
Vivanta by Taj - Ambassador
Sujan Singh Park
New Delhi 110 003

Rohit Khosla
Chairman, CSR Commitee
(DIN: 07163135)

Rajinder Kumar
Director
(DIN: 00053878)

Annexure II

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details:

i)	CIN	U74899DL1950PLC001861
ii)	Registration Date	November 07, 1950
iii)	Name of the Company	United Hotels Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares/Indian Non Government company
v)	Address of the Registered Office and contact details	Vivanta by Taj – Ambassador Sujan Singh park New Delhi – 110 003 011 – 6626 1000
vi)	Whether listed company	No
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	N/A

Ii. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Hoteilering	55101	100%

III. Particulars of Holding, Subsidiary and Associate Companies -

Sr. N0	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	The Indian hotels Company Limited Mandlik House, Mandlik Road, Mumbai – 400 001	L74999MH1902PLC000l83	Ultimate Holding	55% (together with subsidiaries)	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category – wise Share Holding:

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the Year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	Nil	33,93,600	33,93,600	40.40	Nil	33,93,600	33,93,600	40.40	Nil
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	Nil	49,22,400	49,22,400	58.60	Nil	49,22,400	49,22,400	58.60	Nil
e) Banks / FI									
f) Any other									
Sub-total (A)(1)	**Nil**	**83,16,000**	**83,16,000**	**99.00**	**Nil**	**83,16,000**	**83,16,000**	**99.00**	**Nil**
(2) Foreign									
(a) NRIs- Individuals									
(b) Other- Individuals									
(c) Bodies Corporate									
(d) Banks/FI									
(e) Any Other									
Sub-total (A)(2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total Shareholding of Promoter (A) =(A)(1)+(A)(2)	**Nil**	**83,16,000**	**83,16,000**	**99.00**	**Nil**	**83,16,000**	**83,16,000**	**99.00**	**Nil**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others(specify)									
Sub-total (B)(1)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	Nil	84,000	84,000	1.00	Nil	84,000	84,000	1.00	Nil
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	Nil	84,000	84,000	1.00	Nil	84,000	84,000	1.00	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	84,000	84,000	1.00	Nil	84,000	84,000	1.00	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	84,00,000	84,00,000	100	Nil	84,00,000	84,00,000	100	Nil

(ii) Shareholding of Promoters:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	
1.	The Indian Hotels Company Ltd.	2518320	29.98	Nil	2518320	29.98	Nil	Nil
2.	TIFCO Holdings Limited	2101680	25.02	Nil	2101680	25.02	Nil	Nil
3.	New Delhi Hotels Limited	302400	3.60	Nil	302400	3.60	Nil	Nil
4.	Narinder Kumar	786240	9.36	Nil	672000	8.00	Nil	Nil
5.	Veena Khanna	651840	7.76	Nil	537600	6.40	Nil	Nil
6.	Pawan Prashad	651840	7.76	Nil	537600	6.40	Nil	Nil
7.	Rajinder Kumar	651840	7.76	Nil	537600	6.40	Nil	Nil
8.	Virinder Kumar	651840	7.76	Nil	537600	6.40	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	83,16,000	99	83,16,000	99
	Date wise increase /decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	83,16,000	99	83,16,000	99

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Maharwal Mahipal Singhji				
	At the beginning of the year	84,000	1.00	84,000	1.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if Separated during the year)	84,000	1.00	84,000	1.00

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Rajinder Kumar (Working Director)				
	At the beginning of the year	6,51,840	7.76	6,51,840	7.76
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	6,51,840	7.76	6,51,840	7.76
2	Mr. Narinder Kumar (Working Director)				
	At the beginning of the year	7,86,240	9.36	7,86,240	9.36
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	7,86,240	9.36	7,86,240	9.36
3	Mr. Virinder Kumar (Working Director)				
	At the beginning of the year	6,51,840	7.76	6,51,840	7.76
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	6,51,840	7.76	6,51,840	7.76

V. Indebtedness

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2017-18.

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager (Working Directors)			Total Amount (₹ In Lacs)
		Mr. Rajinder Kumar	Mr. Virinder Kumar	Mr. Narinder Kumar	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	28.50 0.29 -	27.50 0.29 -	25.51 0.29 -	81.51 0.87 -
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify…	-	-	-	-
5.	Others, please specify				
	Total (A)	**28.79**	**27.79**	**25.80**	**82.38**
	Ceiling as per the Act				(As per Schedule V – ₹ 84.00 Lacs)

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ in Lacs)
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	NA	NA	NA	NA		NA
	Total (1)						
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Mr. Rohit Khosla	Mr. Rajeev Newar	Mr. Gaurav Pokhariyal	Mr. Satyajeet Krishnan	Mr. Mohit Gupta	
	Total (2)	Nil	Nil	Nil	Nil		Nil
	Total (B)=(1+2)						Nil
	Total Managerial Remuneration						
	Overall Ceiling as per the Act		1% of the Net Profit of the Company				

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify…				
5	Others, please specify				
	Total	**NA**	**NA**	**NA**	**NA**

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties/ punishments/ compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

On behalf of the Board of Directors

Date: May 2, 2018

Regd. Office:
Vivanta by Taj - Ambassador
Sujan Singh Park, New Delhi

Rohit Khosla
Chairman
(DIN: 07163135)

Independent Auditors' Report

To the Members of United Hotels Limited

1. Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of United Hotels Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information herein referred to as "Ind AS financial statements.".

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of the affairs of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date..

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016, (the Order) issued by the Central Government of India in terms of section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

2. As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement and changes in Equity dealt with by the report are in agreement with the books of account.

   d) in our opinion, the aforesaid Financial Statements comply with the Accounting Standards referred to in section 133 of the Act, read with relevant rule issued thereunder.

   e) on the basis of written representations received from the directors as on 31st March 2018 and taken on record by Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in ''Annexure B''.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statement- refer Note 31 to the Ind AS financial statements.

      ii. the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N
Vipin Bali
Partner
M.No. 083436

Place: New Delhi
Date: 2nd May, 2018

Annexure A of our Independent Auditor's Report of even date on the Ind AS financial statements as at and for the year ended 31st March 2018 of United Hotels Limited

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) A substantial part of the fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c) According to the information and explanations, and the records provided to us, the Company does not have immovable property, hence no comment is required under paragraph 3 (i) (c) of the Order.

2. Inventory has been physically verified during the year by the management and no material discrepancies were noticed. In our opinion, the frequency of verification is reasonable.

3. During the year the Company has not granted any loans, secured or unsecured, to companies covered in the register maintained u/s 189 of the Act.

4. As per information and explanations given to us and records examined, the provisions of sections 185 and 186 of the Act to the extent applicable have been complied with in respect of investments and loans.

5. According to the information and explanations given to us and records examined, the Company has not accepted any deposits that are covered by paragraph 3 (v) of the Order.

6. According to the information and explanations given to us, maintenance of the cost records under section 148 (1) of the Companies Act, 2013 is not applicable to the Company.

7. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable.

   b) According to the information and explanations given to us and the records of the Company examined by us, we report that the company has no pending dispute in respect of income tax, sales-tax, service tax or duty of custom, duty of excise or value added tax, except as mentioned below:

Year to which demand relates	Amount involved (₹)	Forum where dispute is pending
A.Y. 1998-99	99,18,571	Hon'ble High Court of Delhi- appeal filed by the department against order in the favour of the company
A.Y. 2015-16	81,84,000	CIT (Appeals), New Delhi

8. As per information and explanations furnished to us and on verification of the records produced, the Company has not defaulted in repayment of loans and borrowing to a financial institution/ bank/ government. The Company has not issued any debentures.

9. As per information and explanations given to us and as per verification of the records produced before us, the Company does not have any term loans or raised money by way of initial public offer or further public offer (including debt instruments), hence no comment is required under paragraph 3 (ix) of the Order.

10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the management.

11. As per information and explanations furnished to us and on examination of the records produced, the company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V of the Act.
12. The Company is not a Nidhi Company, hence, no comment is required under paragraph 3 (xii) of the Order.
13. As per information and explanations furnished to us and on examination of the records produced, the transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. As per information and explanations furnished to us and on verification of the records produced, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence, no comment is required under paragraph 3 (xiv) of the Order.
15. As per information and explanations furnished to us and on verification of the records produced, the Company has not entered into any non–cash transactions referred to in section 192 of the Act with directors or person connected with him during the year. Hence, no comment is required under paragraph 3 (xv) of the Order.
16. As per information and explanations furnished to us and on verification of the records produced, we are of the opinion that the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N
Vipin Bali
Partner
M.No. 083436

Place: New Delhi
Date: 2nd May, 2018

Annexure "B" to the Independent Auditor's report of even date on the Financial Statements as at and for the year ended 31st March 2018 of United Hotels Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of United Hotels Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively man material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally preparation of financial statements in accordance with generally expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect of the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N
Vipin Bali
Partner
M.No. 083436

Place: New Delhi
Date: 2nd May, 2018

Balance Sheet as at March 31, 2018

	Note	**Mar 31, 2018 ₹ Lakhs**	Mar 31, 2017 ₹ Lakhs
Assets			
Non-current Assets			
Property, Plant and Equipment	3	**966.76**	929.25
Intangible Assets	4	**20.94**	27.16
		987.70	956.41
Non-current Financial Assets			
Investments	5	**155.05**	1.14
Other Financial Assets	6	**15.64**	16.24
Deferred Tax Assets(Net)	7	**143.57**	77.05
Advance Income Tax (Net)	8	**99.02**	75.99
Other Non Current Assets	14	**91.36**	54.01
		504.65	224.43
Current Assets			
Inventories	9	**61.72**	49.96
Current Financial Assets			
Trade Receivables	10	**119.84**	110.46
Cash and Cash Equivalents	11	**1,199.42**	1,463.39
Loans	12	**500.00**	175.00
Other Financial Assets	13	**59.47**	40.62
Other Current Assets	14	**57.09**	106.24
		1,997.54	1,945.66
Total		**3,489.89**	3,126.51
Equity and Liabilities			
Equity			
Equity Share Capital	15	**840.00**	840.00
Other Equity	16	**1,618.05**	1,418.75
Total Equity		**2,458.05**	2,258.75
Non-current Liabilities			
Provisions	20	**65.49**	30.49
		65.49	30.49
Current Liabilities			
Financial Liabilities			
Trade Payables	17	**66.54**	205.98
Other Financial Liabilities	18	**340.19**	179.48
Other Current Liabilities	19	**126.54**	123.67
Provisions	20	**433.06**	328.14
		966.34	837.26
Total		**3,489.89**	3,126.51
Summary of significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1-35		

For and on behalf of the Board

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Rajinder Kumar	**Mohit Gupta**	**P.K. Bhatia**	**Vipin Bali**
Director	Director	Company Secretary	Partner
DIN 00053878	DIN 01865794		M. No.083436
			Date :
			Place : New Delhi

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Statement of Profit and Loss for the year ended March 31, 2018

	Note	**Mar 31, 2018 ₹ Lakhs**	Mar 31, 2017 ₹ Lakhs
Income			
Room, Restaurants, Banquets and Income from Operations	21	**4,034.84**	3,844.69
Other Income	22	**101.53**	105.40
Total Income		**4,136.37**	3,950.08
Expenses			
Food and Beverages Consumed	23	**440.58**	426.40
Employee Benefits Expense and Payment to Contractors	24	**1,012.06**	1,004.43
Depreciation and amortisation expenses	3&4	**134.49**	137.10
Other Operating and General Expenses	25	**2,347.89**	2,014.80
Total Expenses		**3,935.03**	3,582.74
Profit before Tax		**201.35**	367.35
Tax Expenses:			
Current Tax		**125.00**	150.00
Short/(excess) of earlier years		**(33.38)**	-
Deferred Tax		**(66.53)**	(13.02)
Total Taxes		**25.09**	**136.98**
Profit after Tax for the year		**176.26**	**230.36**
Other comprehensive income, net of tax			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**(29.77)**	(0.52)
Change in fair value of equity instruments designated irrevocably as FVTOCI		**153.91**	0.31
Less:- Income tax expenses		**-**	-
		124.14	(0.21)
Item that will be reclassified subsequently to profit and loss		**-**	-
Other Comprehensive Income for the period, net of tax		**124.14**	**(0.21)**
Total Comprehensive Income for the period		**300.40**	**230.15**
Earnings Per Equity Share:			
Basic and Diluted	26	**2.10**	2.74
Summary of significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements			

For and on behalf of the Board

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Rajinder Kumar
Director
DIN 00053878

Mohit Gupta
Director
DIN 01865794

P.K. Bhatia
Company Secretary

Vipin Bali
Partner
M. No.083436
Date :
Place : New Delhi

Statement of Changes in Equity as at March 31, 2018

Particulars	Equity Share Capital Subscribed	Reserves and Surplus				Equity Instruments through OCI	Total
		Capital Reserve	General Reserve	Other reserves	Retained Earnings		
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Balance as at 1st April, 2016	840.00	11.41	1,551.75	-	654.07	(624.21)	2,433.01
Profit for the year ended March 31, 2017					230.36		230.36
Other Comprehensive Income for the year ended March 31, 2017, net of taxes, (excluding actuarial gain/ losses, given below)						0.31	0.31
Remeasurements of post employment benefit obligation, net of tax					(0.52)		(0.52)
Total Comprehensive Income for the year ended March 31, 2017	-	-	-	-	**229.84**	**0.31**	**230.15**
Add/ Less:							
Dividends				-	(336.00)		(336.00)
Tax on Dividend				-	(68.40)		(68.40)
Balance as at March 31, 2017	**840.00**	**11.41**	**1,551.75**	-	**479.51**	**(623.91)**	**2,258.75**
Profit for the Period ended Mar 31, 2018					176.26		176.26
Other Comprehensive Income for the Period ended March 31, 2018, net of taxes, (excluding actuarial gain/ losses, given below)						153.91	153.91
Remeasurements of post employment benefit obligation, net of tax					(29.77)		(29.77)
Total Comprehensive Income for the Period ended Mar 31, 2018	-	-	-	-	146.49	153.91	300.40
Add/ Less:							
Dividends				-	(84.00)		(84.00)
Tax on Dividend				-	(17.10)		(17.10)
Balance as at Mar 31, 2018	**840.00**	**11.41**	**1,551.75**	-	**524.90**	**(470.00)**	**2,458.05**

For and on behalf of the Board

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Rajinder Kumar
Director
DIN 00053878

Mohit Gupta
Director
DIN 01865794

P.K. Bhatia
Company Secretary

Vipin Bali
Partner
M. No.083436
Date :
Place : New Delhi

Cash Flow Statement for the year ended March 31, 2018

Particulars	Mar 31, 2018 ₹ Lakhs	Mar 31, 2017 ₹ Lakhs
Cash Flow From Operating Activities		
Profit Before Tax	**201.37**	367.35
Adjustments For:	**-**	-
Depreciation	**134.49**	137.10
Loss/(Profit) on sale of Assets	**4.64**	(0.02)
Provision for Doubtful Debts	**0.25**	1.22
Interest Income	**(99.29)**	(102.23)
Accrual of SEIS Income	**(36.48)**	(27.44)
Provision for Employee Benefits	**10.16**	13.69
	13.78	22.32
Cash Operating Profit before working capital changes	**215.15**	389.66
Adjustments for Increase/(decrease) in operating assets/liabilities	**-**	-
Trade and Other Receivables	**48.61**	(2.36)
Inventories	**(11.77)**	1.83
Trade and Other Payables	**124.12**	53.44
	160.97	52.90
Cash Generated from Operating Activities	**376.12**	442.57
Income Tax Refunds	**18.40**	1.40
Direct Taxes Paid	**(161.26)**	(171.45)
Net Cash Generated From Operating Activities	**233.26**	**272.52**
Cash Flow From Investing Activities		
Purchase of Fixed Assets	**(170.47)**	(112.82)
Sale of Fixed Assets	**0.05**	0.08
Interest Received	**99.29**	102.23
Inter Corporate Deposits placed with Benaras Hotels Ltd.	**(500.00)**	-
	175.00	-
Net Cash Used In Investing Activities	**(396.13)**	**(10.52)**
Cash Flow from Financing Activities		
Dividend Paid (Including tax on dividend)	**(101.10)**	(404.40)
Net Cash Used In Financing Activities	**(101.10)**	(404.40)
Net Increase / (Decrease) in Cash and Cash Equivalents	**(263.97)**	(142.40)
Cash and Cash Equivalents- Opening-1st April	**1,463.39**	1,605.79
Cash and Cash Equivalents-closing -31st March	**1,199.42**	1,463.39

For and on behalf of the Board

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Rajinder Kumar
Director
DIN 00053878

Mohit Gupta
Director
DIN 01865794

P.K. Bhatia
Company Secretary

Vipin Bali
Partner
M. No.083436
Date :
Place : New Delhi

Notes to the Financial Statements for the year ended March 31, 2018

Note 1. Corporate Information

United Hotels Limited ("UHL" or the "Company"), is a public limited company incorporated in 1950 and has its registered office at Vivanta by Taj – Ambassador, Sujan Singh Park, New Delhi – 110 003. The Company is primarily engaged in the business of Hoteliering and other allied services. The Indian Hotels Company Limited owned 55% of the equity capital of the company and is the holding company.

Note 2. Significant Accounting Policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements. The Company has adopted all issued Indian Accounting Standards (Ind AS), as applicable.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the

Notes to the Financial Statements for the year ended March 31, 2018

actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation ad its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(d) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

(e) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund authorities.

ii. Gratuity Fund

The Company has defined benefit plan for post-retirement benefit in the form Gratuity which is administered through LIC for all employees in hotel payroll. The company's contribution to Defined Benefit Plan is charged to the statement of profit and loss as paid. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date.

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

Notes to the Financial Statements for the year ended March 31, 2018

iv. Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(O) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc	6 years
Assets costing less than ` 5000	4 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(g) Intangible Assets:

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets is as under:

Class of Assets	Estimated Useful Life
Software and Licences	6 years

Notes to the Financial Statements for the year ended March 31, 2018

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

(h) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(i) Foreign currency translation:

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(j) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised

Notes to the Financial Statements for the year ended March 31, 2018

for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

(k) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(l) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(m) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Notes to the Financial Statements for the year ended March 31, 2018

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(n) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(o) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(p) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(q) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(r) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary

Notes to the Financial Statements for the year ended March 31, 2018

items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(s) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

(t) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Notes to the Financial Statements for the year ended March 31, 2018

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Notes to the Financial Statements for the year ended March 31, 2018

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Notes to the Financial Statements for the year ended March 31, 2018

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after April 1, 2018.

Ind AS 115- Revenue from Contract with Customers:

Ind AS 115 will supersede the existing revenue recognition standard 'Ind AS 18 – Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company has completed its preliminary evaluation of the possible impact of Ind AS 115 and will adopt it retrospectively with the cumulative effect of initially applying this standard recognised as an adjustment to the opening balance of retained earnings at the date of initial application i.e. April 1, 2018 and accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. This standard is applied retrospectively only to the contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of new standard to be material on its retained earnings and to its net income on an ongoing basis.

Ind AS 21 – The effect of changes in Foreign Exchange rates (Appendix B)

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation."

Notes to the Financial Statements for the year ended March 31, 2018

Note 3 : Property, Plant and Equipment

Particulars	Plant & Equipment ₹ Lakhs	Furniture and Fixtures ₹ Lakhs	Office Equipments ₹ Lakhs	Total ₹ Lakhs	Capital Work in Progress ₹ Lakhs
Gross Block at Cost					
At April 1, 2016	834.04	210.38	36.97	1,081.38	4.16
Additions	78.05	13.76	13.81	105.62	101.45
Disposals			0.36	0.36	
Adjustments	(0.04)	0.97	(0.92)	-	
Transfer					105.62
At Mar 31, 2017	**912.04**	**225.10**	**49.50**	**1,186.64**	**-**
At April 1, 2017	912.04	225.10	49.50	1,186.64	-
Additions	144.54	7.22	18.71	170.47	170.47
Disposals	11.72		-	11.72	
Transfer					170.47
At Mar 31, 2018	**1,044.86**	**232.32**	**68.21**	**1,345.39**	**-**
Depreciation					
At April 1, 2016	85.88	33.13	9.09	128.09	
Charge for the year	89.07	31.24	9.30	129.61	
Disposals			0.31	0.31	
At Mar 31, 2017	**174.95**	**64.37**	**18.07**	**257.39**	**-**
Depreciation					
At April 1, 2017	174.95	64.37	18.07	257.39	
Charge for the year	94.23	23.74	10.30	128.27	
Disposals	7.03			7.03	
At Mar 31, 2018	**262.15**	**88.11**	**28.37**	**378.62**	**-**
Net Block					
At Mar 31, 2017	**737.09**	**160.73**	**31.43**	**929.25**	**-**
At Mar 31, 2018	**782.72**	**144.21**	**39.84**	**966.76**	**-**

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Notes to the Financial Statements for the year ended March 31, 2018

Note 4 : Intangible Assets

Particulars	Software ₹ Lakhs
Gross Block at Cost	
At April 1, 2016	27.06
Additions	11.37
Disposals	-
At April 31, 2017	38.43
At April 1, 2017	38.43
Additions	-
Disposals	-
At April 31, 2018	38.43
Depriciation	
At April 1, 2016	3.77
Charge for the year	7.49
Disposals	-
At April 31, 2017	11.26
At April 1, 2017	11.26
Charge for the year	6.23
Disposals	-
At April 31, 2018	17.49
Net Block	
At April 31, 2017	27.16
At April 31, 2018	20.94

Footnotes :

Software includes Customer Reservation System and other licensed software.

Note 5 : Investment at fair value through OCI (Fully paid)

	Face Value	Holding as at 31.03.2018 (nos.)	₹ Lakhs	Holding as at 31.03.2017 (nos.)	₹ Lakhs
Fully Paid Unquoted Equity Instruments					
Taj Air Limited	10/-	**6,250,000**	**154.38**	6,250,000	-
Fully Paid Quoted Equity Investments					
Graviss Hospitality Limited	2/-	**4,500**	**0.68**	4,500	1.14
TOTAL			**155.05**		**1.14**
Notes:-					
Aggregate of Unquoted Investments - Gross	Cost		**625.00**		625.00
Aggregate of Quoted Investments - Gross	Cost		**0.05**		0.05
	Market Value		**0.68**		1.14

Notes to the Financial Statements for the year ended March 31, 2018

Note 6 : Other Financial Assets

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Non Current		
Deposits with Public Bodies and Others		
with related parties	-	-
with Public Bodies and Others	6.32	6.92
	6.32	6.92
Deposits with Banks	9.32	9.32
(Term deposit with banks maturing after 12 months from the Balance Sheet date and pledged with Sales Tax Authorities)		
Total	15.64	16.24

Note 7 : Deferred Tax Assets(Net)

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Deferred Tax Assets:		
Provision for doubtful debts	5.12	5.05
Provision for Employee Benefits	14.40	9.27
Provision for Contingencies	117.10	89.55
Provision for Revision in Minimum Wages	33.50	-
	170.12	103.86
Deferred Tax Liabilities:		
Depreciation on Property, Plant & Equipment and Intangible Assets	49.27	49.54
Total	120.85	54.33
Unused Tax Credit (MAT Credit Entitlement)	22.72	22.72
Total	143.57	77.05

Note 8 : Advance Income Tax (Net)

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Advance Income Tax Paid (net)	99.02	75.99
Total	99.02	75.99

Notes to the Financial Statements for the year ended March 31, 2018

Note 9 : Inventories (At lower of cost or net realisable value)

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Food and Beverages	53.58	38.74
Stores and Operating Supplies	8.14	11.21
Total	61.72	49.96

Note 10 : Trade Receivables

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Outstanding over six months from the date they were due for payment:		
Unsecured, considered good	**8.09**	3.86
Considered doubtful	**18.57**	18.32
	26.66	22.18
Others:		
Unsecured, considered good	**111.75**	106.60
	138.41	128.78
Less: Allowance for doubtful debts	**18.57**	18.32
Total	**119.84**	**110.46**
Allowance for doubtful debts		
Opening Balance	**18.32**	17.11
Add:- Allowance for the year	**6.06**	6.42
	24.38	23.52
Bad debts written off	**(4.48)**	(2.08)
Reversal of allowance	**(1.32)**	(3.13)
Total	**18.57**	18.32

Note 11 : Cash and Cash equivalents

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Cash on Hand	1.50	1.50
Balance with bank in current accounts	**147.92**	161.89
Term deposits with Banks having maturity of less than 3 months	**1,050.00**	1,300.00
TOTAL	**1,199.42**	1,463.39

Notes to the Financial Statements for the year ended March 31, 2018

Note 12 : Loans

Note 12 : Loans	**March 31, 2018**	March 31, 2017
	₹ Lakhs	₹ Lakhs
Current		
(Unsecured, considered good unless stated otherwise)		
Related Parties		
Taj Air Ltd.	-	175.00
Benaras Hotels Limited	500.00	-
Total	500.00	175.00

Note 13 : Other Financial Assets

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Current		
Deposit with public bodies and others	2.39	2.39
Other Advances		
Considered good	20.56	12.83
Considered doubtful	-	-
	20.56	12.83
Interest Receivable		
Related Parties	1.22	2.52
Others	20.05	17.51
	21.27	20.03
On Current Account dues :		
Related Parties	3.48	0.25
Others	11.78	5.13
	15.25	5.38
Total	59.47	40.62

Note 14: Other Non Financial Assets

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Non Current		
Capital Advances	4.38	3.50
Export Incentive (SEIS) Receivable	86.98	50.51
	91.36	54.01
Current		
Prepaid Expenses	50.87	39.01
Advance to Suppliers	4.86	62.12
Advance to Employees	1.37	1.63
Others	-	3.48
	57.09	106.24

Notes to the Financial Statements for the year ended March 31, 2018

Note 15 : Equity Share Capital

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Authorised Share capital		
Equity Shares		
1,00,00,000 Equity Shares (Previous Year 1,00,00,000 equity shares of ₹ 10/-each)	**1,000.00**	1,000.00
	1,000.00	1,000.00
Issued, Subscribed and Paid up		
Equity Shares		
84,00,000 Fully Paid-Up Equity Shares (Previous Year 84,00,000 Fully Paid Equity Shares of ₹ 10/- each)	**840.00**	840.00
	840.00	**840.00**

a) Reconciliation of Equity Shares outstanding at the beginning and at the end of the period.

	March 31, 2018		March 31, 2017	
	No. of Shares	₹ Lakhs	No. of Shares	₹ Lakhs
As at the beginning of the Year	8,400,000	840.00	8,400,000	840.00
Add:- Shares Issued during the year	-		-	-
As at the end of the year	8,400,000	840.00	8,400,000	840.00

b) Shareholders holding more than 25% Equity Shares in the Company

Shareholder	**March 31, 2018**		March 31, 2017	
	No. of Shares	% holding	No. of Shares	% holding
The Indian Hotels Co. Ltd.(Holding Company)	2,518,320	29.98%	2,518,320	29.98%
TIFCO Holdings Ltd.-a subsidiary of The Indian Hotels Co. Ltd.	2,101,680	25.02%	2,101,680	25.02%
(Shares held by Holding Company along with subsidiaries)				
TOTAL	4,620,000	55.00%	4,620,000	55.00%

The Indian Hotels Company Limited is the Holding of the Company

c) Shareholders holding more than 5% Equity Shares in the Company

Shareholder	**March 31, 2018**		March 31, 2017	
	No. of Shares	% holding	No. of Shares	% holding
Mr. Rajinder Kumar	651,840	7.76%	651,840	7.76%
Mr. Narinder Kumar	786,240	9.36%	786,240	9.36%
Mrs.Veena Khanna	651,840	7.76%	651,840	7.76%
Mr. Pawan Pershad	651,840	7.76%	651,840	7.76%
Mr. Virender Kumar	651,840	7.76%	651,840	7.76%
TOTAL	3,393,600	40.40%	3,393,600	40.40%

d) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the apporval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Financial Statements for the year ended March 31, 2018

Note 16: Other Equity

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Capital Reserve		
Opening and Closing Balance	**11.41**	11.41
General Reserve		
Opening Balance	**1,551.75**	1,551.75
Add: Transferred from Surplus in Statement of Profit and Loss	**-**	-
Closing Balance	**1,551.75**	1,551.75
Retained Earnings		
Opening Balance	**479.51**	654.07
Add:-Net Profit for the current year	**176.26**	230.36
Less:-Dividend Paid	**84.00**	336.00
Less:-Tax on Dividend	**17.10**	68.40
Less:-Transfer to General Reserves	**-**	-
Less: Ind AS- OCI Movements - Net Defined Benefit Plans	**29.77**	0.52
Less: Ind AS- OCI Movements - Tax on Net Defined Benefit Plans	**-**	-
Closing Balance	**524.90**	479.51
Other Reserves		
FVOCI - Equity Instruments		
Opening Balance	**(623.91)**	(624.21)
Add: Change in fair value of equity instruments designated irrevocably as FVTOCI	**153.91**	0.31
Closing Balance	**(470.00)**	(623.91)
TOTAL	**1,618.05**	**1,418.75**

Notes to the Financial Statements for the year ended March 31, 2018

Note 17 : Trade Payables

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Micro and Small Enterprises	**0.73**	1.65
Vendor Payables other than above	**40.85**	110.80
Accured expenses and others	**24.96**	93.53
Total	**66.54**	205.98

The amount due to Micro and Small Enterprises as defined in the "The Micro,Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by Management. Disclosure are relating to Micro and Small Enterprises are as under:-

		March 31, 2018	March 31, 2017
		₹ Lakhs	₹ Lakhs
(a)	The principal amount remaining unpaid to suppliers as at the end of accounting year	0.73	1.65
(b)	The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year.		
(d)	The amount of interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(e)	The amount of interest accured during the year and remaining unpaid at the end of accounting year	-	-
(f)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total		**0.73**	**1.65**

Note 18 : Other Current Financial Liabilities

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Current		
On Current Account dues :		
Holding Company	**17.76**	5.81
Fellow Subsidiaries	**-**	1.29
Others	**0.70**	0.04
	18.46	7.14
Deposit from others	**34.78**	26.53
Creditors for Capital goods & services	**28.59**	24.40
Unclaimed share application money	**0.06**	0.06
Employee Related Liabilities	**254.41**	115.26
Other Liabilities	**3.90**	6.08
Total	**340.19**	179.48

Notes to the Financial Statements for the year ended March 31, 2018

Note 19 : Other Current Liabilities

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Current		
Advance collected from Customers	**59.34**	37.62
Statutory Dues	**67.21**	86.04
Total	**126.54**	**123.67**

Note 20 : Provisions

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Long Term Provisions		
Employee Benefit Obligation (Non-current)		
Compensated absences	**44.20**	30.49
Gratuity	**21.29**	-
	65.49	30.49
Short Term Provisions		
Employee Benefit Obligation (Current)		
Compensated absences	**8.06**	3.14
Provisions - Others		
Provision for Contingencies*	**425.00**	325.00
Total	**433.06**	328.14

*For	**Opening Balance**	**Addition / (Deletion)**	**Closing Balance**
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Legal and Statutory matters	325.00	100.00	425.00

Note 21 : Rooms, Restaurants, Banquets and Income from Operations

Particulars	**March 31, 2018**	March 31, 2017
	₹ Lakhs	₹ Lakhs
Rooms Income	**1,833.10**	1,799.60
Food, Restaurants and Banquet Income	**1,969.70**	1,842.40
Shop Rental	**65.54**	28.02
Others	**166.49**	174.67
TOTAL	**4,034.84**	3,844.69

Notes to the Financial Statements for the year ended March 31, 2018

Note 22 : Other Income

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Interest Income		
Inter-corporate deposits	13.16	19.26
Deposits with banks	84.47	82.97
Interest on Income Tax Refunds	1.65	-
	99.29	102.23
Profit on Sale of Fixed Assets	-	0.02
Others	2.24	3.14
TOTAL	**101.53**	**105.40**

Note 23 : Food and Beverages Consumed

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Food and Beverages Consumed		
Opening Stock	**49.96**	33.48
Add:- Purchases *	**452.35**	431.66
	502.30	465.14
Less:- Closing Stock	**61.72**	38.74
Food and Beverages Consumed	**440.58**	426.40
*Purchase cost of Food and Beverages is after adjusting sale of empties		
Particulars		
Sale of Empties	**2.83**	3.01

Note 24 : Employee Benefits Expense and Payment to Contractors

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Salaries, Wages, Bonus etc.	571.69	568.80
Company's Contribution to Provident and Other Funds	25.91	37.20
Reimbursement of Expenses on Personnel Deputed to the Company	215.06	203.79
Payment to Contractors	67.69	51.30
Staff Welfare Expenses	131.70	143.35
Total	**1,012.06**	**1,004.43**

Notes to the Financial Statements for the year ended March 31, 2018

i. The Company has recognised the following amount under the head "Company's Contribution to Provident Fund and Other Funds"

Particulars	**March 31, 2018**	March 31, 2017
	₹ Lakhs	₹ Lakhs
Provident Fund	29.70	33.69
Gratuity Fund	(3.79)	3.51
Total	**25.91**	**37.20**

ii. Managerial Remuneration

Particulars	**March 31, 2018**	March 31, 2017
	₹ Lakhs	₹ Lakhs
Salaries, HRA, LTA, Medical & others	82.38	82.01
Contribution of Provident Fund and Other Funds	5.27	5.08
Total	87.64	87.09

Note 25 : Other Operating and General Expenses

i. Operating Expenses consist of the following

Particulars	**March 31, 2018**	March 31, 2017
	₹ Lakhs	₹ Lakhs
Linen and Room Supplies	58.62	52.43
Catering Supplies	39.07	35.75
Other Supplies	3.09	2.24
Fuel, Power & Light	271.38	248.20
Repairs to Buildings	364.99	348.34
Repairs to Machinery	121.65	78.57
Repairs to Others	22.05	28.41
Linen and Uniform Washing and Laundry Expenses	49.56	59.02
Payment to Orchestra Staff and Artistes and Others	106.11	78.61
Guest Transportation	4.30	4.09
Travel Agent's Commission	47.11	55.67
Credit/Debit Card Commission	35.28	33.41
Other Operating Expenses	81.03	66.07
Total	1,204.23	1,090.82

ii. General Expenses consist of the following:

Particulars	**March 31, 2018**	March 31, 2017
	₹ Lakhs	₹ Lakhs
Rent	15.84	19.35
Lease & License Fees	164.13	169.74

Notes to the Financial Statements for the year ended March 31, 2018

Particulars	**March 31, 2018 ₹ Lakhs**	March 31, 2017 ₹ Lakhs
Rates & Taxes	165.21	126.63
Insurance	8.19	11.73
Advertising & Publicity	206.54	188.23
Printing & Stationery	16.21	15.08
Passage & Traveling	1.19	4.81
Bad Debts written off	4.48	2.08
Provision for Doubtful Debts	0.25	1.22
Professional Fees	25.56	34.08
Support Services	15.36	14.37
Expenditure on Corporate Social Responsibility	12.16	13.93
Foreign Exchange Loss (Net)	-	0.61
Loss on Sale of Fixed Assets	4.64	-
Operating/Management Fees	201.26	193.84
Central Reservation System/Customer Information System	80.50	77.54
Other Expenses	53.16	48.95
Payment Made to statutory Auditors	2.03	1.80
TOTAL	**1,143.67**	**923.98**
GRAND TOTAL (i+ii)	**2,347.89**	**2,014.80**

Footnotes:

(i) Expenses recovered from other parties :-

Particulars	**March 31, 2018 ₹ Lakhs**	March 31, 2017 ₹ Lakhs
Fuel, Power and Light	5.10	4.21
Rent	0.78	1.41
TOTAL	5.87	5.61

(ii) Payment Made to Statutory Auditors :-

Particulars	**March 31, 2018 ₹ Lakhs**	March 31, 2017 ₹ Lakhs
As Auditors	1.65	1.45
As Tax Auditors	0.35	0.30
Tax on above (Net of Credit availed)	0.03	0.05
TOTAL	**2.03**	**1.80**

Notes to the Financial Statements for the year ended March 31, 2018

Note 26: Earning Per Equity share

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
Profit after Tax	176.26	230.36
No. of Equity Shares	8400000	8400000
Basic and Diluted	2.10	2.74

Note 27: Employee Benefits

The company has taken group gratuity scheme with Life Insurance Corporation (LIC Ultimate (94-96)) and annual contributions are made to the fund administrated by Life Insurance Corporation. Every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service or retirement , whichever is earlier. The benefit vests after five years of continuous service.

Relevant information is disclosed below :-

	Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
(i)	Amount to be recognised in Balance Sheet and movement in net liability		
	Present Value of Funded obligation	122.36	90.18
	Fair Value of Plan Assets	101.08	97.87
	Net (Assets) / Liability	21.29	(7.69)
(ii)	Expense recognised in Statement of Profit & Loss		
	Current service cost	5.75	5.36
	Interest cost	(0.85)	(0.69)
	Total	4.89	4.67
(iii)	Expense recognised in Other Comprehensive Income		
	Opening amount recognized in OCI outside P&L account	5.74	5.22
	Remeasurements due to:		
	Changes in financial assumptions	24.48	4.50
	Changes in demographic assumptions	(0.39)	
	Experience adjustments	6.48	(4.44)
	Actual return on plan assets less interest on plan assets	(0.80)	0.46
	Adjustment to recognise the effect of asset ceiling		-
	Total	35.51	5.74
	Reconciliation of Defined Benefit Obligation :		
	Opening Defined Benefit Obligation	90.18	86.57
	Current service cost	5.75	5.36

Notes to the Financial Statements for the year ended March 31, 2018

Particulars	**March 31, 2018**	March 31, 2017
	₹ Lakhs	₹ Lakhs
Interest cost	6.26	6.59
Changes in financial assumptions	24.48	4.50
Changes in demographic assumptions	(0.39)	
Experience adjustments	6.48	(4.44)
Benefits Paid	(10.40)	(8.40)
Closing Defined Benefit Obligation	122.36	90.18
(v) Reconciliation of Fair Value of Plan Assets		
Opening of Fair Value of Plan Assets	97.87	90.99
Employer contributions	5.68	8.45
Interest on plan assets	7.12	7.28
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	0.80	(0.46)
Benefits Paid	(10.40)	(8.40)
Closing of Fair Value of Plan Assets	101.08	97.87
Expected Employer's contribution next year		
*On account of business combination or intra group transfer		

(vi) Acturial Assumptions

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Discount rate(p.a.) in %	7.6%	7.3%
Salary Escalation rate (p.a.) in %	6.0%	3.0%

(vii) Disaggregation of Plan Assets

	March 31, 2018		March 31, 2017	
	Unquoted	%	Unquoted	%
Name of the fund	₹ Lakhs		₹ Lakhs	
LIC Ultimate policy	**101.08**	**100%**	97.87	100%
Total	**101.08**		97.87	

(viii) Sensitivity Analysis

	March 31, 2018		March 31, 2017	
Particulars	**Discount rate**	**Salary Escalation rate**	**Discount rate**	**Salary Escalation rate**
Retiring Gratuity Benefit Plan	**7.6%**	**6.0%**	7.3%	3.0%
Impact of increase in 50 bps on DBO	**-4.05%**	**4.38%**	-3.61%	4.00%
Impact of decrease in 50 bps on DBO	**4.34%**	**-4.13%**	3.85%	-3.77%

Notes to the Financial Statements for the year ended March 31, 2018

28. The Company has taken vehicles under cancellable operating lease and immovable properties on non-cancellable operating lease. These leases have varying terms, escalation clauses and renewal rights. The total lease rent paid on the same is included under Rent and license fees forming part of other expenses.

(i) Details of minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount.

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
Not Later than one year	162.00	164.72
Later than one year but not later than five years	846.00	834.00
Later than Five years	348.00	522.00
Total	1,356.00	1,520.72

(ii) Expenses recognised in the Statement of Profit and Loss

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
Minimum Lease Payments	167.77	169.74
Contingent rents (state basis)	-	-
Total	167.77	169.74

29. Capital Commitments

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for.	37.95	18.00

30. Under schedule III of Companies Act, 2013 quantitatives details are not required to disclose.

31. Contingent Liabilities

Particulars	**March 31, 2018** **₹ Lakhs**	March 31, 2017 ₹ Lakhs
Claim against company not acknowledged as debts:-		
Property Tax	1,027.09	941.66
Income Tax*	181.02	122.25

*In Assessment Year 1998-99, Appeal filed in the High Court Delhi by Income Tax Department against order of ITAT in favour of the company. amount involved ₹ 99,18,571/- In Assessment Year 2015-16, Assessing officer has made some additions and appeal has been filed before CIT(A), amount of net tax liability is ₹ 81,84,000/-

Notes to the Financial Statements for the year ended March 31, 2018

32. Income Tax Disclosures (Ind AS 12)

		March 31, 2018	March 31, 2017
(a)	Income Tax recognised in Profit or loss:		
	Particulars	₹ Lakhs	₹ Lakhs
	Current Tax		
	In respect of the current year	**125.00**	150.00
	In repect of earlier years	**(33.38)**	-
		91.62	150.00
	Deferred Tax		
	In respect of the current year	**(66.53)**	(13.02)
		(66.53)	(13.02)
	Total tax expense recognised in the current year relating to continuing operations	**25.09**	136.98
(b)	Reconciliation of tax expense with the effective tax		
	Profit before tax from continuing operations (a)	**201.35**	367.35
	Income tax rate as applicable (b)	**27.553%**	33.06%
	Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**55.48**	121.46
	Permanent tax differences due to:		
	Corporate social responsibility expenditure	**3.33**	4.61
	On account of bonus disallowance	**0.90**	0.05
	Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets		
	Minimum wage incremental provision	**-**	-
	Others	**(1.24)**	(0.01)
	Effect on deferred tax balances due to change in income tax rate from 30% to 25% (effective from 1st April 2017)	**-**	10.88
	MAT credit	**-**	-
		58.47	136.98
	Prior year taxes as shown above	**(33.38)**	-
	Income tax expense recognised in profit or loss (relating to continuing operations)	**25.09**	136.98

(c) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Deferred Tax assets	**192.84**	126.58	125.72
Deferred Tax liabilities	**(49.27)**	(49.54)	(61.69)
Total	**143.57**	77.05	64.03

Notes to the Financial Statements for the year ended March 31, 2018

(d) Reconciliation of Deferred Tax Asset and Deferred Tax Liability

2017-18	Opening Balance ₹ Lakhs	Recognised in profit or loss ₹ Lakhs	Closing balance ₹ Lakhs
Deferred tax (liabilities)/ assets in relation to:			
Property. Plant & equipment and Intangible Assets	(49.54)	0.26	(49.27)
Provision for Employee Benefits	9.27	5.14	14.40
Provision for Revision in Minimum Wages	-	33.50	33.50
Provision for Doubtful Debts	5.05	0.07	5.12
MAT Credit Entitlement	22.72	-	22.72
Provision for Contingencies	89.55	27.55	117.10
Total	77.05	66.53	143.57
Capital Gain			-
Total Deferred Tax Assets	**77.05**	**66.53**	**143.57**

2016-17	Opening Balance ₹ Lakhs	Recognised in profit or loss ₹ Lakhs	Closing balance ₹ Lakhs
Deferred tax (liabilities)/ assets in relation to:			
Property. Plant & equipment and Intangible Assets	(61.69)	12.15	(49.54)
Provision for Employee Benefits	6.42	2.85	9.27
Provision for Doubtful Debts	5.66	(0.61)	5.05
MAT Credit Entitlement	22.72	-	22.72
Provision for Contingencies	90.92	(1.38)	89.55
Total Deferred Tax Assets	**64.03**	**13.02**	**77.05**

33. Financial Instruments (Ind AS 109)

(a) Financial Assets & Liabilities

	31/03/2018			31/03/2017		
Particulars	**FVOCI ₹ Lakhs**	**Amortised cost ₹ Lakhs**	**Total ₹ Lakhs**	FVOCI ₹ Lakhs	Amortised cost ₹ Lakhs	Total ₹ Lakhs
Financial assets:						
Investments						
Equity Investment						
- External Companies	**0.68**	**-**	**0.68**	1.14	-	1.14
Trade Receivables	**-**	**119.84**	**119.84**	-	110.46	110.46
Cash and cash equivalents	**-**	**1,199.93**	**1,199.93**	-	1,463.39	1,463.39
Loans	**-**	**500.00**	**500.00**	-	175.00	175.00
Other financial assets*	**-**	**74.61**	**74.61**	-	56.87	56.87
Total - Financial Assets	**0.68**	**1,894.37**	**1,895.04**	1.14	1,805.71	1,806.85
Financial liabilities:						
Trade Payables including capital creditors		**188.10**	**188.10**		205.98	205.98
Other financial liabilities		**218.60**	**218.60**		179.48	179.48
Total - Financial Liabilities	**-**	**406.70**	**406.70**	-	385.46	385.46

Notes to the Financial Statements for the year ended March 31, 2018

33. Financial Instruments (Ind AS 109)

(b) Fair value of Financial instruments on a recurring basis:

As of March 31, 2018:	**Level 1 ₹ Lakhs**	**Level 2 ₹ Lakhs**	**Level 3 ₹ Lakhs**	**Total ₹ Lakhs**
Financial assets:				
Equity shares				
Listed equity investment				
- Graviss Hospitality Limited	0.68	-	-	0.68
Unquoted equity investment				
- Taj Air Limited	154.38	-	-	154.38
Total	155.05	-	-	155.05

As of March 31, 2017:	Level 1 ₹ Lakhs	Level 2 ₹ Lakhs	Level 3 ₹ Lakhs	Total ₹ Lakhs
Financial assets:				
Equity shares				
Listed equity investment				
- Graviss Hospitality Limited	1.14	-	-	1.14
Unquoted equity investment				
- Taj Air Limited	-	-	-	-
Total	1.14	-	-	1.14

(c) Contractual maturity of financial liabilities:

March 31, 2018	**Due in 1st year ₹ Lakhs**
Non-derivative financial liabilities:	
Trade and other payables	188.10
Other financial liabilities	218.60
Total	**406.70**

March 31, 2017	Due in 1st year ₹ Lakhs
Non-derivative financial liabilities:	
Trade and other payables	205.98
Other financial liabilities	179.48
Total	**385.46**

Notes to the Financial Statements for the year ended March 31, 2018

34. Related Party disclosures

a) The names of Related Parties of the Company are as under

(i) Company having Significant Influence
Tata Sons Ltd.
(including subsidiaries and JV of an entity)

(ii) Holding Company
The Indian Hotels Company Ltd.

(iii) Fellow Subsidiaries Company
Domestic :-
TIFCO Holdings Limited
KTC Hotels Limited
Roots Corporation Limited
Piem Hotels Limited
Taj Trade and Transport Company Limited
Inditravel Limited
Northern India Hotels Limited
Taj Enterprises Limited
Benaras Hotels Limited
Luthria & Lalchandani Hotels & Properties Pvt. Ltd.
Skydeck Properties and Developers Private Limited
Sheena Investments Private Limited
ELEL Hotels & Investments Limited

International :-
Apex Hotel Management Services (Pty) Ltd.
Taj International Hotels (H.K.) Limited
Cheiftain Corporation NV
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited
Samsara Properties Limited
IHMS LLC - San Francisco
IHMS LLC - USA
Apex Hotel MGMT Services Pte Ltd
PIEM International Hotels (H.K.) Limited
Premium Aircraft Leasing Corporation, Ireland
BAHC 5 Pte Ltd.
United Overseas Holding Inc.

(iv) Associates & Joint Ventures of Holding Company
Domestic :-
Taida Trading & Industries Ltd.
Oriental Hotels Ltd.
Taj Madurai Ltd.
Taj Sats Air Catering Limited
Taj Madras Flight Kitchen Private Limited
Taj Karnataka Hotels and Resorts Limited
Taj Kerala Hotels and Resorts Limited
Kaveri Retreats & Resorts Limited
TajGVK Hotels and Resorts Limited
Taj Safaris Limited
International :-
TAL Lanka Hotels PLC
Lanka Island Resorts Ltd.
BJETS Pte. Ltd. (Singapore)
TAL Hotels & Resorts Limited
IHMS Hotels (SA) (Proprietary) Limited

(v) Key Management Personnel
Mr. Rajinder Kumar - Working Director
Mr. Virinder Kumar - Working Director
Mr. Narinder Kumar - Working Director

(vi) Firms/ companies in which key Management personnel are interested
New Delhi Hotels Limited
Digvijay Finances Pvt. Ltd.
United Finances & Agencies Pvt. Ltd.

Notes to the Financial Statements for the year ended March 31, 2018

34(b) Details of related party transaction during the period ended March 31, 2018 and outstanding balances as at March 31, 2018.

Particulars	Company having Significant Influence ₹ Lakhs	Holding Company ₹ Lakhs	Key Management Personnel ₹ Lakhs	Fellow Subsidiaries ₹ Lakhs	Associates & Joint Ventures of Holding Co. ₹ Lakhs	Key Management Personnel interested ₹ Lakhs
Dividend Paid	-	25.18	20.90	21.02	-	3.02
Operating Fees Paid / Provided	-	197.60	-	-	-	-
Advertisement/CRS & CIS Paid / Provided	-	158.08	-	-	-	-
Purchase of goods & Services	24.18	61.31	-	-	-	-
Sale of goods & Services	29.41	-	-	-	-	0.73
Directors Remuneration	-	-	87.64	-	-	-
Trade Receivables	7.83	-	-	-	-	-
Trade Payables	-		-	-	-	-
Receivable Due on Current A/c	-	-	-	3.48	-	-
Payable Due on Current A/c	-	17.76	-	-	0.14	-
ICD Placed	-	-	-	500.00	-	-
Interest Recoverable	-	-	-	1.22	-	-

34(c) Statement of Material Transactions

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Company having Significant Influence		
Tata Consultancy Services		
Purchase of goods & services	24.18	21.13
Sale of goods & services	29.41	40.71
Trade Receivable	7.83	2.00
Holding Company		
The Indian Hotels Company Limited		
Operating/Licence Fee Paid	197.60	187.89
Advertisement/Brand Cost/CRS/CIS Paid	158.08	150.31
Purchase of goods & services	61.31	60.85
Sale of goods & services	-	
Receivable due on current account	-	
Payable due on current account	17.76	5.81
Dividend Paid	25.18	100.73
Remuneration to Key Management Personnel		
Mr. Rajnder Kumar		
Remuneration	30.63	30.56
Dividend Paid	6.52	26.07

Notes to the Financial Statements for the year ended March 31, 2018

34(c) Statement of Material Transactions

Particulars	**March 31, 2018 ₹ Lakhs**	March 31, 2017 ₹ Lakhs
Mr. Virinder Kumar		
Remuneration	29.54	29.48
Dividend Paid	6.52	26.07
Mr.Narinder Kumar		
Remuneration	27.47	27.05
Dividend Paid	7.86	31.45
Fellow Subsidiaries		
TIFCO Holdings Ltd		
Dividend Paid	21.02	84.07
PIEM Hotels Limited		
Payable due on current account	-	1.29
Banaras Hotels Limited		
Receivable due on current account	3.48	0.05
ICD Placed	500.00	-
Interest Recoverable	1.22	
Associates/Joint Ventures		
Taj Sats Air Catering Limited		
Receivable due on current account	-	0.20
Payable due on current account	0.14	-
Key Management Personnel interested		
New Delhi Hotels Ltd.		
Sale of goods & Services	0.73	0.73
Dividend Paid	3.02	13.61

35. Figures of the previous year have been regrouped / recast wherever necessary.

For and on behalf of the Board

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Rajinder Kumar
Director
DIN 00053878

Mohit Gupta
Director
DIN 01865794

P.K. Bhatia
Company Secretary

Vipin Bali
Partner
M. No.083436
Date :
Place : New Delhi

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED

Directors and Corporate Information

Board of Directors:

Mr. R. H. Parekh	(DIN: 01942405)
Mr. Ashok Binnani	(DIN: 03326335)
Mr. Kishor Kulkarni	(DIN: 06872883)
Ms. Aban Rupa	(DIN: 01147657)

Key Managerial Personnel:

Mr. Ashok Binnani	Chief Executive Officer & Chief Financial Officer (Appointed w.e.f. February 9, 2018)
Ms. Rashna Kararia	Company Secretary (Appointed w.e.f. October 31, 2017)

Auditors:

M/s. PKF Sridhar and Santhanam LLP
Chartered Accountants, Mumbai

Registered Office:

Mandlik House, Mandlik Road
Mumbai – 400 001
Tel.: 022-66395515 Fax: 022-22027442
CIN: U45200MH1998PTC114881
Email: investorrelations@tajhotels.com

Banker

HDFC Bank Limited

IDBI Bank Limited

Standard Chartered Bank

Board's Report

To the Members,

The Directors have pleasure in presenting the Annual Report of the Company together with its Audited Financial Statement for the Financial Year ended March 31, 2018.

Financial Results

The Company's financial performance, for the year ended March 31, 2018 is summarized below:

₹ / lakhs

Particulars	2017-18	2016-17
Total Income	-	0.49
Profit / (Loss) before Interest, Depreciation & Tax (EBITDA)	**(2.94)**	**(1.45)**
Less : Depreciation	-	-
Less : Finance Charges	5,091.11	7,684.81
Profit / (Loss) Before Tax	**(5,094.05)**	**(7,686.26)**
Less : Provision for Income Tax	-	-
Profit / (Loss) After Tax	**(5,094.05)**	**(7,686.26)**
Basic & Diluted Earnings Per Share (₹) (Face Value - ₹10/-)	**(1.44)**	**(7,820.14)**

No material changes and commitments have occurred between the end of the Financial Year to which these Financial Statement relate and the date of this Report, which affect the financial position of the Company.

Dividend

No Dividend has been declared for the current Financial Year due to loss incurred by the Company.

Subsidiaries, Joint Ventures and Associate Companies

The Financial Statement of the Company's three Subsidiaries, viz. 'Sheena Investments Private Limited', 'ELEL Hotels and Investments Limited' and 'Luthria & Lalchandani Hotel & Properties Private Limited', prepared in accordance with the relevant Accounting Standards of The Institute of Chartered Accountants of India, duly audited by the Statutory Auditors and other detailed information will be made available to the investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be available for inspection at the Registered Office of the Company as well as the respective Registered Offices of subsidiary companies.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('the Act'), a statement containing salient features of the Financial Statement of the Company's Subsidiaries in Form AOC-1 is attached to the Financial Statement of the Company.

The Company does not have any Joint Ventures or Associate Companies.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company takes all efforts towards conservation of energy and technology absorption. There were no foreign exchange earnings and expenditure during the year under review.

Risk Management

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors ('CSFs') and Key Performance Indicators ('KPIs') identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

Particulars of Loans, Guarantees or Investments

There were no Loans, Guarantees and Investments made by the Company under Section 186 of the Act during the year under review.

Borrowings

The term loan of ₹ 750 crores obtained from Housing Development Finance Corporation Limited on January 28, 2016, carrying interest at the rate of 10% p.a., compounded on an annual basis, was repaid fully during the year, in two tranches on July 27, 2017 and January 28, 2018.

Related Party Transactions

All Related Party Transactions that were entered into during the Financial Year were in the Ordinary Course of Business and at Arm's Length basis, the details of which are given in the Notes to the Financial Statement.

Directors

The Board comprises of Mr. R. H. Parekh, Mr. Ashok Binnani, Ms. Aban Rupa and Mr. Kishor Kulkarni. There were no changes in the composition of the Board during the year under review.

In accordance with the Act, one of your Directors viz. Mr. R. H. Parekh retires by rotation and is eligible for re-appointment as Director. Your approval for his re-appointment as Director has been sought in the Notice convening the Annual General Meeting of the Company.

The Independent Directors have submitted a declaration that each of them meets the criteria for independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as an Independent Director during the year.

Board Meetings

During the year, seven Board Meetings were convened and held i.e. on May 15, 2017; July 6, 2017; August 1, 2017; October 31, 2017; January 8, 2018; January 19, 2018 and February 9, 2018. The intervening gap between the meetings did not exceed the period prescribed under the Act.

Board Evaluation and Remuneration Policy

The Company has put in place Governance Guidelines on Board's Effectiveness, a Remuneration Policy for Directors, Key Managerial Personnel and other employees and formulated the criteria for determining qualifications, positive attributes and independence of Directors.

Key Managerial Personnel (KMP)

In terms of Section 203 of the Act, the Key Managerial Personnel (KMP) of the Company are:

Mr. Ashok Binnani- Chief Executive Officer and Chief Financial Officer (appointed w.e.f. February 9, 2018)

Ms. Rashna Kararia- Company Secretary (appointed w.e.f. October 31, 2017).

Audit Committee

The Audit Committee of the Company comprises of Ms. Aban Rupa (Chairperson), Mr. Kishor Kulkarni and Mr. Ashok Binnani, Directors of the Company. The role and terms of reference of the Audit Committee covers the areas mentioned under Section 177 of the Act, besides other terms as may be referred to by the Board of Directors of your Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ('NRC') of the Company comprises of Ms. Aban Rupa (Chairperson), Mr. Kishor Kulkarni and Mr. R. H. Parekh, Directors of the Company. The role of the NRC covers the areas mentioned under Section 178 of the Act, besides other terms as may be referred to by the Board of Directors of your Company.

Vigil Mechanism

In accordance with the provisions of Section 177(9) of the Act, the Company has formulated and adopted the Whistle Blower Policy to provide a mechanism to report genuine concerns about any unethical behaviour, actual or suspected fraud and provide for adequate safeguards against victimization of persons.

Extract of Annual Return

The details forming part of the extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is annexed herewith as Annexure I.

Statutory Auditors

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Auditors' Report.

Secretarial Audit

Pursuant to the provisions of the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Neville Daroga, Practicing Company Secretary (C.P. No. 3823) to undertake the Secretarial Audit of your Company for the Financial Year 2017-18. The Secretarial Audit Report is annexed as Annexure II. The report does not contain any qualifications, reservation or adverse remarks.

Share Capital

During the year under review the Authorised Share Capital of the Company was increased from ₹ 10,00,000 (Rupees Ten Lakhs only) to ₹ 400,10,00,000 (Rupees Four Hundred Crores Ten Lakhs only) divided into 40,01,00,000 (Forty Crores One Lakh) equity shares of ₹ 10/- each, pursuant to the approval granted by the Members at the Extra-Ordinary General Meeting held on July 6, 2017.

Further, the Authorized Share Capital of the Company was increased to ₹ 900,10,00,000 (Rupees Nine Hundred Crores Ten Lakhs only) divided into 90,01,00,000 (Ninety Crores One Lakh) equity shares of ₹ 10/- each, pursuant to the approval granted by the Members at the Extra-Ordinary General Meeting held on January 8, 2018.

The Company had during the year under review issued 89,29,33,872 equity shares of ₹ 10 each aggregating ₹ 8,92,93,38,720/- on Rights basis to The Indian Hotels Company Limited, in two tranches.

As on the date of this Report, the issued, subscribed and paid-up share capital of your Company comprises of 89,30,32,160 Equity Shares of ₹ 10 each aggregating ₹ 8,93,03,21,600/-.

The Company has neither bought back its shares, nor has it issued any further shares or Sweat Equity or Bonus Shares or provided Stock Option to its employees during the year under review.

Staff

The Company does not have any employees and as such the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

Compliance with Secretarial Standards on Board Meetings and General Meetings

The Company has complied with Secretarial Standards issued by The Institute of Company Secretaries of India on Board Meetings and General Meetings.

Directors' Responsibility Statement

Based on the existing system of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal and Statutory Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2017-18.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

(i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there are no material departures;

(ii) it has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the loss of the Company for that period;

(iii) it has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) it has prepared the annual accounts on a going concern basis;

(v) it has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

General

The Directors state that no disclosure or reporting is required in respect of the following items:

1. Disclosure on Deposits covered under Chapter V of the Act as the Company has not accepted any deposits from public.
2. The provisions relating to Corporate Social Responsibility are not applicable to the Company.
3. During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

On behalf of the Board of Directors

R. H. Parekh
Director
(DIN: 01942405)

Ashok Binnani
Director
(DIN: 03326335)

Mumbai, May 17, 2018

Registered Office:
Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U45200MH1998PTC114881
Tel. No.: 022-66395515
Fax No.: 022-22027442
Email: investorrelations@tajhotels.com

Annexure I

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details

i)	CIN	: U45200MH1998PTC114881
ii)	Registration Date	: May 13, 1998
iii)	Name of the Company	: Skydeck Properties and Developers Private Limited
iv)	Category / Sub-Category of the Company	: Indian Non-Government Company Limited by Shares
v)	Address of the Registered office and contact details	: Mandlik House, Mandlik Road, Mumbai- 400 001.
vi)	Whether listed company	: No
vii)	Name, Address & Contact details of Registrar & Transfer Agent, if any	: NA

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1.	No business activities carried out during the year	NA	NA

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai 400 001.	L74999MH1902PLC000183	Holding	100%	2(46)
2.	Sheena Investments Private Limited Mandlik House, Mandlik Road, Mumbai 400 001.	U65990MH1990PTC055375	Subsidiary	100%	2(87)(ii)
3.	ELEL Hotels and Investments Limited Mandlik House, Mandlik Road, Mumbai 400 001.	U70101MH1969PLC014326	Subsidiary	85.72%	2(87)(ii)
4.	Luthria & Lalchandani Hotel & Properties Private Limited Mandlik House, Mandlik Road, Mumbai 400 001.	U55100MH2008PTC178963	Subsidiary	87.15%	2(87)(ii)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of shares held at the beginning of the year (i.e. 01/04/17)				No. of shares held at the end of the year (i.e. 31/03/18)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individual	0	1	1	0	0	1	1	0	0
b) HUF									
c) Central Govt									
d) State Govt (s)									
e) Bodies Corp.	98,287	0	98,287	100	89,30,32,159	0	89,30,32,159	100	0
f) Banks / FIs									
g) Any Other									
Sub-total (A)(1)	**98,287**	**1**	**98,288**	**100**	**89,30,32,159**	**1**	**89,30,32,160**	**100**	**0**
2. Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FIs									
e) Any Other									
Sub-total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	**98,287**	**1**	**98,288**	**100**	**89,30,32,159**	**1**	**89,30,32,160**	**100**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FIs									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2)									
Total Public Shareholding (B)=(B)(1)+(B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**98,287**	**1**	**98,288**	**100**	**89,30,32,159**	**1**	**89,30,32,160**	**100**	**0**

(ii) Shareholding of Promoters:

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year (i.e. 01/04/17)			Shareholding at the end of the year (i.e. 31/03/18)			% change in share-holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	The Indian Hotels Company Limited	98,287	100	Nil	89,30,32,159	100	Nil	100
2.	Mr. Ashok Binnani jointly with The Indian Hotels Company Limited	1	Nil	Nil	1	Nil	Nil	100
	Total	**98,288**	**100**	**Nil**	**89,30,32,160**	**100**	**Nil**	**Nil**

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	The Indian Hotels Company Limited	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	98,287	100	98,287	100
2.	Date wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	Nil	Nil	89,29,33,872 *(Allotment of Rights Shares)*	100
3.	At the end of the year	98,287	100	89,30,32,159	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Particulars	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative Shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
2.	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus / sweat equity etc.)	Nil	Nil	Nil	Nil
3.	At the end of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Mr. Ashok Binnani jointly with The Indian Hotels Company Limited	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	1	Nil	1	Nil
2.	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
3.	At the end of the year	1	Nil	1	Nil

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment

₹ / lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	75,000.00	-	-	75,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8,912.23	-	-	8,912.23
Total (i+ii+iii)	**83,912.23**	**-**	**-**	**83,912.23**
Change in Indebtedness during the Financial Year				
• Addition	4,899.57	-	-	4,899.57
• Reduction	(88,811.80)	-	-	(88,811.80)
Net Change	**(83,912.23)**	**-**	**-**	**(83,912.23)**
Indebtedness at the end of the Financial Year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify		
5.	Others, please specify		
	Total	**Nil**	**Nil**

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors	Total Amount
Independent Directors • Fees for attending Board / Committee Meetings • Commission • Others, please specify		
Other Non-Executive Directors • Fees for attending Board / Committee Meetings • Commission • Others, please specify		
Total	**Nil**	**Nil**

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify		
5.	Others, please specify		
	Total	**Nil**	**Nil**

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

On behalf of the Board of Directors

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Mumbai, May 17, 2018

Registered Office:
Mandlik House,
Mandlik Road,
Mumbai 400 001
Maharashtra
CIN: U45200MH1998PTC114881
Tel.: 022 66395515
Fax: 022 22027442
Email: investorrelations@tajhotels.com

Annexure II

Form No. MR-3

Secretarial Audit Report

for the financial year ended March 31, 2018

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Skydeck Properties and Developers Private Limited
Mandlik House, Mandlik Road,
Mumbai - 400001.

We have conducted the Secretarial Audit for the necessary compliances of applicable statutory provisions and adherence to good corporate practices of your Company 'Skydeck Properties and Developers Private Limited' (hereinafter called the 'Company'). Secretarial Audit for the Financial Year 2017-18 was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our evaluation and verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided to us by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2018, complied with all the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the aforesaid period, according to the applicable provisions of the following Acts:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) Since the Company is not a listed Company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company:-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The Company made two rights issues during the year under review and has completed the process of issuing shares as prescribed under the Companies Act, 2013.

We have also examined the Company's compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Since the Company is an Unlisted Company, the provisions of listing agreement/SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors.

Adequate notices were given to all the Directors of the scheduled Board Meetings, Committee Meetings conducted during the period under review and the agenda and detailed notes on agenda together with the notice were sent at least seven days in advance. The Company has a proper system in existence to enable the Directors to seek and obtain further information and clarifications on the agenda items before the meeting, as also for meaningful participation through video conferencing at the meeting.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Other than what is stated above, the Company has not undertaken any other material activity being:

(i) Issue of debentures/sweat equity, etc;

(ii) Redemption / buy-back of securities;

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013;

(iv) Mergers/ Amalgamation/ Reconstruction, etc.

(v) Foreign Technical Collaborations.

For **NEVILLE DAROGA & ASSOCIATES**
(Neville K. Daroga)
ACS No. 8663
C.P No. 3823

Place : Mumbai
Date : April 6, 2018

INDEPENDENT AUDITOR'S REPORT

To the members of **Skydeck Properties & Developers Private Limited**

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of **Skydeck Properties & Developers Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place: Mumbai
Date: May 17, 2018

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence clause iii is not applicable.

(iv) Based on our audit procedures & according to the information and explanation given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act have been complied with.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / GST/ duty of customs / duty of excise / value added tax, which have not been deposited on account of any dispute as at 31st March 2018.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, no money raised by way of Initial Public Offer (IPO) or Further Public Offer (FPO) (including debt instrument) during the year. Term loans raised and outstanding during the year were applied for the purposes for which those are raised.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration paid or provided during the year.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has made preferential allotment during the year under review and the requirements of section 42 of the Act in this regard have been complied with. Amount raised have been used for the purposes for which the funds were raised.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place: Mumbai
Date: May 17, 2018

Annexure B

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Skydeck Properties & Developers Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: May 17, 2018

Balance Sheet as at March 31, 2018

	Note	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Assets			
Non-current assets			
Financial assets			
Investments	3	**52,861.00**	52,861.00
Advance income tax (net)		**2.32**	2.32
		52,863.32	52,863.32
Current assets			
Cash and cash equivalents	4	**68.00**	10.50
		68.00	10.50
Total		**52,931.32**	52,873.82
Equity and liabilities			
Equity			
Equity share capital	5	**89,303.22**	9.83
Other equity	6	**(44,358.89)**	(38,875.91)
Total equity		**44,944.33**	(38,866.08)
Non-current liabilities			
Financial liabilities			
Borrowings	7	**-**	74,845.08
		-	74,845.08
Current Liabilities			
Financial liabilities			
Trade payables	8	**1.82**	1.36
Other financial liabilities	9	**7,985.02**	16,893.33
Other current liabilities	10	**0.15**	0.13
		7,986.99	16,894.82
Total		**52,931.32**	52,873.82
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2018

	Note	Year Ended March 31, 2018 ₹ Lakhs	Year Ended March 31, 2017 ₹ Lakhs
Income			
Other income	11	-	0.49
Total Income		-	0.49
Expenses			
Finance costs	12	**5,091.11**	7,684.81
Other operating and general expenses	13	**2.94**	1.94
Total Expenses		**5,094.05**	7,686.75
Profit/ (Loss) before exceptional items and tax		**(5,094.05)**	(7,686.26)
Exceptional items		-	-
Profit/ (Loss) before tax		**(5,094.05)**	(7,686.26)
Tax expenses		-	-
Total		-	-
Profit/ (Loss) after tax		**(5,094.05)**	(7,686.26)
Other comprehensive income, net of tax			
Other comprehensive income for the year		-	-
Total comprehensive Income for the year		**(5,094.05)**	(7,686.26)
Earnings per share:	14		
Basic - (₹)		**(1.44)**	(7,820.14)
Diluted - (₹)		**(1.44)**	(7,820.14)
Face value per ordinary share - (₹)		**10.00**	10.00

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

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Cash Flow Statement for the year ended March 31, 2018

	Year Ended March 31, 2018 ₹ Lakhs	Year Ended March 31, 2017 ₹ Lakhs
Cash Flow From Operating Activities		
Profit Before Tax	**(5,094.05)**	(7,686.26)
Adjustments For :		
Interest Income	-	(0.49)
Finance Costs	**5,091.11**	7,684.81
	5,091.11	7,684.32
Cash Operating Profit before working capital changes	**(2.94)**	(1.94)
Adjustments for (increase)/ decrease in operating assets:		
Other Current Assets	-	-
	-	-
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**4.40**	(0.02)
	4.40	(0.02)
Cash Generated from Operating Activities	**1.46**	(1.96)
Direct Taxes (Paid)/ Refunded	-	(0.05)
Net Cash Generated From Operating Activities (A)	**1.46**	(2.01)
Cash Flow From Investing Activities		
Interest Received	-	0.49
Bank Balances not considered as Cash and Cash Equivalents	-	15.00
Net Cash Generated/(Used) In Investing Activities (B)	-	15.49
Cash Flow From Financing Activities		
Proceeds from short term borrowings	**735.00**	-
Short-term loans repaid	**(735.00)**	-
Proceeds from Issue of Equity Shares	**89,293.39**	-
Share issue expenses	**(388.93)**	-
Interest on term loan	**(13,811.80)**	-
Interest on ICD borrowed	**(36.62)**	-
Repayment of long-term borrowings	**(75,000.00)**	(5.01)
Net Cash Generated/ (Used) In Financing Activities (C)	**56.04**	(5.01)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**57.50**	8.47
Cash and Cash Equivalents - Opening	**10.50**	2.03
Cash and Cash Equivalents - Closing	**68.00**	10.50

Summary of significant accounting policies
The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For and on behalf of the Board

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

Place : Mumbai
Date : May 17, 2018

Statement of Changes in Equity as at March 31, 2018

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Other Equity		Total
		Retained Earnings	Other Reserve	
Balance as at April 1, 2016	9.83	(31,189.65)	-	(31,179.82)
Profit for the year ended March 31, 2017	-	(7,686.26)	-	(7,686.26)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the year ended March 31, 2017	**-**	**(7,686.26)**	**-**	**(7,686.26)**
Balance as at March 31, 2017	**9.83**	**(38,875.91)**	**-**	**(38,866.08)**
Profit for the year ended March 31, 2018	-	(5,094.05)	-	(5,094.05)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the year ended March 31, 2018	**-**	**(5,094.05)**	**-**	**(5,094.05)**
Add : Issue of Share Capital	89,293.39	-		89,293.39
Less : Share issue expenses	-	-	(388.93)	(388.93)
Balance as at March 31, 2018	**89,303.22**	**(43,969.96)**	**(388.93)**	**44,944.33**

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For and on behalf of the Board

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

Place : Mumbai
Date : May 17, 2018

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

1. Background

Skydeck Properties and Developers Private limited ("Skydeck" or the "Company"), a private limited company was incorporated on May 13, 1998. The Company is primarily engaged in construction activities and providing Management Consultancy.

2. Significant accounting policies

a. Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013, on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b. Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Impairment of investments** The Company reviews its carrying value of investment in subsidiaries carried at cost less impairment (if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

c. Revenue recognition

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

Dividend income is recognized when the Company's right to receive the amount is established.

d. Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) **Current tax :**

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) **Deferred tax :**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

e. Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

f. Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

g. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

h. Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

i. Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

– The rights to receive cash flows from the asset have expired, or

– The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

b. Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

j. Recent accounting pronouncements

a) **New standards notified and adopted by the Company:**

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated 17 March 2017, Ministry of Corporate Affairs (MCA) has notified amendments to two new standards namely Ind AS 102 Share-based Payment and Ind AS 7 Statement of Cash Flows which will be effective prospectively from 1 April 2017.

During the year, there are no share based payment transactions and hence Ind AS 102 is not applicable to the Company.

Further, amendment in Ind AS 7 pertains to additional disclosure requirement such as "An entity will be required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes."

As there are no non-cash changes in liabilities arising from financing activities, relevant disclosure in this regard has not been provided.

b) **New standard notified but not early adopted by the Company**

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer

ii. Identification of the performance obligations in the contract

iii. Determination of the transaction price

iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments are expected to have any material effect on the Company's financial statements.

3. Investments

		March 31, 2018		March 31, 2017	
	Face Value	**Holdings no. of Shares**	**₹ Lakhs**	Holdings no. of Shares	₹ Lakhs
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Companies (At Cost)					
Sheena Investments Private Limited	**10.00**	**1,000,000**	**23,200.00**	1,000,000	23,200.00
ELEL Hotels and Investments Limited	**10.00**	**1,309,896**	**29,660.95**	1,309,896	29,660.95
Luthria and Lalchandani Hotels and Properties Private Limited	**100.00**	**50**	**0.05**	50	0.05
Total Investments			**52,861.00**		52,861.00

4. Cash and Cash Equivalents

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Balances with bank in current account	**68.00**	10.50
	68.00	10.50

5. Share Capital

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Authorised Share Capital		
Equity Shares		
89,30,32,160 (Previous year - 1,00,000) Equity Shares of ₹ 10/- each	**89,303.22**	10.00
	89,303.22	10.00
Issued Share Capital		
89,30,32,160 (Previous year - 98,288) Equity Shares of ₹ 10/- each	**89,303.22**	9.83
	89,303.22	9.83
Subscribed and Paid Up		
89,30,32,160 (Previous year - 98,288) Equity Shares of ₹ 10/- each, Fully Paid	**89,303.22**	9.83
	89,303.22	9.83

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Footnotes:

i) Reconciliation of the shares outstanding at the beginning and at the end of the year.

	March 31, 2018		March 31, 2017	
	No. of Shares	**₹ Lakhs**	No. of Shares	₹ Lakhs
As at the beginning of the year	**98,288**	**9.83**	98,288	9.83
Add : Issued during the year	**89,29,33,872**	**8,92,93.39**	-	-
As at the end of the year	**89,30,32,160**	**8,93,03.22**	98,288	9.83

During the year, the Company had allotted 89,29,33,872 Equity Shares of face value of ₹ 10 each, at par, for cash aggregating to ₹ 89,293.39 lakhs on a "rights" basis to the existing shareholders of the Company. The net issue proceeds have been utilised towards the repayment of the existing debt in the Company. Refer note 15

ii) Shares held by Holding Company.

	March 31, 2018	March 31, 2017
	No. of Shares	No. of Shares
Holding Company		
The Indian Hotels Company Limited ("IHCL")	**89,30,32,160**	98,288

iii) Shareholders holding more than 5% shares in the Company

The Indian Hotels Company Limited	**89,30,32,160**	98,288
% of Holding	**100 %**	100 %

iv) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

6. Other Equity

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Retained Earnings		
Opening	**(38,875.91)**	(31,189.65)
Add: Current year profit / (Loss)	**(5,094.05)**	(7,686.26)
Closing	**(43,969.96)**	(38,875.91)
Other Reserve (Refer note 15)		
Opening	**-**	-
Add : During the year	**(388.93)**	-
Closing	**(388.93)**	-
Total	**(44,358.89)**	(38,875.91)

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

7. Borrowings

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Term Loan from Others		
Secured	-	74,845.08
Unsecured		
Total Long term borrowings		
Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities)	-	-
Total Long term borrowings	**-**	74,845.08

Footnote :

Term Loan from Others (Secured) includes:

Term loan obtained from Housing Development Finance Corporation Limited on January 26, 2016, carrying interest at the rate of 10% p.a, compounded on an annual basis was repaid fully in current year. i.e July 27, 2017 and January 28, 2018

Security

i. Pledge of the Company's investment in 13,09,896 equity shares of ELEL Hotels & Investments Limited.

ii. Pledge of 5,81,291 equity shares of ELEL Hotels & Investments Limited, held by Sheena Investments Private Limited, (a wholly owned Subsidiary of the Company), both present and future.

iii. Pledge of 100% of equity shares of Sheena Investments Private Limited.

8. Trade Payables

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Micro and Small Enterprises	**-**	-
Others		
Vendor Payables	**-**	-
Accrued expenses and others	**1.82**	1.36
	1.82	1.36

Footnotes:

There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium enterprises Development Act, 2006".

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

9. Other financial liabilities

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Current financial liabilities		
Current maturities of long term borrowings		
Term Loans from Others	-	-
	-	-
Other Payables :-		
Related Parties (Refer footnote below)	**7,984.02**	7,980.10
Others		
	7,984.02	7,980.10
Interest accrued but not due on borrowings	-	8,912.23
Others	**1.00**	1.00
	7,985.02	16,893.33

Footnote:

Including ₹ 7,980.06 Lakhs outstanding as at March 31, 2018 (₹ 7,980.06 Lakhs as at March 31, 2017) on account of purchase of ELEL Hotels and Investments Limited's Shares.

10. Other current Liabilities

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Statutory dues	**0.15**	0.13
	0.15	0.13

11. Other Income

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Interest Income from financial assets at amortised cost		
Deposits with banks	-	0.49
Total	-	0.49

12. Finance costs

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Interest Expense at effective interest rate on borrowings	**5,054.49**	7,684.81
Interest on ICD borrowed	**36.62**	-
Total	**5,091.11**	7,684.81

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

13. General expenses

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
General expenses consist of the following :		
Rates and Taxes	**0.09**	0.06
Professional Fees	**0.56**	0.10
Audit Fees		
As statutory auditors	**1.48**	1.44
For other services	**0.70**	0.23
Other Expenses	**0.11**	0.11
Total	**2.94**	1.94

14. Earnings Per Share (EPS)

	Year Ended March 31, 2018 ₹ Lakhs	Year Ended March 31, 2017 ₹ Lakhs
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax - (₹ Lakhs)	**(5,094.05)**	(7,686.26)
Weighted Average Number of Equity Shares	**35,31,30,251**	98,288
Face Value per Equity Share	**10.00**	10.00
Earning Per Share - (₹) Basic and Diluted	**(1.44)**	(7,820.14)

15. During the year, the Company had allotted 89,29,33,872 Equity Shares of face value of ₹ 10 each, at par, for cash aggregating to ₹ 89,293.39 lakhs on a "rights" basis to the existing shareholders of the Company. The net issue proceeds have been utilised towards the repayment of the existing debt in the Company. The issue expenses aggregating to ₹ 388.93 lakhs have been directly recognised in the 'Other Equity" in accordance with Ind AS 32: Financial Instruments - Presentation.

16. Fair Value of financial Instruments.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments approximate fair values due to interest charged at market rate in respect of borrowings and short term nature of account balances in respect of cash, receivables etc,.

17. Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables, loans and borrowings. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company manages and monitors these risks primarily through its operating and financing activities.

18. Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

19. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

₹ Lakhs

March 31, 2018	Due in 1st year	Due in 2nd year	Total
Non-derivative financial liabilities			
Borrowings	-	-	-
Interest on Borrowings	-	-	-
Other Financial liabilities	7,985.02	-	7,985.02
Total	7,985.02	-	7,985.02

₹ Lakhs

March 31, 2017	Due in 1st year	Due in 2nd year	Total
Non-derivative financial liabilities			
Borrowings *	-	75,000.00	75,000.00
Interest on Borrowings *	-	24,825.00	24,825.00
Other Financial liabilities	7,981.10	-	7,981.10
Total	7,981.10	99,825.00	1,07,806.10

* These loans had original maturity for longer period, however, the Company had exercised its rights to pre-paying these loans out of the proceeds from equity issue.

20. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

21. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

22. Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

23. Taxation

Reconciliation of tax expense with the effective tax

₹ Lakhs

Particulars	**March 31, 2018**	March 31, 2017
Profit / (Loss) before tax	**(5,094.05)**	(7,686.26)
Income-tax rate as applicable @ 25.75% (previous year @ 29.87%)	**(1,311.72)**	(2,295.89)
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	**(1,311.72)**	2,295.89
Income tax expense recognised in statement of profit & loss	**-**	-

The Company has not recognized any deferred tax assets on losses incurred considering no tax benefit for business losses claimed under the Income Tax act, 1961 in its tax returns.

24. Related Party Transactions

The names of related parties of the Company are as under :

Holding Company

- The Indian Hotels Company Limited ("IHCL")
  (Including TIFCO Holdings Limited, a wholly owned subsidiary, which was amalgamated with IHCL on April 1, 2017 the appointed date for the purpose.)

Subsidiary Companies

- Sheena Investments Private Limited ("Sheena")
- ELEL Hotels and Investments Private Limited ("ELEL")
- Luthria and Lalchandani Hotel and Properties Private Limited **("Luthira")**

Subsidiaries of the holding Company : (with whom transactions taken place during the reporting period)

- Taj SATS Air Catering Limited

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Transactions with related parties :

₹ Lakhs

Particulars of transactions	Holding Company		Subsidiary Companies	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables				
Current Account Due	**-**	**7,980.10**	**-**	**-**
	-	*7,980.10*	*5.04*	*-*
ICD borrowed	**720.00**	**-**	**15.00**	**-**
	-	*-*	*-*	*-*
ICD repaid	**720.00**	**-**	**15.00**	**-**
	-	*-*	*-*	*-*
Interest on ICD borrowed	**36.28**	**-**	**0.35**	**-**
	-	*-*	*-*	*-*

Footnote : Figures are in *Italics* represent previous year figures.

25. There are no foreign currency transactions during the current and previous year.

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

Form AOC - I

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies / Joint Ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	Effective shareholding
				₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	(%)
	Indian													
1	Sheena Investments Private Ltd.	January 15, 2010	INR	100.00	163.38	268.30	4.92	39.85	1.00	13.84	4.00	9.84	-	100.00%
2	ELEL Hotels and Investments Ltd.	January 15, 2010	INR	282.09	59,531.46	63,943.21	4,129.66	0.93	-	(1,394.97)	-	(1,394.97)	-	85.72%
3	Luthria and Lalchandani Hotel and Properties Private Ltd.	February 18, 2008	INR	1.00	(3.64)	1.48	4.11	-	-	(0.37)	-	(0.37)	-	87.15%

Footnotes:

i) The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2018

ii) Names of subsidiaries which are yet to commence operations - None

Part "B" : Associates and Joint Ventures : Nil

For and on behalf of the Board

R. H. Parekh	**Ashok Binnani**	**Rashna Kararia**
Director	Director	Company Secretary
DIN: 01942405	DIN: 03326335	

Place: Mumbai
Date: May 17, 2018

SHEENA INVESTMENTS PRIVATE LIMITED

Directors and Corporate Information

Board of Directors:

Mr. R. H. Parekh	(DIN: 01942405)	
Mr. Ashok Binnani	(DIN: 03326335)	
Mr. Kishor Kulkarni	(DIN: 06872883)	Resigned w.e.f. April 2, 2018
Ms. Aban Rupa	(DIN: 01147657)	Resigned w.e.f. April 2, 2018
Mr. Beejal Desai	(DIN: 03611725)	Appointed w.e.f. April 5, 2018

Registered Office:
Mandlik House, Mandlik Road
Mumbai – 400 001
Tel.: 022-66395515, **Fax**: 022-22027442
CIN: U65990MH1990PTC055375
Email: investorrelations@tajhotels.com

Auditors:
M/s. PKF Sridhar and Santhanam LLP
Chartered Accountants, Mumbai

Bankers:
IDBI Bank Limited

Board's Report

To the Members,

The Directors have pleasure in presenting the Annual Report of the Company together with its Audited Financial Statement for the Financial Year ended March 31, 2018.

Financial Results

The Company's financial performance, for the year ended March 31, 2018 is summarized below:

₹ / lakhs

Particulars	2017-18	2016-17
Total Income	15.46	14.44
Total Expenses	1.62	1.68
Profit/(Loss) Before Tax	**13.84**	**12.76**
Less : Provision for Income Tax	4.00	4.35
Profit/(Loss) After Tax	**9.84**	**8.41**
Basic & Diluted Earnings Per Share (₹) (Face Value- ₹ 10/-)	**0.98**	**0.84**

No material changes and commitments have occurred between the end of the Financial Year to which these Financial Statement relate and the date of this Report which affect the financial position of the Company.

Dividend

The Directors do not recommend payment of dividend for the current Financial Year.

Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any direct Subsidiary or Joint Venture Company. ELEL Hotels and Investments Limited is a company under common control and also an Associate of the Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('the Act'), a statement containing salient features of the Financial Statement of the Company's Associate in Form AOC-1 is attached to the Financial Statement of the Company.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company takes all efforts towards conservation of energy and technology absorption. There were no foreign exchange earnings and expenditure during the year under review.

Risk Management

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors ('CSFs') and Key Performance Indicators ('KPIs') identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, if any, are given in the Notes to the Financial Statement.

Borrowings

The Company does not have any borrowings.

Related Party Transactions

All Related Party Transactions that were entered into during the Financial Year were in the Ordinary Course of Business and at Arm's Length basis, the details of which are given in the Notes to the Financial Statement.

Directors

Both, Ms. Aban Rupa and Mr. Kishor Kulkarni resigned as Directors of the Company w.e.f. April 2, 2018. The Board wishes to place on record, its appreciation of the valuable services rendered by Ms. Aban Rupa and Mr. Kishor Kulkarni during their respective tenures as Directors of the Company.

Mr. Beejal Desai was appointed as Additional Director of the Company w.e.f. April 5, 2018 and holds office upto the date of the forthcoming Annual General Meeting ('AGM').

In accordance with the Act, one of your Directors viz. Mr. R. H. Parekh retires by rotation and is eligible for re-appointment as Director.

Your approval for the appointments of Mr. R. H. Parekh and Mr. Beejal Desai has been sought in the Notice convening the AGM of the Company.

Board Meetings

During the year under review, four Board Meetings were convened and held i.e. on May 15, 2017, August 1, 2017, October 31, 2017 and January 19, 2018. The intervening gap between the meetings did not exceed the period prescribed under the Act.

Auditors

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in the Auditors' Report.

Share Capital

As on March 31, 2018, the issued, subscribed and paid-up share capital of the Company comprised of 10,00,000 Equity Shares of ₹ 10 each aggregating ₹ 1,00,00,000/-. The Company has not issued any shares during the year under review.

The Company has neither bought back its shares, nor has it issued any Sweat Equity or Bonus Shares or provided Stock Option to its employees during the year under review.

Extract of Annual Return

The details forming part of the extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is annexed herewith.

Staff

The Company does not have any employees and as such the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

Compliance with Secretarial Standards on Board Meetings and General Meetings

The Company has complied with Secretarial Standards issued by The Institute of Company Secretaries of India on Board Meetings and General Meetings.

Directors' Responsibility Statement

Based on the existing system of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal and Statutory Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2017-18.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

(i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there are no material departures;

(ii) it has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that period;

(iii) it has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) it has prepared the annual accounts on a going concern basis;

(v) it has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

General

The Directors state that no disclosure or reporting is required in respect of the following items:

1. Disclosure on Deposits covered under Chapter V of the Act as the Company has not accepted any deposits from public.
2. The provisions relating to Secretarial Audit, Corporate Social Responsibility, appointment of Key Managerial Personnel, constitution of Audit Committee & Nomination and Remuneration Committee and Vigil Mechanism are not applicable to the Company.

3. During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

On behalf of the Board of Directors

R. H. Parekh	**Ashok Binnani**
Director	Director
(DIN: 01942405)	(DIN: 03326335)

Mumbai, May 17, 2018

Registered Office:
Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U65990MH1990PTC055375
Tel. No.: 022 66395515
Fax No.: 022 22027442
Email: investorrelations@tajhotels.com

Annexure to Board's Report

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details

i)	CIN	: U65990MH1990PTC055375
ii)	Registration Date	: February 12, 1990
iii)	Name of the Company	: Sheena Investments Private Limited
iv)	Category / Sub-Category of the Company	: Indian Non-Government Company Limited by Shares
v)	Address of the Registered office and contact details	: Mandlik House, Mandlik Road, Mumbai- 400 001.
vi)	Whether listed company	: No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	: NA

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1.	Management Consultancy	702	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai 400 001.	L74999MH1902PLC000183	Ultimate Holding Company	100%	2(46)
2.	Skydeck Properties and Developers Private Limited Mandlik House, Mandlik Road, Mumbai 400 001.	U45200MH1998PTC114881	Holding	100%	2(46)
3.	ELEL Hotels and Investments Limited Mandlik House, Mandlik Road, Mumbai 400 001.	U70101MH1969PLC014326	Associate	39.28%	2(6)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders	No. of shares held at the beginning of the year (i.e. 01/04/17)				No. of shares held at the end of the year (i.e. 31/03/18)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individual	0	1	1	0	0	1	1	0	0
b) HUF									
c) Central Govt									
d) State Govt (s)									
e) Bodies Corp.	0	9,99,999	9,99,999	100	0	9,99,999	9,99,999	100	0
f) Banks / FIs									
g) Any Other									
Sub-total (A)(1)	**0**	**10,00,000**	**10,00,000**	**100**	**0**	**10,00,000**	**10,00,000**	**100**	**0**
2. Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FIs									
e) Any Other									
Sub-total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	**0**	**10,00,000**	**10,00,000**	**100**	**0**	**10,00,000**	**10,00,000**	**100**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FIs									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**0**	**10,00,000**	**10,00,000**	**100**	**0**	**10,00,000**	**10,00,000**	**100**	**0**

(ii) Shareholding of Promoters:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (i.e. 01/04/17)			Shareholding at the end of the year (i.e. 31/03/18)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Skydeck Properties and Developers Private Limited	9,99,999	100	Nil	9,99,999	100	Nil	Nil
2.	Mr. Ashok Binnani jointly with Skydeck Properties and Developers Private Limited	1	Nil	Nil	1	Nil	Nil	Nil
	Total	**10,00,000**	**100**	**Nil**	**10,00,000**	**100**	**Nil**	**Nil**

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Particulars	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	No Change			
2.	Date wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
3.	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Particulars	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
2.	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Nil	Nil	Nil	Nil
3.	At the end of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	**Mr. Ashok Binnani jointly with Skydeck Properties and Developers Private Limited**	Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	1	Nil	1	Nil
2.	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
3.	At the end of the year	1	Nil	1	Nil

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**
Change in Indebtedness during the Financial Year ● Addition ● Reduction				
Net Change	**Nil**	**Nil**	**Nil**	**Nil**
Indebtedness at the end of the Financial Year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**

VI. Remuneration of Directors ad Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify		
5.	Others, please specify		
	Total	**Nil**	**Nil**

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors	Total Amount
Independent Directors • Fees for attending Board / Committee Meetings • Commission • Others, please specify		
Other Non-Executive Directors • Fees for attending Board / Committee Meetings • Commission • Others, please specify		
Total	**Nil**	**Nil**

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify		
5.	Others, please specify		
	Total	**Nil**	**Nil**

VII. Penalties / Punishment/ Compounding of Offences

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018 .

For and on behalf of the Board of Directors

R. H. Parekh
Director
(DIN: 01942405)

Ashok Binnani
Director
(DIN: 03326335)

Mumbai, May 17, 2018

Registered Office:

Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U65990MH1990PTC055375
Tel. No.: 022 66395515
Fax No.: 022 22027442
Email: investorrelations@tajhotels.com

INDEPENDENT AUDITOR'S REPORT

To the members of **Sheena Investments Private Limited**

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of **Sheena Investments Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the

Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) Pursuant to MCA notification dated 13th June 2017, reporting on adequacy of the internal financial controls over financial reporting is exempted for this company.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place : Mumbai
Date : May 17, 2018

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence clause iii is not applicable.

(iv) Based on our audit procedures & according to the information and explanation given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act have been complied with.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities**.** According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / GST / duty of customs / duty of excise / value added tax, which have not been deposited on account of any dispute.

(viii) The Company has not taken any loan from a financial institution or bank or Government or debenture holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) In our opinion and according to the information and explanations given to us, no money raised by way of Initial Public Offer (IPO) or Further Public Offer (FPO) (including debt instrument) or term loan during the year.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration paid or provided during the year.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 188 of the Act where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards. As the Company is not required to constitute an Audit Committee, Section 177 of the Act is not applicable.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/ fully or partly convertible debentures during the year under review.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place : Mumbai
Date : May 17, 2018

Balance Sheet as at March 31, 2018

	Note	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Assets			
Non-current assets			
Financial assets			
Investments	3	**39.85**	39.85
Advance income tax (net)		**0.31**	0.47
		40.16	40.32
Current assets			
Financial assets			
Trade receivables	4	**1.95**	1.05
Cash and cash equivalents	5	**0.29**	31.71
Bank balances other than cash and cash equivalents	6	**225.90**	177.30
Other financial assets	7	**-**	5.56
		228.14	215.62
Total		**268.30**	255.94
Equity and liabilities			
Equity			
Equity share capital	8	**100.00**	100.00
Other equity	9	**163.38**	153.54
Total equity		**263.38**	253.54
Current Liabilities			
Financial liabilities			
Trade payables	10	**1.39**	1.35
Other financial liabilities	11	**3.36**	0.74
Other current liabilities	12	**0.17**	0.31
		4.92	2.40
Total		**268.30**	255.94
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Statement of Profit and Loss for the year ended March 31, 2018

	Note	Year Ended March 31, 2018 ₹ Lakhs	Year Ended March 31, 2017 ₹ Lakhs
Income			
Revenue from operations	13	**1.00**	1.00
Other income	14	**14.46**	13.44
Total Income		**15.46**	14.44
Expenses			
Other operating and general expenses	15	**1.62**	1.68
Total Expenses		**1.62**	1.68
Profit/ (Loss) before exceptional items and tax		**13.84**	12.76
Exceptional items		**-**	-
Profit/ (Loss) before tax		**13.84**	12.76
Tax expenses			
Current tax		**4.00**	4.35
Deferred tax		**-**	-
Total		**4.00**	4.35
Profit/ (Loss) after tax		**9.84**	8.41
Other comprehensive income, net of tax			
Other comprehensive income for the year		**-**	-
Total comprehensive Income for the year		**9.84**	8.41
Earnings per share:	16		
Basic - (₹)		**0.98**	0.84
Diluted - (₹)		**0.98**	0.84
Face value per ordinary share - (₹)		**10.00**	10.00

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Cash Flow Statement for the year ended March 31, 2018

	Year Ended March 31, 2018 ₹ Lakhs	Year Ended March 31, 2017 ₹ Lakhs
Cash Flow From Operating Activities		
Profit Before Tax	**13.84**	12.76
Adjustments For :		
Interest Income	**(14.46)**	(13.44)
	(14.46)	(13.44)
Cash Operating Profit before working capital changes	**(0.62)**	(0.68)
Adjustments for (increase)/ decrease in operating assets:		
Inventories		
Trade Receivables	**(0.90)**	30.09
Other Current Assets	**-**	5.00
	(0.90)	35.09
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**2.52**	(0.16)
	2.52	(0.16)
Cash Generated from Operating Activities	**1.00**	34.25
Direct Taxes (Paid)/ Refunded	**(3.84)**	(4.42)
Net Cash Generated From Operating Activities (A)	**(2.84)**	**29.83**
Cash Flow From Investing Activities		
Interest Received	**20.02**	13.65
Bank Balances not considered as Cash and Cash Equivalents	**(48.60)**	(12.30)
Net Cash Generated/(Used) In Investing Activities (B)	**(28.58)**	1.35
Cash Flow From Financing Activities		
	-	-
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(31.42)**	31.18
Cash and Cash Equivalents - Opening	**31.71**	0.53
Cash and Cash Equivalents - Closing	**0.29**	31.71

Summary of Significant Accounting Policies
The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

A TATA Enterprise
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Statement of Changes in Equity as at March 31, 2018

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus Retained Earnings	Total
Balance as at April 1, 2016	100.00	145.13	245.13
Profit for the year ended March 31, 2017	-	8.41	8.41
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2017	**-**	**8.41**	**8.41**
Balance as at March 31, 2017	**100.00**	**153.54**	**253.54**
Profit for the year ended March 31, 2018	-	9.84	9.84
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2018	**-**	**9.84**	**9.84**
Balance as at March 31, 2018	**100.00**	**163.38**	**263.38**

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

1. Background

Sheena Investments Private Limited (the "Company"), a private limited company was incorporated on February 12, 1990. The Company is primarily engaged in the business of investment and also providing management consultancy.

2. Significant accounting policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013, on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Impairment of investments** The Company reviews its carrying value of investment in subsidiaries carried at cost less impairment (if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

c) Revenue recognition

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

Dividend income is recognized when the Company's right to receive the amount is established.

d) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) **Current tax:**

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) **Deferred tax :**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

e) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

f) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

g) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

h) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

i) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Debt instruments

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either:
  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

j) Recent accounting pronouncements

a) New standards notified and adopted by the Company:

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated 17 March 2017, Ministry of Corporate Affairs (MCA) has notified amendments to two new standards namely Ind AS 102 Share-based Payment and Ind AS 7 Statement of Cash Flows which will be effective prospectively from 1 April 2017.

During the year, there are no share based payment transactions and hence Ind AS 102 is not applicable to the Company.

Further, amendment in Ind AS 7 pertains to additional disclosure requirement such as "An entity will be required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes."

As there are no non-cash changes in liabilities arising from financing activities, relevant disclosure in this regard has not been provided.

b) New standard notified but not early adopted by the Company

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer
ii. Identification of the performance obligations in the contract
iii. Determination of the transaction price
iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments are expected to have any material effect on the Company's financial statements.

3. Investments

	Face Value	March 31, 2018 Holdings As at	March 31, 2018 ₹ Lakhs	March 31, 2017 Holdings As at	March 31, 2017 ₹ Lakhs
Non Current Investments					
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Fellow Subsidiary Companies (At Cost)					
ELEL Hotels and Investments Limited	10	1,108,145	39.80	1,108,145	39.80
Luthria and Lalchandani Hotels and Properties Private Limited	100	50	0.05	50	0.05
Total			**39.85**		39.85

Footnote :

The Company holds 11,08,145 (March 31, 2017 : 11,08,145) shares in ELEL Hotels and Investments Limited out of which 526,854 (March 31, 2017 : 526,854) shares are held in Escrow Account in favour of a certain company, which shall be transferred on fulfillment of certain conditions. The conditions have not yet been fulfilled.

4. Trade and other receivables (Unsecured)

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Outstanding over six months		
Considered good	**1.05**	-
Considered doubtful	**-**	-
Others		
Considered good	**0.90**	1.05
Considered doubtful	**-**	-
	1.95	1.05

5. Cash and Cash Equivalents

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Balances with bank in current account	**0.29**	31.71
	0.29	31.71

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

6. Bank Balances Other than Cash and Cash Equivalents

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Other Balances with banks		
Call and Short-term deposit accounts	**225.90**	177.30
	225.90	177.30
Less: Term Deposit with Bank maturing after 12 months from the Balance Sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current	-	-
	225.90	177.30

7. Other Financial Assets

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Interest receivable		
Related Parties	**-**	-
Bank Deposits	**-**	5.56
Others	**-**	-
	-	5.56
On Current Account dues :		
Related Parties	**-**	-
Others	**-**	-
	-	-
	-	5.56

8. Share Capital

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Authorised / Issues Share Capital		
Equity Shares		
10,00,000 (Previous year - 10,00,000)	**100.00**	100.00
Equity Shares of ₹ 10/- each		
	100.00	100.00
Subscribed and Paid Up		
10,00,000 (Previous year - 10,00,000)	**100.00**	100.00
Equity Shares of ₹ 10/- each, Fully Paid		
	100.00	100.00

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or bought back during the current and comparative periods.

ii) The ultimate Holding Company of the Company is “The Indian Hotels Company Limited”.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

iii) Shares held by Holding Company.

	No. of Shares March 31, 2018	No. of Shares March 31, 2017
Name of the Company		
Holding Company		
Skydeck Properties and Developers Private Limited	**1,000,000**	1,000,000

iv) Shareholders holding more than 5% shares in the Company

Skydeck Properties and Developers Private Limited	**1,000,000**	1,000,000
% of Holding	**100 %**	100 %

v) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

9. Other Equity

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Retained Earnings		
Opening Balance	**153.54**	145.13
Add: Current year profits	**9.84**	8.41
	163.38	153.54

10. Trade Payables

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Micro and Small Enterprises	-	-
Others		
Vendor Payables	-	-
Accrued expenses and others	1.39	1.35
	1.39	1.35

Footnote :

There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006".

11. Other financial liabilities

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Payables on Current Account dues :		
Related Parties	**3.36**	0.74
	3.36	0.74

12. Other non financial Liabilities

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Current		
Statutory dues	**0.17**	0.31
	0.17	0.31

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

13. Revenue from Operations

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Consultancy Fees	**1.00**	1.00
Total	**1.00**	1.00

14. Other Income

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Interest Income from financial assets at amortised cost		
Deposits with banks	**14.46**	13.44
Total	**14.46**	13.44

15. General expenses

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
General expenses consist of the following :		
Rates and Taxes	**0.04**	0.04
Professional Fees	**-**	0.10
Audit Fees		
As statutory auditors	**1.48**	1.44
Other Expenses	**0.10**	0.10
Total	**1.62**	1.68

16. Earnings Per Share "EPS"

Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.

	Year Ended March 31, 2018 ₹ Lakhs	Year Ended March 31, 2017 ₹ Lakhs
Profit / (Loss) after tax - (₹ Lakhs)	**9.84**	8.41
Weighted Average Number of Equity Shares	**1,000,000**	1,000,000
Face Value per Equity Share	**10.00**	10.00
Earning Per Share - (₹) Basic and Diluted	**0.98**	0.84

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

17. Fair Value of financial Instruments.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments, including cash, bank fixed deposits, receivables etc., approximate fair values due to the short term nature of these account balances.

18. Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, bank fixed deposits, trade and other receivables, trade and other payables. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company manages and monitors these risks primarily through its operating and financing activities.

19. Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

20. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

21. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

22. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

23. Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

24. Taxation

Reconciliation of tax expense with the effective tax

₹ Lakhs

	March 31, 2018	March 31, 2017
Profit before tax	**13.84**	12.76
Income-tax rate as applicable @ 25.75% (previous year @ 29.87%)	**3.56**	3.81
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	**0.44**	0.51
Rounding off adjustments	**-**	0.03
Income tax expense recognised in statement of profit & loss	4.00	4.35

25. Capital Commitments

As on March 31, 2018, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil Lakhs (March 31, 2017 : ₹ Nil Lakhs)

26. Related Party Transactions

a. The names of related parties of the Company are as under :

Ultimate Holding Company

- The Indian Hotels Company Limited

Holding Company

- Skydeck Properties and Developers Private Limited

Subsidiary Companies

- ELEL Hotels and Investments Limited
- Luthria and Lalchandani Hotel and Properties Private Limited

b. Transactions with related parties :

₹ Lakhs

Particulars of transactions	**Ultimate Holding Company**		**Holding Company**		**Subsidiaries**	
	Transaction amount	**Outstanding amount**	**Transaction amount**	**Outstanding amount**	**Transaction amount**	**Outstanding amount**
Payables	**2.61**	**3.35**	**-**	**-**	**-**	**-**
	3.29	*0.74*	*-*	*-*	*-*	*-*
Receivables	**-**	**-**	**-**	**-**	**1.00**	**1.95**
	-	*-*	*5.00*	*-*	*32.19*	*1.05*

Foot note : Figures are in *Italics* represent previous year figures.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

28. There were no foreign currency transactions during the current and previous year.

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	Effective share-holding
				₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	₹ / lakhs	%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Footnote

Names of subsidiaries which are yet to commence operations - None

Part "B" : Associates and Joint Ventures

Sr. No.	Name of Associates/ Joint Ventures	Latest Audited Balance sheet date	Date on which the Associate or Joint Venture was associated or acquired	Shares held by the company on the year end			Networth attributable to shareholding as per latest audited Balance Sheet	Profit/ loss for the year		Description of how there is significant influence	Reason why the Associate / Joint Venture is not consolidated
				No. of shares (Refer Note v)	Amount of Investment	Extent of Holding		Considered in Consolidation (to the extent of Group's effective shareholding)	Not Considered in Consolidation		
					₹ / lakhs	%	₹ / lakhs	₹ / lakhs	₹ / lakhs		
	Associates										
	Indian										
1	ELEL Hotels and Investments Limited (Refer Note (iii))	March 31, 2018	January 15, 2010	1,108,145	39.80	39.28%	23,494.76	NA	NA	Note (ii)	Note (iii)

Notes:

i) Names of Associates/ Joint Venture which are yet to commence operations - None

ii) There is significant influence due to percentage(%) of shareholding (more than 20%).

iii) The Company, being intermediate holding company, is exempted from preparing consolidated financial statement.

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place : Mumbai
Date : May 17, 2018

ELEL HOTELS & INVESTMENTS LIMITED

Directors and Corporate Information

Board of Directors:

Mr. Puneet Chhatwal	Chairman (appointed w.e.f. February 12, 2018)
Mr. Giridhar Sanjeevi	Director (appointed w.e.f. July 31, 2017)
Mr. Suresh Nanda	Director
Mr. Vijaykumar Raichand	Alternate Director to Mr. Suresh Nanda
Mr. Rakesh Sarna	Director (resigned w.e.f. September 30, 2017)
Mr. Rajeev Newar	Additional Director (resigned w.e.f. August 1, 2017)

Bankers:

IDBI Bank Limited
HDFC Bank Limited
ICICI Bank Limited

Auditors:

M/s. PFK Sridhar & Santhanam LLP
Chartered Accountants

Registered Office:

Mandlik House, Mandlik Road
Mumbai 400001
CIN : U70101MH1969PLC014326
Tel.: 91 22 66395515
Fax: 91 22 22027442

Board's Report

To the Members,

The Directors hereby present the Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2018.

Financial Results

The summarized Results of your Company and its subsidiaries are given in the table below.

₹ / Lakhs

Particulars	2017-18	2016-17
Total Income	88.18	113.67
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	**(279.13)**	**(88.65)**
Less : Depreciation	1,115.84	1,113.84
Profit/(Loss) before Tax	**(1,394.97)**	**(1,202.49)**
Less : Provision for Income Tax	-	-
Profit/(Loss) After Tax	**(1,394.97)**	**(1,202.49)**

Dividend

Your Directors do not recommend the payment of dividend for the current year.

Share Capital

During the year under review, the issued, subscribed and paid-up share capital of your Company comprised of 2,820,887 Equity Shares of ₹ 10 each. The Company has not further issued any shares.

Subsidiaries, Joint Ventures and Associate Companies

The Consolidated Financial Statements of the Company and its Subsidiary, prepared in accordance with the relevant Accounting Standards of The Institute of Chartered Accountants of India, duly audited by the Statutory Auditors, form a part of the Annual Report and are reflected in the Consolidated Accounts.

The Company has a subsidiary viz Luthria & Lalchandani Hotel & Properties Private Ltd as on March 31, 2017. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('Act') a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is annexed to the financial statements of the Company.

Borrowings

The Company does not have any borrowings during the year.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

Board of Directors

In accordance with the Act and the Articles of Association of the Company, one of your Directors viz. Mr. Suresh Nanda (DIN 00249603) retires by rotation and is eligible for re-appointment. Your approval for the re-appointment of Mr. Suresh Nanda as a Director has been sought in the Notice convening the Annual General Meeting ('AGM') of the Company.

Mr. Puneet Chhatwal, Mr. Giridhar Sanjeevi and Ms. Vibha Paul Rishi were appointed as Additional Directors of the Company w.e.f. February 12, 2018; July 31, 2017 and September 21, 2017. Ms. Vibha Paul Rishi is a Non-Executive Director and considered as Independent. As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Ms. Vibha Paul Rishi has given declaration to the Board that she meets the criteria of independence as provided under Section 149 of the Act. Mr. Puneet Chhatwal; Mr. Giridhar Sanjeevi and Ms. Vibha Paul Rishi hold office up to the date of the forthcoming AGM of the Company and are eligible for appointment. Taking into consideration their knowledge and experience, the Board commends their appointment as Directors of the Company to the Members. The Members' approval for their appointment as Director of the Company has been sought in the Notice convening the AGM of the Company.

Mr. Rakesh Sarna and Mr. Rajeev Newar, Directors of the Company had resigned w.e.f. September 30, 2017 and August 1, 2017 respectively. The Board places on record its appreciation for the valuable services rendered and enormous contribution made by them during their tenure as Directors of the Company.

Board Meetings

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, four meetings of the Board of Directors were held and the intervening gap between the meetings was within the period prescribed under the Act. The Board meetings were held on May 15, 2017; July 31, 2017; November 7, 2017 and February 12, 2018.

Extract of the Annual Return

The details forming part of the extract of Annual Return in Form MGT 9 pursuant to Section 92 (3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules 2014, is annexed herewith.

Auditors

The Auditors report of M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018) has no qualifications, reservations or adverse remarks.

Risk Management Policy

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act and has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors ('CSFs') and Key Performance Indicators ('KPIs') identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

Internal Financial Controls

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of Internal Audit is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Board.

Related Parties

All Related Party Transactions ('RPTs') that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business. There are no materially significant RPTs made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large.

Conservation of Energy and Technology Absorption

The Company is taking the necessary steps and making all efforts towards conservation of energy and technology absorption.

Earnings & Expenditures in Foreign Currency

The Company earned Nil in foreign currency and incurred expenditure in foreign currency amounting to Nil on business related travel overseas and capital goods during the year. No other particulars are required to be furnished.

Particulars of Employees

The Company does not have any employees drawing salary requiring disclosures in terms of Section 134 of the Act read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Significant and Material orders Passed by the Regulators

During the year under review, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

Directors Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) and 134(5) of the Act :

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year as at March 31, 2018 and of the loss of the year ended March 31, 2018;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis; and

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

General

The Directors state that no disclosure or reporting is required in respect of the following items:

1. Disclosure on Deposits covered under Chapter V of the Act as the Company has not accepted any deposits from public.

2. The provisions relating to Secretarial Audit, Corporate Social Responsibility, appointment of Key Managerial Personnel, constitution of Audit Committee, Nomination and Remuneration Committee, Vigil Mechanism are not applicable to the Company.

3. During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

On behalf of the Board of Directors

Puneet Chhatwal
Director
DIN: 07624616

Giridhar Sanjeevi
Director
DIN: 06648008

Mumbai, Dated: May 11, 2018

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN : U70101MH1969PLC014326
Tel.: 91 22 66395515 Fax: 91 22 22027442

Annexure to Board's Report

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

i)	CIN	: U70101MH1969PLC014326
ii)	Registration Date	: July 9, 1969
iii)	Name of the Company	: ELEL Hotels and Investments Limited
iv)	Category / Sub-Category of the Company	: Indian Non-Government Company Limited by Shares
v)	Address of the Registered office and contact details	: Mandlik House, Mandlik Road, Mumbai- 400 001.
vi)	Whether listed company	: No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	: Nil

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services*	NIC Code of the product/ service	% to total turnover of the Company
1.	Other financial service activities, except insurance and pension funding activities, n.e.c	64990	100

*The Company was engaged in the business of hoteleiring, which was demolished and plans to re-build its hotel. Therefore currently the Company does not draw any income from this business.

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Luthria & Lalchandani Hotel & Properties Private Limited Mandlik House, Mandlik Road, Mumbai 400 001.	U55100MH2008PTC178963	Subsidiary	90%	2 (87)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year (i.e. 01/04/17)				No. of Shares held at the end of the year (i.e. 31/03/18)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	5,81,291	22,39,596	2820,887	100	5,81,291	22,39,596	28,20,887	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**5,81,291**	**22,39,596**	**28,20,887**	**100**	**5,81,291**	**22,39,596**	**28,20,887**	**100**	**-**
(2) Foreign									
a) NRIs -	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
b) Other –	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	**5,81,291**	**22,39,596**	**28,20,887**	**100**	**5,81,291**	**22,39,593**	**28,20,887**	**100**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of shareholders	No. of shares held at the beginning of the year (i.e. 01/04/17)				No. of Shares held at the end of the year (i.e. 31/03/18)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**5,81,291**	**22,39,596**	**28,20,887**	**100**	**-**	**22,39,593**	**28,20,887**	**100**	**-**

(ii) Shareholding of Promoters

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year (i.e. 01/04/17)			Share holding at the end of the year (i.e. 31/03/18)			% change in share-holding during the year
		No. of shares	% of total shares of the Company	%of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Sheena Investments Private Limited ('Sheena')	11,08,145	39.28	-	11,08,145	39.28	-	-
2	Skydeck Properties and Developers Private Limited ('Skydeck')	13,09,896	46.44	-	13,09,896	46.44	-	-
3	Excalibur Assets and Capital Management Private Limited	3,98,090	14.11	100	3,98,090	14.11	100	-
4	Claridges Hotels Private Limited	4,756	0.17	-	4,756	0.17	-	-
	TOTAL	**28,20,887**	**100**	**100**	**28,20,887**	**100**	**100**	**-**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative Shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	No Change			
	Date wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.		Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus / sweat equity etc.)	Nil	Nil	Nil	Nil
	At the end of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.		Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative Shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				
	At the end of the year	Nil	Nil	Nil	Nil

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year				
• Addition (Interest accrued but not due)	-	-	-	-
• Reduction	-	-	-	-
Net Change	**-**	**-**	**-**	**-**
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

₹ Lakhs

Sr No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify					
5	Others, please specify					
	Total	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

B. Remuneration to other Directors:

₹ Lakhs

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors ● Fee for attending Board / Committee meetings ● Commission ● Others, please specify					
2	Other Non-Executive Directors ● Fee for attending Board / Committee meetings ● Commission ● Others, please specify					
	Total (B)					
	Total Managerial Remuneration	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
			Total
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income tax Act, 1961	N.A.	
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify…		
5	Others, please Specify		
6	**Total**		

VII. Penalties / Punishment / Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company (Penalty/ Punishment/ Compounding of Offences)	NIL				
B. Director (Penalty/ Punishment/ Compounding of Offences)					
B. Other Officers in Default (Penalty/ Punishment/ Compounding of Offences)					

INDEPENDENT AUDITOR'S REPORT

To the members of **ELEL Hotels & Investments Limited**

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of ELEL Hotels & Investments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss (including other comprehensive income), the changes in equity and the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 29 & 30.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2018.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018
Ramanarayanan J
Partner
Membership No. 220369

Place: Mumbai
Date : 11-May-2018

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular program of verifying fixed assets which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sub-lease deed provided to us, we report that, the title deeds of land taken on lease are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loan (secured/unsecured) to certain parties covered in the register maintained under section 189. Accordingly, the provisions of clause 3(iii) of the Order are not applicable.

(iv) Based on our audit procedures & according to the information and explanation given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act have been complied with.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues relating to income tax / sales tax / service tax / GST / duty of customs / duty of excise / value added tax, which have not been deposited on account of any dispute except as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	589.20	1988-89, 1989-90, 1991-92, 1992-93 & 1996-97	High Court

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not taken any loan/borrowing from financial institutions, banks, Government or debenture holders. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money raised by way of Initial Public Offer (IPO) or Further Public Offer (FPO) (including debt instrument) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration has been paid or provided during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 188 of the Act where applicable and the details have been disclosed in the Ind AS Financial statements etc. as required by the applicable accounting standards. As the Company is not required to constitute an Audit Committee, Section 177 of the Act is not applicable.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/ fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018
Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date : May 11, 2018

Annexure B

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ELEL Hotels & Investments Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018
Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date : May 11, 2018

Balance Sheet as at March 31, 2018

	Note	**March 31, 2018 ₹ Lakhs**	March 31, 2017 ₹ Lakhs
Assets			
Non-current assets			
Property, plant and equipment	3	**-**	-
Capital work-in-progress	3	**4,709.83**	4,698.57
Intangible assets	4	**57,466.01**	58,578.26
		62,175.84	63,276.83
Financial assets			
Investments	5	**0.93**	0.93
Other financial assets	7	**0.97**	0.97
Other non-current assets	8	**4.94**	4.94
		62,182.68	63,283.67
Current assets			
Financial assets			
Investments	5	**1,656.25**	1,896.30
Cash and cash equivalents	9	**9.56**	12.37
Loans	6	**90.00**	45.00
Other financial assets	7	**4.72**	1.99
		1,760.53	1,955.66
Total		**63,943.21**	65,239.33
Equity and liabilities			
Equity			
Equity share capital	10	**282.09**	282.09
Other equity	11	**59,531.46**	60,926.43
Total equity		**59,813.55**	61,208.52
Current Liabilities			
Financial liabilities			
Trade payables	12	**34.65**	15.43
Other financial liabilities	13	**350.46**	347.19
Provisions	14	**1,326.70**	1,256.94
Current tax provisions (Net)		**2,410.67**	2,410.72
Other current liabilities	15	**7.18**	0.53
		4,129.66	4,030.81
Total		**63,943.21**	65,239.33
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 11, 2018

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Statement of Profit and Loss for the year ended March 31, 2018

	Note	**March 31, 2018** ₹ **Lakhs**	March 31, 2017 ₹ Lakhs
Income			
Other income	16	**88.18**	113.67
Total Income		**88.18**	113.67
Expenses			
Depreciation	3 / 4	**1,115.84**	1,113.84
Other operating and general expenses	17	**367.31**	202.32
Total Expenses		**1,483.15**	1,316.16
Profit/ (Loss) before exceptional items and tax		**(1,394.97)**	(1,202.49)
Exceptional items		**-**	-
Profit/ (Loss) before tax		**(1,394.97)**	(1,202.49)
Tax expenses			
Current tax		**-**	-
Deferred tax		**-**	-
Total		**-**	-
Profit/ (Loss) after tax		**(1,394.97)**	(1,202.49)
Other comprehensive income			
other comprehensive Income for the year		**-**	-
Total comprehensive Income for the year		**(1,394.97)**	(1,202.49)
Earnings per share:	18		
Basic - (₹)		**(49.45)**	(42.63)
Diluted - (₹)		**(49.45)**	(42.63)
Face value per ordinary share - (₹)		**10.00**	10.00
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 11, 2018

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Statement of Changes in Equity as at March 31, 2018

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus			Total
		Securities Premium Account	General Reserve	Retained Earnings	
Balance as at April 1, 2016	**282.09**	**16,415.23**	**70,749.87**	**(25,036.18)**	**62,411.01**
Profit for the year ended March 31, 2017	-	-	-	(1,202.49)	**(1,202.49)**
Total Comprehensive Income for the year ended March 31, 2017	**-**	**-**	**-**	**(1,202.49)**	**(1,202.49)**
Add/ Less: Other Adjustments	-	-	-	-	**-**
Balance as at March 31, 2017	**282.09**	**16,415.23**	**70,749.87**	**(26,238.67)**	**61,208.52**
Profit for the year ended March 31, 2018	-	-	-	(1,394.97)	**(1,394.97)**
Total Comprehensive Income for the year ended March 31, 2018	**-**	**-**	**-**	**(1,394.97)**	**(1,394.97)**
Add/ Less: Other Adjustments	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2018	**282.09**	**16,415.23**	**70,749.87**	**(27,633.64)**	**59,813.55**

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 11, 2018

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Cash Flow Statement for the year ended March 31, 2018

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Cash Flow From Operating Activities		
Profit Before Tax	**(1,394.97)**	(1,202.49)
Adjustments For :		
Depreciation and Amortisation	**1,115.84**	1,113.84
Dividend Income	**(79.95)**	(75.99)
Interest Income	**(8.08)**	(34.84)
	1,027.81	1,003.01
Cash Operating Profit before working capital changes	**(367.16)**	(199.48)
Adjustments for (increase)/ decrease in operating assets:		
Loans and advances	**(0.31)**	(13.78)
Other Current Assets	**-**	-
	(0.31)	(13.78)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**19.22**	(90.99)
Other Liabilities	**79.68**	82.73
	98.90	(8.26)
Cash Generated from Operating Activities	**(268.57)**	(221.52)
Direct Taxes (Paid) / Refunded	**(0.05)**	13.59
Net Cash Generated From Operating Activities (A)	**(268.62)**	(207.93)
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	**(14.85)**	(14.26)
Purchase of current Investments	**-**	-
Sale of current Investments	**240.05**	147.15
Interest Received	**5.66**	34.30
Dividend Received	**79.95**	75.99
Short-term Deposits repaid / (placed)	**(45.00)**	(45.00)
Net Cash Generated/(Used) In Investing Activities (B)	**265.81**	**198.18**
Cash Flow From Financing Activities	**-**	**-**
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(2.81)**	**(9.75)**
Cash and Cash Equivalents - Opening	**12.37**	**22.12**
Cash and Cash Equivalents - Closing	**9.56**	**12.37**
Summary of Significant Accounting Policies	2	

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 11, 2018

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Notes to the Financial Statements for the year ended March 31, 2018

1. Background

ELEL Hotels & Investments Limited ("ELEL" or the "Company"), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956 on July 9th, 1969. The Company was engaged in business of hoteliering and owned erstwhile hotel 'Sea Rock' in Mumbai, India which has since been demolished. Currently, the plan for re-building of the hotel is under consideration pending requisite approval.

2. Significant accounting policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value in use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Impairment of investments:** The Company reviews its carrying value of investment in subsidiary carried at cost less impairment (if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss.

Notes to the Financial Statements for the year ended March 31, 2018

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

c) Revenue recognition

Interest
Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends
Dividend income is recognized when the Company's right to receive the amount is established.

d) Property, Plant and Equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for temporary improvements which are depreciated fully the same year of capitalization.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Notes to the Financial Statements for the year ended March 31, 2018

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

e) Intangible Assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

I. the technical feasibility and Company's intention and ability of completing the project;

II. the Company's ability to use the intangible assets;

III. the probability that the project will generate future economic benefits;

IV. the availability of adequate technical financial and other resources to complete the project; and

V. the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year.

Lease acquisition rights are amortised from the acquisition date over the balance period of the lease.

An intangible assets is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

f) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does

Notes to the Financial Statements for the year ended March 31, 2018

not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

g) Foreign currency transactions

The functional currency of the Company is Indian Rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were fair value measured.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

h) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of

Notes to the Financial Statements for the year ended March 31, 2018

taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

i) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

j) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

k) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

l) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive

Notes to the Financial Statements for the year ended March 31, 2018

potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

m) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Notes to the Financial Statements for the year ended March 31, 2018

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial

Notes to the Financial Statements for the year ended March 31, 2018

liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net

Notes to the Financial Statements for the year ended March 31, 2018

basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

n) Recent accounting pronouncements

a) New standards notified and adopted by the Company:

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated 17 March 2017, Ministry of Corporate Affairs (MCA) has notified amendments to two new standards namely Ind AS 102 Share-based Payment and Ind AS 7 Statement of Cash Flows which will be effective prospectively from 1 April 2017.

During the year, there are no share based payment transactions and hence Ind AS 102 is not applicable to the Company.

Further, amendment in Ind AS 7 pertains to additional disclosure requirement such as "An entity will be required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes."

As there are no non-cash changes in liabilities arising from financing activities, relevant disclosure in this regard has not been provided.

b) New standard notified but not early adopted by the Company

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer
ii. Identification of the performance obligations in the contract
iii. Determination of the transaction price
iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital, mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments are expected to have any material effect on the Company's financial statements.

Notes to the Financial Statements for the year ended March 31, 2018

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ Lakhs

	Office Equipment	Total	Capital Work in Progress
Cost (Refer Footnote below)			
At April 1, 2016	0.02	**0.02**	**4,698.57**
Additions	1.58	**1.58**	**-**
Adjustment	-	**-**	**-**
Disposals/ Transfer	-	**-**	**-**
At March 31, 2017	1.60	**1.60**	**4,698.57**
Additions	3.59	**3.59**	**11.26**
Adjustments	-	**-**	**-**
Disposals/ Transfer	-	**-**	**-**
At March 31, 2018	5.19	**5.19**	**4,709.83**
Depreciation			
At April 1, 2016	0.01	**0.01**	**-**
Charge for the year	1.59	**1.59**	**-**
Adjustments	-	**-**	**-**
Disposals	-	**-**	
At March 31, 2017	1.60	**1.60**	**-**
Charge for the year	3.59	**3.59**	
Adjustments	-	**-**	**-**
Disposals	-	**-**	
At March 31, 2018	5.19	**5.19**	**-**
Net Block			
At March 31, 2017	-	**-**	**4,698.57**
At March 31, 2018	-	**-**	**4,709.83**

Footnote :

On transition to Ind AS, carrying value of all the tangible assets under the previous GAAP is considered as the deemed cost under Ind AS. All accumulated depreciations were accordingly adjusted from the cost as on April 1, 2015.

Notes to the Financial Statements for the year ended March 31, 2018

Note 4 : Intangible Assets (Acquired)

₹ Lakhs

	Service and Operating Rights	Lease Acquisition Rights	Total
Cost (Refer Footnotes below)			
At April 1, 2016	-	60,802.70	**60,802.70**
Additions	-	-	**-**
Adjustments	-	-	**-**
Disposals	-	-	**-**
At March 31, 2017	-	60,802.70	**60,802.70**
Additions	-	-	**-**
Adjustments	-	-	**-**
Disposals	-	-	**-**
At March 31, 2018	-	60,802.70	**60,802.70**
Amortisation			
At April 1, 2016	-	1,112.25	**1,112.25**
Charge for the year	-	1,112.25	**1,112.25**
Adjustments	-	(0.06)	**(0.06)**
Disposals	-	-	**-**
At March 31, 2017	-	2,224.44	**2,224.44**
Charge for the year	-	1,112.25	**1,112.25**
Adjustments	-	-	**-**
Disposals	-	-	**-**
At March 31, 2018	-	3,336.69	**3,336.69**
Net Block			
At March 31, 2017	-	58,578.26	**58,578.26**
At March 31, 2018	-	57,466.01	**57,466.01**

Footnote:

i) On transition to Ind AS, carrying value of all the intangible assets under the previous GAAP is considered as the deemed cost under Ind AS. All accumulated depreciations were accordingly adjusted from the cost as on April 1, 2015.

ii) Pursuant to the Scheme of Amalgamation dated April 1, 2006, all the assets and liabilities including the existing assets and liabilities of the Company were recorded by the Company at their respective fair values as on the appointed date i.e. April 1, 2006 determined by an independent Government approved valuer. This resulted into a gain of ₹ 70,652.96 Lakhs on fair valuation of leasehold land owned by the Company. As per prescribed accounting standards, such increases should be recorded in Revaluation Reserve. However, as prescribed in the Scheme of Amalgamation approved by the Honourable High Court, Mumbai the increase in book value arising on fair valuation of leasehold land of the Company has been credited to General Reserve.

Notes to the Financial Statements for the year ended March 31, 2018

Note 5 : Investments

₹ Lakhs

	Face Value	March 31, 2018		March 31, 2017	
		Holdings no. of Shares	₹ Lakhs	Holdings no. of Shares	₹ Lakhs
A) Non Current Investments					
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Companies (At Cost)					
Luthria and Lalchandani Hotels and Properties Private Limited	100	**900**	**0.82**	900	0.82
			0.82		0.82
Others					
National Savings Certificates 'NSC' (Refer note below)			**0.11**		0.11
Footnote					
NSC pledged as security with Accounts Officer, State Excise, Mumbai					
			0.93		0.93
B) Current Investments					
Investments in Mutual Fund Units					
Kotak Floater Short-term - DDR		**121,235**	**1,226.44**	116,024	1,173.72
ICICI Prudential Liquid Plan - DDR		**428,928**	**429.81**	721,869	722.58
JP Morgan Liquid Fund - Super IP - DDR		**-**	**-**	-	-
Peerless Liquid Fund - Super IP - DDR		**-**	**-**	-	-
Taurus Liquid Fund - Super IP - DDR		**-**	**-**	-	-
TOTAL			**1,656.25**		1,896.30

Note 6 : Loans

₹ Lakhs

	March 31, 2018	March 31, 2017
Current		
(Unsecured, considered good unless stated otherwise)		
Related Parties (Refer note 33)	**90.00**	45.00
Others	**-**	-
	90.00	45.00

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 : Other Financial Assets

		March 31, 2018	March 31, 2017
		₹ Lakhs	₹ Lakhs
A)	**Non Current**		
	Deposits with Public Bodies and Others at amortised costs		
	Public Bodies and Others	**0.97**	0.97
		0.97	0.97
B)	**Current**		
	Interest receivable		
	Bank Deposits	**-**	-
	Others	**2.96**	0.54
		2.96	0.54
	On Current Account dues :		
	Related Parties	**1.76**	1.45
	Others	**-**	-
		1.76	1.45
		4.72	1.99

Note 8 : Other Assets

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Non Current		
Deposits with Government Authoritites	**4.94**	4.94
	4.94	4.94

Note 9 : Cash and Cash Equivalents

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Cash on hand	**0.05**	-
Balances with bank in current account	**9.51**	12.37
	9.56	12.37

Notes to the Financial Statements for the year ended March 31, 2018

Note 10 : Share Capital

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Authorised Share Capital		
Equity Shares		
30,00,000 (Previous year - 30,00,000) Equity Shares of ₹ 10/- each	**300.00**	300.00
	300.00	300.00
Issued Share Capital		
28,20,887 (Previous year - 28,20,887) Equity Shares of ₹ 10/- each	**282.09**	282.09
	282.09	282.09
Subscribed and Paid Up		
28,20,887 (Previous year - 28,20,887) Equity Shares of ₹ 10/- each, Fully Paid	**282.09**	282.09
	282.09	282.09

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or buy back during the current and comparative periods.

ii) The ultimate Holding Company of the Company is "The Indian Hotels Company Limited".

iii) Shares held by Holding Company along with its subsidiaries and associates Companies

	No. of Shares March 31, 2018	No. of Shares March 31, 2017
Name of the Company		
Intermediate Holding Company		
Skydeck Properties and Developers Private Limited	**1,309,896**	1,309,896
Fellow Subsidiary Company		
Sheena Investments Private Limited	**1,108,145**	1,108,145
Others		
Excalibur Assets and Capital Management Pvt. Ltd	**398,090**	398,090

iv) Shareholders holding more than 5% shares in the Company

Skydeck Properties and Developers Private Limited	**1,309,896**	1,309,896
% of Holding	**46.44%**	46.44%
Sheena Investments Private Limited	**1,108,145**	1,108,145
% of Holding	**39.28%**	39.28%

v) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proporation to their shareholding.

Notes to the Financial Statements for the year ended March 31, 2018

Note 11 : Other Equity

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Securities Premium Account		
Opening and Closing Balance	**16,415.23**	16,415.23
General Reserve		
Opening and Closing Balance	**70,749.87**	70,749.87
(Refer footnote (ii) to note 4)		
Retained Earnings		
Deficit at the beginning of the year	**(26,238.67)**	(25,036.18)
Add: Current year losses	**(1,394.97)**	(1,202.49)
Closing Retained Earnings	**(27,633.64)**	(26,238.67)
Reserves and Surplus Total	**59,531.46**	60,926.43

Note 12 : Trade Payables

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Micro and Small Enterprises		
Others		
Vendor Payables	**29.44**	7.44
Accrued expenses and others	**5.21**	7.99
	34.65	15.43

Footnote :

There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium enterprises Development Act, 2006".

Note 13 : Other Financial liabilities

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Other payables		
Related Parties	**6.16**	2.89
Others	**337.26**	337.26
	343.42	340.15
Deposits from others		
Unsecured	**7.04**	7.04
	7.04	7.04
	350.46	347.19

Notes to the Financial Statements for the year ended March 31, 2018

Note 14 : Provisions

		March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
A)	**Short term provisions**		
	Provision for Contingencies (Refer Footnote (i))	**1,326.70**	1,256.94
	Others	**-**	-
		1,326.70	1,256.94

Footnote:

(i) Provision for Contingencies include provisions for the following:

₹ Lakhs

	Opening Balance	Addition/ (Deletion)	Closing Balance
Disputed claims for taxes , levies and duties	**1,039.24**	**69.76**	**1,109.00**
	969.49	*69.75*	*1,039.24*
Disputes in respect of Employee settlement (Refer Note 30)	**217.70**	**-**	**217.70**
	217.70	-	*217.70*
Total	**1,256.94**	**69.76**	**1,326.70**
	1,187.19	*69.75*	*1,256.94*

a) The above matters are under litigation/ negotiation and the timing of the cash flows cannot be currently determined.

b) Figures in italics are in respect of previous year.

Note 15 : Other non financial Liabilities

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Current		
Statutory dues	**7.18**	0.53
Others	**-**	-
	7.18	0.53

Notes to the Financial Statements for the year ended March 31, 2018

Note 16 : Other Income

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	**8.08**	34.84
	8.08	34.84
Interest on Income Tax Refunds	**-**	2.81
Total	**8.08**	37.65
Dividend Income from Current Investments	**79.95**	75.99
Others	**0.15**	0.03
Total	**88.18**	113.67

Note 17 : Other operating and general expenses

		March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
(i)	**Operating expenses consist of the following :**		
	Fuel, Power and Light	**4.02**	3.77
	Repairs to Others	**14.53**	9.54
	Payment to security Agency	**34.12**	34.16
	Other Operating Expenses	**0.55**	0.81
		53.22	48.28
(ii)	**General expenses consist of the following :**		
	Rent	**77.30**	77.30
	Rates and Taxes	**165.67**	15.89
	Printing and Stationery	**0.41**	0.67
	Professional Fees	**65.92**	55.43
	Payment made to Statutory Auditors (Refer Footnote (a))	**4.65**	4.15
	Other Expenses	**0.14**	0.60
		314.09	154.04
	Total	**367.31**	202.32

Footnote:

		March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
a)	**Payment made to Statutory Auditors:**		
	As auditors	**4.13**	4.03
	For other services	**0.52**	0.12
		4.65	4.15

Note 18 : Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Profit / (Loss) after tax - (₹ Lakhs)	**(1,394.97)**	(1,202.49)
Weighted Average Number of Equity Shares	**2,820,887**	2,820,887
Face Value per Equity Share	**10.00**	10.00
Earning Per Share - (₹) Basic and Diluted	**(49.45)**	(42.63)

Notes to the Financial Statements for the year ended March 31, 2018

19. Fair Value of financial Instruments

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments, including cash, receivables etc., approximate fair values due to the short term nature of these account balances.

The current investments in Mutual Funds are valued and carried at the net asset value as published by respective Mutual Fund Houses.

20. Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables, loans and borrowings. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company manages and monitors these risks primarily through its operating and financing activities.

21. Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

22. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

23. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

24. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

25. Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

Notes to the Financial Statements for the year ended March 31, 2018

26. Taxation

a) Reconciliation of tax expense with the effective tax

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Profit / (Loss) before tax	**(1,394.97)**	(1,202.49)
Income-tax rate as applicable @ 25.75% (previous year @ 29.87%)	**(359.20)**	(359.18)
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	**288.39**	333.44
Effect of income that is exempt from taxation (like dividend income)	**(20.59)**	(22.70)
Deferred tax asset not recognised in statement of profit & loss	**91.40**	48.44
Tax Expenses recognized in Profit & Loss	**-**	-

b) Deferred Tax

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Unabsorbed tax losses/depreciation for which no deferred tax assets has been recognized	**697.18**	593.81
Deferred tax asset not created @ 26 % (Previous year @ 25.75%)	**181.27**	152.91

Footnote:

a. The unabsorbed depreciation can be carried forward indefinitely and unabsorbed business losses can be carried forward for 8 years. Due to continuing losses, no deferred tax asset has been created based on prudent basis.

b. As per the Finance Act, 2018 & Income Tax Act, 1961, the income tax rates has been changed from 25.75% to 26%. Accordingly the revised rate has been considered for computing potential future tax benefits.

27. Capital Commitments

As on March 31, 2018, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil (March 31, 2017 : ₹ Nil)

28. Contingent liabilities

		March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
a)	Income Tax (Demands raised under Income-tax Act, 1961 in respect of assessment years 1988-89, 1989-90, 1991-92, 1992-93, and 1996-97 where the matter is under appeal with High Court)	**589.20**	589.20
b)	Property tax Amounts in respect of claims (excluding interest and penalties) assessed on the Company, in respect of property taxes, etc.	**1,424.87**	1,764.00

29. The Company was subjected to a search and seizure operation under section 132 of the Income-tax Act, 1961 on February 28, 2007. Assessment orders were issued on December 31, 2008 for the assessment years 2001-02 to 2007-08 raising an aggregate demand of ₹ 3218.87 Lakhs and penalty proceedings initiated. The Company has appealed against the said order and had received the favourable orders from first/second appellate authority and these matters are currently pending at the Hon'ble High Court of Delhi. Considering the developments, as a matter of prudence, the Company has made a provision for ₹ 3200 Lakhs for the probable outflow against the above tax demand in 2008-09.

30. A provision of ₹ 217.70 Lakhs has been recognised for probable claims in respect of labour disputes pending before various

Notes to the Financial Statements for the year ended March 31, 2018

judicial courts mainly for retrenchment/ suspension of employees in the year 2008-09 for which process of negotiation for out of court settlement has already been initiated by the Company. There has been no movement in provision for the same in the current year.

31. Related Party Transactions

a. The names of related parties of the Company are as under :

Ultimate Holding Company

- The Indian Hotels Company Limited

Intermediate Holding Company

- Skydeck Properties and Developers Private Limited

Fellow subsidiary and significant shareholder

- Sheena Investments Private Limited

Subsidiary

- Luthria and Lalchandani Hotel and Properties Private Limited

Associate of the Ultimate Holding Company (with whom the transactions during reporting period)

- Business Jets India Private Limited
- Taida Trading and Industries Limited
- Oriental Hotels Limited

b. Transactions with related parties :

₹ Lakhs

Particulars of transactions	**Holding Company**		**Subsidiary / Fellow subsidiary**		**Other related Parties**	
	Transaction amount	**Outstanding amount**	**Transaction amount**	**Outstanding amount**	**Transaction amount**	**Outstanding amount**
Payables					-	-
Current account due	81.27	6.16	-	-	-	-
	-	*2.89*	-	-	-	-
Consultancy Fees	-	-	1.00	1.95	-	-
	-	-	*1.00*	*1.05*		
Receivables						
Current account	-	-	-	1.76	-	-
	-	-	-	*1.45*	-	-
ICD Placed	-	-	-	-	45.00	92.96
	-	-	-	-	*1,829.83*	*45.54*

Footnote : Figures in Italic represent previous year figures.

32. There are no foreign currency transactions during the current and previous year.

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 11, 2018

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments	Turn-over	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	Effective share-holding
				₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	(%)
	Indian													
1	Luthria and Lalchandani Hotel and Properties Private Ltd.		INR	1.00	(3.64)	1.48	4.11	-	-	(0.37)	-	(0.37)	-	90.00%

Footnotes:

i) The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2018

Part "B" : Associates and Joint Ventures

Not applicable

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 11, 2018

For and on behalf of the Board

Puneet Chhatwal
Director
DIN : 07624616

Giridhar Sanjeevi
Director
DIN : 06648008

LUTHRIA & LALCHANDANI HOTEL & PROPERTIES PRIVATE LIMITED

Directors and Corporate Information

Board of Directors:

Mr. Ashok Binnani	
Ms. Cynthia Noronha	
Mr. R. H. Parekh	(Appointed w.e.f. March 20, 2018)
Mr. Kishor Kulkarni	(Resigned w.e.f. March 12, 2018)
Ms. Aban Rupa	(Resigned w.e.f. March 12, 2018)

Statutory Auditors:
M/s PKF Sridhar & Santhanam LLP, Chartered Accountants

Registered Office:
Mandlik House
Mandlik Road
Mumbai 400001
CIN : U55100MH2008PTC178963
Tel. : 91 22 66395515 Fax: 91 22 22027442

Board's Report

To the Members,

The Directors hereby present the Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2018.

Financial Results

The summarized Financial Results of your Company are given in the table below.

₹ / Lakhs

Particulars	2017-18	2016-17
Income	-	-
Less: Operating costs	**37.00**	30.00
Gross Operating Profit	**(37.00)**	(30.00)
Profit / (Loss) before tax	**(37.00)**	(30.00)
Provision for tax	-	-
Profit / (Loss) after tax	**(37.00)**	(30.00)
Basic & Diluted Earning Per Share (₹) (Face Value - ₹ 100/-)	**(37.00)**	(30.00)

Dividend

Your Directors do not recommend the payment of dividend for the current year.

Share Capital

During the year under review, the issued, subscribed and paid-up share capital of your Company comprised of 1000 Equity Shares of ₹ 100 each. The Company has not further issued any shares.

Board of Directors

During the year, Mr. R. H. Parekh had been appointed as an Additional Director of the Company w.e.f. March 20, 2018. He holds office upto the date of the forthcoming Annual General Meeting ('AGM') of the Company. During the year, Ms. Aban Rupa and Mr. Kishore Kulkarni stepped down as Directors of the Company w.e.f. March 12, 2018. The Board places on record its appreciation of the services rendered by them during their respective tenures.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, one of your Directors viz. Ms. Cynthia Noronha (DIN: 06916800) retires by rotation and is eligible for re-appointment. Your approval for the re-appointment of Ms. Cynthia Noronha as a Director has been sought in the Notice convening the Annual General Meeting of the Company.

Board Meetings

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, four meetings of the Board of Directors were held and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. The Board meetings were held on May 15, 2017; July 31, 2017, November 7, 2017 and February 12, 2018.

Extract of the Annual Return

Pursuant to the provisions of Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in form MGT-9 is annexed to this Report as Annexure – I.

Statutory Auditors

The report of Statutory Auditors, along with the notes to Schedules forms part of the Annual Report and contains an Unmodified Opinion without any qualification, reservation or adverse remark.

Risk Management Policy

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Companies Act, 2013 (the Act) and has a robust Risk Management framework to identify and evaluate business risks and opportunities. Risks are analyzed by combining estimates of probability and impact of occurrence, if the risk occurs.

Internal Financial Controls

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The efficacy of the same is monitored and evaluated together with its compliance with operating systems, accounting procedures and policies of the Company.

Contracts or arrangements with Related Parties

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Conservation of Energy and Technology Absorption

The Company is taking the necessary steps and making all efforts towards conservation of energy and technology absorption.

Earnings & Expenditures in Foreign Currency

The Company earned Nil in foreign currency and incurred expenditure in foreign currency amounting to Nil on business related travel overseas and capital goods during the year. No other particulars are required to be furnished.

Borrowings

The Company does not have any borrowings.

Human Resources

The Company does not have any employees drawing salary in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

General

During the year under review:

(i) No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

(ii) The Company does not accept deposits as covered under Chapter V of the Act.

(iii) The Company does not have any Subsidiary or Associate Company.

(iv) The provisions relating to Secretarial Audit, appointment of Key Managerial Personnel, constitution of Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Vigil Mechanism are not applicable to the Company.

(v) During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

Directors Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal / statutory auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the Board, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2017-18.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

(i) in the preparation of the Financial Statements and Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the Directors had selected accounting policies as mentioned in the Notes of the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as at March 31, 2018 and of the loss of the Company for the year ended March 31, 2018;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the Financial Statements and Annual Accounts on a going concern basis; and

(v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

By Order of the Board of Directors

R.H. Parekh	**Ashok Binnani**
Director	Director
(DIN: 01942405)	(DIN: 03326335)

Mumbai, May 17, 2018

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN : U55100MH2008PTC178963
Tel.: 91 22 66395515 Fax: 91 22 22027442

LUTHRIA & LALCHANDANI HOTEL & PROPERTIES PRIVATE LIMITED

Annexure I

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

i)	CIN	:	U55100MH2008PTC178963
ii)	Registration Date	:	February 18, 2008
iii)	Name of the Company	:	Luthria & Lalchandani Hotel & Properties Pvt. Ltd.
iv)	Category / Sub-Category of the Company	:	Indian Non-Government Company Limited by Shares
v)	Address of the Registered office and contact details	:	Mandlik House, Mandlik Road, Mumbai- 400 001.
vi)	Whether listed company	:	No
vii)	Name, Address & Contact details of Registrar & Transfer Agent, if any	:	Nil

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1.	There were no business activities carried out during the year.	Nil	Nil

III. Particulars of Holding, Subsidiary and Associate Companies –

Sr. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	ELEL Hotels and Investments Limited. Mandlik House, Mandlik Road, Mumbai 400001	U70101MH1969PLC014326	Holding	90	2 (46)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of shareholders	No. of Shares held at the beginning of the year (i.e. 01/04/17)				No. of Shares held at the end of the year (i.e. 31/03/18)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									

Category of shareholders	No. of Shares held at the beginning of the year (i.e. 01/04/17)				No. of Shares held at the end of the year (i.e. 31/03/18)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
d) Bodies Corp.	Nil	1,000	1,000	100	Nil	1,000	1,000	100	Nil
e) Banks / FI									
f) Any Other									
Sub-total (A) (1)	**Nil**	**1,000**	**1,000**	**100**	**Nil**	**1,000**	**1,000**	**100**	**Nil**
(2) Foreign									
a) NRIs -									
Individuals									
b) Other –									
Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	**Nil**	**1,000**	**1,000**	**100**	**Nil**	**1,000**	**1,000**	**100**	**Nil**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**Nil**	**1,000**	**1,000**	**100**	**Nil**	**1,000**	**1,000**	**100**	**Nil**

(ii) Shareholding of Promoters

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (i.e. 01/04/17)			Shareholding at the end of the year (i.e. 31/03/18)			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	ELEL Hotels & Investments Limited	900	90	Nil	900	90	Nil	Nil
2.	Sheena Investments Private Limited	50	5	Nil	50	5	Nil	Nil
3.	Skydeck Properties & Developers Private Limited	50	5	Nil	50	5	Nil	Nil
	TOTAL	**1,000**	**100**	**Nil**	**1,000**	**100**	**Nil**	**Nil**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative Shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	No Change			
	Date wise increase / decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative Shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Nil	Nil	Nil	Nil
	At the end of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year (i.e. 01/04/17)		Cumulative Shareholding during the year (01/04/17 to 31/03/18)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc):				
	At the end of the year	Nil	Nil	Nil	Nil

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**
Change in Indebtedness during the financial year • Addition (Interest accrued but not due) • Reduction				
Net Change	**Nil**	**Nil**	**Nil**	**Nil**
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others					
5.	Others					
	Total	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others					
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others					
	Total	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
			Total
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income tax Act, 1961	N.A.	
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others		
5.	Others		
6.	Total		

VII. Penalties / Punishment/ Compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (Regional Director / National Company Law Tribunal Court	Appeal made, if any (give Details)
A. Company (Penalty / Punishment / Compounding of Offences)	NIL				
B. Director (Penalty / Punishment / Compounding of Offences)					
C. Other Officers in Default (Penalty / Punishment / Compounding of Offences)					

Independent Auditor's Report

To the members of **Luthria & Lalchandani Hotel & Properties Private Limited**

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of **Luthria & Lalchandani Hotel & Properties Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) Pursuant to MCA notification dated 13th June 2017, reporting on adequacy of the internal financial controls over financial reporting is exempted for this company.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place of Signature: Mumbai
Date: 17-May-2018

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loan (secured/unsecured) to certain parties covered in the register maintained under section 189. Accordingly, the provisions of clause 3(iii) of the Order are not applicable.

(iv) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loan/ made investment / given guarantees or security. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues relating to income tax / sales tax / service tax / GST / duty of customs / duty of excise / value added tax, which have not been deposited on account of any dispute

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not taken any loan/borrowing from financial institutions, banks, Government or debenture holders. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money raised by way of Initial Public Offer (IPO) or Further Public Offer (FPO) (including debt instrument) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration has been paid or provided during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 188 of the Act where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards. As the Company is not required to constitute an Audit Committee, Section 177 of the Act is not applicable.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/ fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place of Signature: Mumbai
Date: 17-May-2018

LUTHRIA & LALCHANDANI HOTEL & PROPERTIES PRIVATE LIMITED

Balance Sheet as at March 31, 2018

	Note	**March 31, 2018**	March 31, 2017
		₹ 000	₹ 000
Assets			
Non-current assets			
Other non-current assets	3	**136.33**	136.33
Current assets			
Cash and cash equivalents	4	**11.26**	11.26
Total		**147.59**	147.59
Equity and liabilities			
Equity			
Equity share capital	5	**100.00**	100.00
Other equity	6	**(363.57)**	(326.57)
Total equity		**(263.57)**	(226.57)
Current Liabilities			
Financial liabilities			
Trade payables	7	**23.81**	25.71
Other financial liabilities	8	**380.35**	346.45
Other current liabilities	9	**7.00**	2.00
		411.16	374.16
Total		**147.59**	147.59
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

Statement of Profit and Loss for the year ended March 31, 2018

	Note	Year Ended March 31, 2018 ₹ 000	Year Ended March 31, 2017 ₹ 000
Income			
Other income	10	**-**	-
Total Income		**-**	-
Expenses			
Other operating and general expenses	11	**37.00**	30.00
Total Expenses		**37.00**	30.00
Profit/ (Loss) before exceptional items and tax		**(37.00)**	(30.00)
Exceptional items		**-**	-
Profit/ (Loss) before tax		**(37.00)**	(30.00)
Tax expenses			
Current tax		**-**	-
Deferred tax		**-**	-
Total		**-**	-
Profit/ (Loss) after tax		**(37.00)**	(30.00)
Other comprehensive income, net of tax			
Other comprehensive income for the year		**-**	-
Total comprehensive Income for the year		**(37.00)**	(30.00)
Earnings per share:	12		
Basic - (₹)		**(37.00)**	(30.00)
Diluted - (₹)		**(37.00)**	(30.00)
Face value per ordinary share - (₹)		**100.00**	100.00

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

LUTHRIA & LALCHANDANI HOTEL & PROPERTIES PRIVATE LIMITED

Statement of Changes in Equity as at March 31, 2018

₹ 000

Particulars	Equity Share Capital Subscribed	Reserves and Surplus Retained Earnings	Total
Balance as at April 1, 2016	100.00	(296.57)	(196.57)
Profit for the year ended March 31, 2017	-	(30.00)	(30.00)
Other comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2017	**-**	**(30.00)**	**(30.00)**
Balance as at March 31, 2017	**100.00**	**(326.57)**	**(226.57)**
Profit for the year ended March 31, 2018	-	(37.00)	(37.00)
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2018	-	(37.00)	(37.00)
Balance as at March 31, 2018	**100.00**	**(363.57)**	**(263.57)**

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

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Cash Flow Statement for the year ended March 31, 2018

	Year Ended March 31, 2018 ₹ 000	Year Ended March 31, 2017 ₹ 000
Cash Flow From Operating Activities		
Profit Before Tax	**(37.00)**	(30.00)
Adjustments For :		
Interest Income	-	-
	-	-
Cash Operating Profit before working capital changes	**(37.00)**	(30.00)
Adjustments for (increase)/ decrease in operating assets:		
Other Current Assets	-	-
	-	-
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**37.00**	25.00
Other Liabilities	-	-
	37.00	25.00
Cash Generated from Operating Activities	**0.00**	(5.00)
Direct Taxes (Paid)/ Refunded	-	-
Net Cash Generated From Operating Activities (A)	**0.00**	(5.00)
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	-	-
Net Cash Generated/(Used) In Investing Activities (B)	-	-
Cash Flow From Financing Activities		
	-	-
Net Cash Generated/ (Used) In Financing Activities (C)	-	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**0.00**	(5.00)
Cash and Cash Equivalents - Opening	**11.26**	16.26
Cash and Cash Equivalents - Closing	**11.26**	11.26

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

Notes to Financial Statements for year ened March 31, 2018

1. Background

Luthria and Lalchandani Hotel and Properties Pvt Ltd ("Luthria & Lalchandani" or the "Company"), a private limited Company was incorporated on February 18 , 2008 by conversion of M/s Luthria & Lalchandani, a partnership firm under Part IX of the Companies Act, 1956. The Company is primarily engaged in construction activities and providing Management Consultancy.

2. Significant accounting policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

c) Revenue recognition

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

Dividend income is recognized when the Company's right to receive the amount is established.

d) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

e) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized but only disclosed in the financial statements.

f) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

g) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

h) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

– The rights to receive cash flows from the asset have expired, or

– The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

(b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

a.i) Recent accounting pronouncements

(a) New standards notified and adopted by the Company:

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated 17 March 2017, Ministry of Corporate Affairs (MCA) has notified amendments to two new standards namely Ind AS 102 Share-based Payment and Ind AS 7 Statement of Cash Flows which will be effective prospectively from 1 April 2017.

During the year, there are no share based payment transactions and hence Ind AS 102 is not applicable to the Company.

Further, amendment in Ind AS 7 pertains to additional disclosure requirement such as "An entity will be required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes."

As there are no non-cash changes in liabilities arising from financing activities, relevant disclosure in this regard has not been provided.

(b) New standard notified but not early adopted by the Company

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer

ii. Identification of the performance obligations in the contract

iii. Determination of the transaction price

iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments are expected to have any material effect on the Company's financial statements.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 3 : Other Financial Assets

	March 31, 2018 ₹ 000	March 31, 2017 ₹ 000
Non current		
Deposit with Govt. of Maharashtra for leasehold land (Refer note : 13)	**136.33**	136.33
	136.33	136.33

Note 4 : Cash and Cash Equivalents

	March 31, 2018 ₹ 000	March 31, 2017 ₹ 000
Balances with bank in current account	**11.26**	11.26
	11.26	11.26

Note 5 : Share Capital

	March 31, 2018 ₹ 000	March 31, 2017 ₹ 000
Authorised / Issued Share Capital		
Equity Shares		
1,000 (Previous year - 1,000) Equity Shares of ₹ 100/- each	**100.00**	100.00
	100.00	100.00
Subscribed and Paid Up		
1,000 (Previous year - 1,000) Equity Shares of ₹ 100/- each, Fully Paid	**100.00**	100.00
	100.00	100.00

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or buy back during the current and comparative periods.

ii) The ultimate Holiding Company of the Company is “The Indian Hotels Company Limited”.

iii) Shares held by Holding Company along with its subsidiaries and associates Companies

	No. of Shares March 31, 2018	No. of Shares March 31, 2017
Name of the Company		
Holding Company		
ELEL Hotels and Investments Limited	**900**	900
Subsidiaries of ultimate Holding Company		
Skydeck Properties and Developers Private Limited	**50**	50
Sheena Investments Private Limited	**50**	50

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

	No. of Shares March 31, 2018	No. of Shares March 31, 2017
iii) Shareholders holding more than 5% shares in the Company		
ELEL Hotels and Investments Limited	**900**	900
% of Holding	**90.00%**	90.00%

iv) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

Note 6 : Other Equity

	March 31, 2018 ₹ 000	March 31, 2017 ₹ 000
Retained Earnings		
Opening and Closing Balance	**(326.57)**	(296.57)
Add: Current year profit / (loss)	**(37.00)**	(30.00)
Total	**(363.57)**	(326.57)

Note 7: Trade Payables

	March 31, 2018 ₹ 000	March 31, 2017 ₹ 000
Micor and Small Enterprises	**-**	-
Others		
Vendor Payables	**-**	-
Accrued expenses and others	**23.81**	25.71
	23.81	25.71

Footnotes:

There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006".

Note 8: Other financial liabilities

	March 31, 2018 ₹ 000	March 31, 2017 ₹ 000
Other Payables :-		
Related Parties (Refer note 24)	**190.02**	156.12
Others	**190.33**	190.33
	380.35	346.45

Note 9 : Other Current Liabilities

	March 31, 2018 ₹ 000	March 31, 2017 ₹ 000
Statutory dues	**7.00**	2.00
	7.00	2.00

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

Note 10 : Other Income

	March 31, 2018 ₹ 000	March 31, 2017 ₹ 000
Interest Income from financial assets at amortised cost		
Deposits with banks	**-**	-
Total	**-**	-

Note 11 : General expenses

	March 31, 2018 ₹ 000	March 31, 2017 ₹ 000
General expenses consist of the following :		
Rates and Taxes	**3.40**	7.00
Professional Fees	**10.00**	-
Audit Fees		
As Statutory Auditors	**23.60**	23.00
Total	**37.00**	30.00

Note 12 : Earning Per Share (EPS)

	Year Ended March 31, 2018 ₹ 000	Year Ended March 31, 2017 ₹ 000
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax	**(37.00)**	(30.00)
Weighted Average Number of Equity Shares	**1,000.00**	1,000.00
Face Value per Equity Share	**100.00**	100.00
Earning Per Share - (₹) Basic and Diluted	**(37.00)**	(30.00)

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

13. The Company holds the Leasehold Rights of the Property i.e Government Land admeasuring 9,500 sq. mtrs. situated at Lands End at B J Road, Bombay suburban District, originally held by the firm M/S Luthria & Lalchandani, vide allotment Letter for Lease dated 11th January 1968 and Lease Deed Dated 05th May 1976 for a period of 99 years between the Governor of Maharashtra & M/S Luthria & Lalchandani.

    The said property has been sub-leased by the then firm M/S Luthria & Lalchandani to the company ELEL Hotels and Investments Limited by virtue of Sub Lease dated 3rd April 1976

14. **Fair Value of financial Instruments.**

    IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments, including cash, receivables etc., approximate fair values due to the short term nature of these account balances.

15. **Financial risk management objectives and policies**

    Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

    Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

    The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

    The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company manages and monitors these risks primarily through its operating and financing activities.

16. **Credit risk**

    Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments.

    The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

17. **Liquidity Risk**

    Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

    The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

18. **Market risk**

    Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

19. **Capital Management**

    The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

support the growth of the company. The company determines the capital requirement based on annual operating plan ₹ and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

20. **Segment Reporting:**

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

21. **Taxation**

a) Reconciliation of tax expense with the effective tax

₹ 000

	March 31, 2018	March 31, 2017
Profit before tax	**(37.00)**	(30.00)
Income-tax rate as applicable @ 25.75% (previous year @ 29.87%)	**(9.53)**	(8.96)
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	**9.53**	8.96
Income tax expense recognised in statement of profit & loss	**-**	-

b) The Company has not recognized any deferred tax assets on losses incurred considering no tax benefit for business losses claimed under the Income Tax act, 1961 in its tax returns

22. **Capital Commitments**

As on March 31, 2018, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil Lakhs (March 31, 2017 : ₹ Nil Lakhs)

23. **Related Party Transactions**

a. The names of related parties of the Company are as under :

Ultimate Holding Company

- The Indian Hotels Company Limited

Holding Company

- ELEL Hotels and Investments Limited

b. Transactions with related parties :

₹ 000

Particulars of transactions	**Ultimate Holding CompanyQ**		**Holding Company**	
	Transaction amount	**Outstanding amount**	**Transaction amount**	**Outstanding amount**
Payables	2.90	13.60	31.00	176.42
	6.50	*10.70*	*41.42*	*145.42*
Receivables	-	-	-	-
	-	-	-	-

Foot note : Figures are in Italics represent previous year figures.

Notes to Financial Statements for year ended March 31, 2018 (Contd.)

25. There were no foreign currency transactions during the current and previous year.

In terms of our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

DIRECTORS AND CORPORATE INFORMATION IHOCO BV

Directors

R. K. Sarna (Resigned on October 1, 2017)
R. H. Parekh
S. Jain
N. Chandrasekhar

Registered office
Teleportboulevard 140, 1043 EJ Amsterdam

Auditor
BDO LLP, 55 Baker Street, London, W1U 7EU

Report of the Directors for the year ended March 31, 2018

The directors present their report together with the audited non-statutory financial statements for the year ended March 31, 2018.

Result for the year

During the year under review, the company made a loss of US$24,266,905 (2017 - US$51,717,148) after taxation.

Activities and review of business

The company is an investment company and intermediate holding company.

Directors

The directors of the company during the year were:

R. K. Sarna (Resigned October 1, 2017)

R. H. Parekh

S. Jain

N. Chandrasekhar

The directors hold no shares in the company.

Directors' responsibilities

The directors are responsible for preparing the non-statutory financial statements and have elected to prepare the non-statutory financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and other accounting principles generally accepted in the United Kingdom) in order to give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing these non-statutory financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the non-statutory financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping records that are sufficient to show and explain the company's transactions and will, at any time, enable the financial position of the company to be determined with reasonable accuracy. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board and signed on its behalf.

N. Chandrasekhar
Director

Date : May 21, 2018

Independent Auditor's Report

Independent Auditor's Report to the Directors of IHOCO B.V.

Opinion

We have audited the non-statutory financial statements of IHOCO BV ("the Company") for the year ended March 31, 2018, which comprises the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the non-statutory financial statements:

- give a true and fair view of the state of the Company's affairs as 31 March 2018 and of its loss for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the non-statutory financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-statutory financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the non-statutory financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the non-statutory financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the non-statutory financial statements and our auditor's report thereon. Our opinion on the non-statutory financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-statutory financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-statutory financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor’s Report (Contd.)

Responsibilities of Directors

As explained more fully in the Directors’ responsibilities statement, the Directors are responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory financial statements, the Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-statutory financial statements.

A further description of our responsibilities for the audit of the non-statutory financial statements is located at the Financial Reporting Council’s website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the Company’s Directors, as a body, in accordance with the terms of our engagement letter dated 12 January 2017. Our audit work has been undertaken so that we might state to the Company’s Directors those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s Directors as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP
Chartered Accountants
London

Date: May 23, 2018
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income for the year ended March 31, 2018

	Note	2018 US$	2017 US$
Income from group companies		**1,326,361**	558,074
Administrative expenses	3	**(197,368)**	(159,933)
Impairment of investments	5	**(28,000,000)**	(48,773,408)
Reversal of impairment of investments	5	**2,500,000**	-
Operating loss		**(24,371,007)**	(48,375,267)
Interest receivable		**137,852**	138,959
Interest payable		**-**	(3,452,908)
Loss on ordinary activities before taxation		**(24,233,155)**	(51,689,216)
Taxation on profit on ordinary activities	4	**(33,750)**	(27,932)
Loss for the year		**(24,266,905)**	(51,717,148)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(24,266,905)**	(51,717,148)

The notes form part of these financial statements.

Balance sheet at March 31, 2018

	Note	2018 US$	2018 US$	2017 US$	2017 US$
Fixed assets					
Investments	5		**243,258,184**		259,549,348
Current assets					
Debtors	6	**1,627,592**		1,635,000	
Cash at bank		**1,487,202**		1,387,032	
		3,114,794		3,022,032	
Creditors: amounts falling due within one year	7	**(164,593)**		(96,090)	
Net current assets			**2,950,201**		2,925,942
Total assets less current liabilities			**246,208,385**		262,475,290
Net assets			**246,208,385**		262,475,290
Capital and reserves					
Called up share capital	8		**21,560,231**		20,962,324
Share premium account			**278,714,107**		271,312,014
Revaluation reserve	9		**4,587,118**		4,587,118
Profit and loss account			**(58,653,071)**		(34,386,166)
			246,208,385		262,475,290

The financial statements were approved and authorised for issue by the board and were signed on its behalf on May 21, 2018

R. H. Parekh
Director

S. Jain
Director

N. Chandrasekhar
Director

The notes form part of these financial statements.

Statement of changes in equity for the year ended March 31, 2018

	Share capital US$	Capital contribution US$	Share premium account US$	Revaluation reserve US$	Profit and loss account US$	Total equity US$
1 April 2017	20,962,324	-	271,312,014	4,587,118	(34,386,166)	262,475,290
Comprehensive income for the period						
Loss for the period	-	-	-	-	(24,266,905)	(24,266,905)
Total comprehensive income for the period	20,962,324	-	271,312,014	4,587,118	(58,653,071)	238,208,385
Contributions by and distributions to owners						
Shares issued	597,907	-	7,402,093	-	-	8,000,000
Capital contribution arising from interest free loan	-	-	-	-	-	-
Released on early settlement of interest free loan	-	-	-	-	-	-
Total contributions by and distributions to owners	**597,907**	**-**	**7,402,093**	**-**	**-**	**8,000,000**
31 March 2018	**21,560,231**	**-**	**278,714,107**	**4,587,118**	**(58,653,071)**	**246,208,385**
1 April 2016	9,830,000	11,078,137	133,493,841	4,587,118	12,459,726	171,448,822
Comprehensive income for the period						
Loss for the period	-	-	-	-	(51,717,148)	(51,717,148)
Total comprehensive income for the period	**9,830,000**	**11,078,137**	**133,493,841**	**4,587,118**	**(39,257,422)**	**119,731,674**
Contributions by and distributions to owners						
Shares issued	11,132,324	(11,790,653)	137,818,173	-	-	137,159,844
Capital contribution arising from interest free loan	-	712,516	-	-	-	712,516
Released on early settlement of interest free loan	-	-	-	-	4,871,256	4,871,256
Total contributions by and distributions to owners	**11,132,324**	**(11,078,137)**	**137,818,173**	**-**	**4,871,256**	**142,743,616**
31 March 2017	**20,962,324**	**-**	**271,312,014**	**4,587,118**	**(34,386,166)**	**262,475,290**

The notes form part of these financial statements.

1 Accounting policies

IHOCO B.V. is a private company, limited by shares, incorporated in the Netherlands. The address of the registered office is given on the company information page and the nature of the company's operations and principal activities are set out in the report of the directors.

The non-statutory financial statements have been prepared under United Kingdom Generally Accepted Accounting Principles.

The non-statutory financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Group accounts

The company is a wholly owned subsidiary of Indian Hotels Company Limited. The company is included in the consolidated financial statements of Indian Hotels Company Limited.

Therefore, the company has taken exemption from the preparation of consolidated financial statements and the statement of cash flows and reduced disclosures as permitted by FRS 102.

The non-statutory financial statements contain information about the company as an individual company and so do not contain consolidated financial information as the parent of a group.

The following principal accounting policies have been applied:

Associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

Revenue

Interest receivable on loans is accrued based on the amounts owed at the effective rate of interest.

Dividend income is recognised when the company has the right to receive that income.

Valuation of investments

Investments in subsidiaries and associates are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Certain investments have previously been subject to revaluation (see note 9) however on implementation of FRS 102, the directors have elected to treat the brought forward carrying values as being held at deemed cost and do not propose to revalue investments going forward.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') in US dollar.

Notes forming part of the non-statutory financial statements for the year ended March 31, 2018

1 Accounting policies (Contd.)

Shares which were originally issued in Dutch Gilders were restated on 8 October 2015 at the US dollar equivalent at the time of issue with the difference included in a share redenomination reserve. Movements in this reserve represent the changes arising from the retranslation in each period and is transferred to/from the profit and loss reserve.

(b) Transactions and balances

Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.
- Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

  Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes forming part of the non-statutory financial statements for the year ended March 31, 2018

1 Accounting policies (Contd.)

Reserves

The company reserves as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Capital contribution represents the shareholder funds introduced to the balance sheet, which are not recognised as share capital.
- The revaluation reserve represents the difference between the cost of investments at acquisition and the date of revaluation.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these non-statutory financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

3 Administrative expenses

	2018	2017
	US$	US$
Administrative expenses include the following:		
Auditors remuneration - audit	**17,700**	34,596
Exchange loss	**2,311**	3,017

4 Taxation

	2018	2017
	US$	US$
Corporation tax		
Charge for period	**33,750**	27,932
Taxation on profit on ordinary activities	**33,750**	27,932

The company is an investment company and does not normally receive trading income. The company pays Dutch tax on investment income and deemed interest on net amounts due from related parties.

5 Fixed asset investments

	Group undertakings	**Associated undertakings**	**Total**
	US$	**US$**	**US$**
Cost			
At 1 April 2017	199,580,849	59,968,499	259,549,348
Additions (see note 11)	10,500,000		10,500,000
Impairments	(28,000,000)		(28,000,000)
Reversal of previous impairments	2,500,000		2,500,000
Dividends treated as capital distribution	(1,291,164)		(1,291,164)
At 31 March 2018	**183,289,685**	**59,968,499**	**243,258,184**

Notes forming part of the non-statutory financial statements for the year ended March 31, 2018

In adopting FRS 102, the company has treated the value of its investments as at 1 April 2014 as deemed costs and translated such costs at the prevailing US$ rate.

Impairments in the year related to a fall in the recoverable amounts of the underlying assets. In the current financial year it was deemed appropriate to impair the investment in United Overseas Holdings Inc down to its net asset position. This follows an impairment of US$47m in prior year due to poor performance.

In prior year, IHOCO B.V. had impaired its investment in Taj International Hotels Limited on account of the major depreciation of the Pound Sterling against the US$ in the aftermath of the UK Referendum to remain in the EU. At the time, the devaluation was deemed permanent and not necessarily a function of volatility. The Pound Sterling has since strengthened considerably against the US$ and the impairment has been fully reversed.

Dividends received from Taj International Hotels Limited have been treated as a capital distribution in the financial statements due to the nature of the valuation of investment in said entity. Taj International Hotels Limited has limited assets and has been valued on a cash flow basis, therefore it is deemed appropriate to treat the dividend income as capital contribution. All other dividend income has been recognised as revenue in the Statement of Comprehensive Income.

Subsidiary undertakings and associated undertakings

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

Name	**Country of incorporation or registration**	**Proportion of voting rights and ordinary share capital held**	**Nature of business**
Subsidiary undertakings			
St James Court Hotel Limited	England	54.01%	Hotels operator
Taj International Hotels Limited	England	100%	Restaurants and catering
United Overseas Holdings Inc	Delaware USA	100%	Hotels operator
Associated undertakings			
IHMS Hotels (SA) Pty Limited	South Africa	50%	Hotels operator
Lanka Island Resorts Limited	Sri Lanka	24.66%	Hotels operator
TAL Hotels and Resorts Limited	Hong Kong	26.67%	Hotels operator
TAL Lanka Hotels plc	Sri Lanka	24.62%	Hotels operator
Oriental Hotels Limited	India	-	Hotels operator

6 Debtors

	2018	2017
	US$	US$
Amounts owed by associated undertakings (see note 11)	**1,627,592**	1,635,000

All amounts shown under debtors fall due for payment within one year except:

- Amounts owed by associated undertakings US$ 1,500,000 (2017 - US$1,500,000).

7 Creditors: amounts falling due within one year

	2018	2017
	US$	US$
Taxation and social security	**69,867**	37,917
Accruals and deferred income	**94,726**	58,173
	164,593	96,090

Notes forming part of the non-statutory financial statements for the year ended March 31, 2018

8 Called up share capital

	2018	2017
	US$	US$
Issued and fully paid		
Ordinary shares of US$1 each	**21,560,231**	20,962,324

597,907 shares of par value US$1 each were issued in the period. All shares issued rank pari passu.

9 Revaluation reserve

	Revaluation reserve
	US$
At 1 April 2017 and 31 March 2018	4,587,118

The revaluation reserve represents the difference between cost of the investments at acquisition and the valuation of investments up to 31 March 2014. The valuation of such investments has been treated as deemed cost, following adoption of FRS 102.

10 Financial instruments

	2018	2017
	US$	US$
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**3,114,794**	3,022,033
Financial liabilities		
Financial liabilities measured at amortised cost	**164,593**	96,090

Financial assets measured at amortised cost comprise cash at bank and amounts due from associated undertakings.

Financial assets measured at amortised cost comprise amounts due to group undertakings, accruals and deferred income.

11 Ultimate parent undertaking, controlling and related parties

The directors regard The Indian Hotels Company Limited, a company incorporated in India, as the ultimate parent undertaking and ultimate controlling party.

In the year ended 31 March 2016, the company acquired the entire issued capital of United Overseas Holdings Inc from International Hotels Management Services LLC, a fellow group undertaking, in exchange for the issue of 7,730,000 new ordinary shares valued at US$141,223,841. During the year, the company invested a further US$10,500,000 (2017 – US$12,000,000) as capital contribution to United Overseas Holdings Inc.

The balances with related parties at the period end are as follows:

	2018	2017
	US$	US$
Amounts due from:		
TAL Hotels and Resorts Limited	**1,500,000**	1,635,000
Lanka Island Resorts Limited	**127,592**	-

Group financial statements of The Indian Hotels Company Limited can be obtained from their website at: www.tajhotels.com/about-taj/investor-relations/financial-reports.html.

DIRECTORS AND CORPORATE INFORMATION

Directors
Mr. R. H. Parekh
Mr. Sanjay Jain
Ms. Jodi Dell Leblenc

Registered Office
2 East 61st Street,
New York,
NY 10065-8402
USA

Auditors
PKF O' CONNOR DAVIES, LLP
Certified Public Accountants and Advisors

Banker
Hong Kong & Shanghai Banking Corporation Limited, USA

Independent Auditors' Report

To the Board of Directors and Stockholder of

United Overseas Holdings, Inc.

We have audited the accompanying consolidated financial statements of United Overseas Holdings, Inc. which comprise the consolidated balance sheet as of March 31, 2018 and 2017 and the related consolidated statements of operations, stockholder's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Overseas Holdings, Inc. as of March 31, 2018 and 2017, and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

Date : April 25, 2018
665, Fifth Avenue New York NY-10022

Consolidated Balance Sheet, March 31, 2018

	March 31 2018 $	2017 $
ASSETS		
Current Assets		
Cash	**1,682,202**	501,068
Cash in escrow	**1,069,714**	9,375,000
Accounts Receivable		
Guest ledger	**675,365**	285,866
City ledger	**2,724,198**	1,543,758
	3,399,563	1,829,624
Inventories	**776,861**	777,948
Prepaid expenses	**1,412,012**	1,433,995
Total Current Assets	**8,340,352**	13,917,635
Property and Equipment		
Investment in cooperative apartments	**1,500,000**	1,500,000
Land	**14,000,000**	14,000,000
Building and improvements	**143,270,724**	143,209,754
Furniture, fixtures and equipment	**32,073,011**	31,174,419
	190,843,735	189,884,173
Accumulated depreciation	**61,968,382**	55,723,951
	128,875,353	134,160,222
Construction in progress	**40,082**	58,183
	128,915,435	134,218,405
Other Assets		
Deferred costs, net	**572,432**	912,386
Security deposits	**168,603**	169,607
Due from related parties	**110,910**	76,766
	851,945	1,158,759
Total Assets	**138,107,732**	149,294,799
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities		
Cash overdraft	**-**	594,396
Accounts Payable		
Trade	**3,549,041**	5,000,118
Other	**23,415**	95,113
	3,572,456	5,095,231
Taxes payable, other than income	**434,042**	390,772
Accrued Expenses		
Payroll and related	**965,095**	922,112
Vacation, gratuities and incentives	**3,788,408**	4,737,390
Interest	**45,441**	83,442
Utilities	**244,681**	221,186
Other	**1,373,279**	788,643
	6,416,904	6,752,773
Tenants' security deposits	**193,700**	11,400
Advance deposits and other credit balances	**6,997,166**	7,021,454
Current portion of term loan	**1,980,000**	880,000
Notes payable to related parties	**11,000,000**	11,000,000
Total Current Liabilities	**30,594,268**	31,746,026
Long term portion of term loan	**18,735,917**	20,675,010
Total Liabilities	**49,330,185**	52,421,036
Commitments and contingencies		
Stockholder's Equity		
Common stock, par value $1 per share; 100 shares authorized, issued and outstanding	**100**	100
Additional paid-in capital	**163,723,741**	153,223,741
Accumulated deficit	**(74,946,294)**	(56,350,078)
Total Stockholder's Equity	**88,777,547**	96,873,763
Total Liabilities and Stockholder's Equity	**138,107,732**	149,294,799

See notes to consolidated financial statements

UNITED OVERSEAS HOLDINGS, INC.

(A Delaware Corporation)

Consolidated Statement of Operations for the year ended March 31, 2018

	2018 $	2017 $
REVENUE		
Rooms	**43,060,225**	$48,835,027
Food and beverage	**40,041,739**	42,587,633
Other	**7,301,690**	6,397,819
Total Revenue	**90,403,654**	97,820,479
DEPARTMENTAL EXPENSES		
Rooms	**22,067,092**	23,757,497
Food and beverage	**41,063,410**	43,921,838
Other	**2,158,388**	2,180,398
Total Departmental Expenses	**65,288,890**	69,859,733
UNALLOCATED OPERATING EXPENSES		
Administrative and general	**13,579,507**	15,635,301
Sales and marketing	**4,958,847**	6,233,128
Repair and maintenance	**6,619,205**	7,168,496
Utilities	**3,992,035**	4,234,055
Total Unallocated Operating Expenses	**29,149,594**	33,270,980
(Loss) Before Fixed Charges, Other Income (Expense) and Income Tax (Provision)	**(4,034,830)**	(5,310,234)
FIXED CHARGES		
Real estate taxes	**688,559**	1,158,681
Insurance	**544,348**	634,379
Rent and license fees	**7,389,193**	7,242,694
Depreciation	**6,244,431**	7,346,697
Amortization	**339,955**	339,955
Interest and finance costs	**1,638,207**	4,347,778
Total Fixed Charges	**16,844,693**	21,070,184
(Loss) Before Other Income (Expense) and Income Tax Benefit (Provision)	**(20,879,523)**	(26,380,418)
OTHER INCOME (EXPENSE)		
Sales and marketing, and management fees	**2,289,307**	2,036,302
Loss on sale of subsidiary	**-**	(15,418,157)
Total Other Income (Expenses)	**2,289,307**	(13,381,855)
(Loss) Before Income Tax (Provision)	**(18,590,216)**	(39,762,273)
Income tax (provision)	**(6,000)**	(85,000)
Net (Loss)	**(18,596,216)**	(39,847,273)

See notes to consolidated financial Statements

Consolidated Statements of Shareholders' Equity for the Years Ended March 31, 2018 & 2017

	Common Stock		Additional Paid-in Captial	Accumulated Deficit	Total
	Shares	Amount			
	$	$	$	$	$
Balance at March 31, 2016	100	100	141,223,741	(16,502,805)	124,721,036
Contributions from shareholder	-	-	12,000,000	-	12,000,000
Net (loss)	-	-	-	(39,847,273)	(39,847,273)
Balance at March 31, 2017	100	100	153,223,741	(56,350,078)	96,873,763
Contributions from shareholder	-	-	10,500,000	-	10,500,000
Net (loss)	-	-	-	(18,596,216)	(18,596,216)
Balance at March 31, 2018	**100**	**100**	**163,723,741**	**(74,946,294)**	**88,777,547**

See notes to consolidated financial Statements

UNITED OVERSEAS HOLDINGS, INC.

(A Delaware Corporation)

Consolidated Statements of Cash Flows for the year ended

	March 31	
	2018	2017
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss)	**(18,596,216)**	(39,847,273)
Adjustments to reconcile net (loss) to net		
cash from operating activities		
Depreciation and amortization	**6,625,293**	8,912,004
Loss on sale of subsidiary	**-**	15,232,019
Changes in Certain Other Accounts		
Accounts receivable	**(1,569,939)**	516,359
Inventories	**1,087**	(71,243)
Prepaid expenses	**21,983**	6,926
Security deposits	**183,304**	144
Accounts payable	**(1,522,775)**	474,479
Taxes payable, other than income	**43,270**	(191,271)
State income taxes payable	**-**	10,000
Accrued expenses	**(335,871)**	(93,184)
Advance deposits and other credit balances	**(24,288)**	(1,365,056)
Due from related parties	**(34,144)**	(205,707)
Total Adjustments	**3,387,920**	23,225,470
Net Cash from Operating Activities	**(15,208,296)**	(16,621,803)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in cash in escrow	**8,305,286**	(9,375,000)
Capital expenditures, net	**(941,460)**	(2,891,684)
Proceeds from Sale	**-**	124,403,900
Net Cash from Investing Activities	**7,363,826**	112,137,216
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in cash overdraft	**(594,396)**	594,396
Contributions from shareholder	**10,500,000**	12,000,000
Proceeds from Notes payable to related parties	**-**	2,000,000
Withdrawals on line of credit	**9,500,000**	14,000,000
Repayment of line of credit	**(9,500,000)**	(27,000,000)
Repayment of term loan	**(880,000)**	(98,220,000)
Net Cash from Financing Activities	**9,025,604**	(96,625,604)
Net cash transferred due to Sale	**-**	(50,666)
Net Change in Cash	**1,181,134**	(1,160,857)
Cash, beginning of year	**501,068**	1,661,925
Cash, end of year	**1,682,202**	501,068
Supplemental Disclosure of Cash Flow Information		
Cash paid for capital taxes	**6,000**	85,000
Cash paid for interest	**1,597,300**	3,137,010

See notes to consolidated financial Statements

Notes to Consolidated Financial Statements for the year ended March 31, 2018

1. Organization

United Overseas Holdings, Inc. (the "Company") was incorporated in August 2015 under the laws of the State of Delaware as a wholly-owned subsidiary of International Hotel Management Services, Inc., which subsequently has become a wholly-owned subsidiary of IHOCO B.V., a wholly owned subsidiary of The Indian Hotels Company Limited ("IHCL"), a company based in Mumbai, India.

As part of the international restructuring being implemented by IHCL, on October 2, 2015, the Company through a contribution deed (the "Restructuring") was assigned with the assets of and assumed the liabilities of, International Hotel Management Services, LLC (formerly International Hotel Management Services, Inc. ("IHMS Inc.") at its net book value at the date of the Restructuring. The Restructuring also included the assignment of IHMS Inc.'s interest in its Subsidiaries namely; IHMS, LLC (the "New York LLC"), IHMS (Boston) LLC (the "Boston LLC"), IHMS (SF) LLC (the "San Francisco LLC"), and IHMS (USA) LLC (the "Manager") to the Company at their respective net book values at the date of the Restructuring.

The New York LLC was formed in June 2005 under the laws of the State of Delaware, to acquire the lease with 795 Fifth Avenue Corporation ("795 Corp."), its affiliate 795 Fifth Avenue Limited Partnership ("795 Partnership"), Barney's New York ("Barney's"), and individual apartment owners (collectively "the Lessors"), which encompass the facilities of the Hotel Pierre located in New York, New York. In July 2005, the New York LLC acquired the lease from affiliates of Four Seasons Hotel Limited.

The San Francisco LLC was formed in March 2007 under the laws of the State of Delaware. In April 2007, the San Francisco LLC acquired the Campton Place Hotel (the "San Francisco Hotel") located in San Francisco, California from an unrelated third party.

The Boston LLC was formed in September 2006 under the laws of the State of Delaware. In January 2007, the Boston LLC acquired the Ritz Carlton Boston Hotel (the "Boston Hotel") located in Boston, Massachusetts from an unrelated third party.

On May 18, 2016, the Company entered into a limited liability company purchase agreement (the "Sale") to sell its entire membership interest in the Boston LLC to AS Holdings LLC, an unrelated third party, for $125 million, adjusted for the difference between the closing working capital, as defined, at the date of the closing and the target working capital, as defined. The closing of the Sale took place on July 12, 2016 (the "Closing"). In connection with the Sale, the Manager entered into a hotel management services agreement with the new owner of the Boston Hotel (see note 9). The Company recorded a loss of $15,418,157 in connection with the Sale, representing the excess of the Company's net equity in the Boston LLC at the time of the Sale over the purchase price.

The Hotel Pierre, Boston Hotel, and San Francisco Hotel are collectively referred to herein as the Hotel Properties. New York LLC, San Francisco LLC, Boston LLC (up to the Sale), and the Manager are collectively referred to herein as the Subsidiaries. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

At March 31, 2018, the New York LLC has $15 million in available financing on the unused credit facilities (see note 4). IHCL has also agreed to provide financial support to the Company for working capital deficits.

2. Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2. Significant Accounting Policies (Contd.)

the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Some of the more significant estimates required to be made by management include the collectability of accounts receivable and the useful lives and recoverability of costs of property and equipment. Management believes that as of March 31, 2018 and 2017, the estimates used were adequate based on the information currently available.

Reclassification

Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 presentation.

Fair Value of Financial Instruments

US GAAP requires the Company to disclose, when reasonably attainable, the fair values of its assets and liabilities which are deemed to be financial instruments. The carrying amounts of the Company's financial instruments, including cash, approximate fair values due to the short-term nature of these accounts. The carrying value of the long-term debt approximates fair value since the current interest rate approximates market rates.

It was not practicable for management to estimate the fair value of the amounts due to/from related parties due to the nature of the related party transactions and the fact that no similar markets exists for these instruments.

Significant Concentrations

The Company maintains cash balances in financial institutions in excess of federally insured limits. The Company has not experienced any losses on its deposits.

Approximately 80% of the New York LLC's workforce is covered by a collective bargaining agreement which expires on June 30, 2019.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash in banks and all highly liquid financial instruments purchased with a maturity of three months or less.

Accounts Receivable

Accounts receivable primarily represents receivables from the Hotel Properties' guests who occupy rooms and utilize the Hotel Properties' amenities. An allowance for doubtful accounts is provided (based on management's evaluation) when it is determined that it is more likely than not a specific account will not be collected. As of March 31, 2018 and 2017, management has determined that an allowance for doubtful accounts was not required.

Inventories

Inventories which consist of food, beverage, china, glass, silverware and retail and guest supplies are valued at the lower of cost or net realizable value on a first-in, first-out basis.

Property and Equipment

Property and equipment is stated at cost. Investment in cooperative apartments represents the four cooperative apartment units acquired by the New York LLC at lease acquisition.

Depreciation is computed using a straight-line method over estimated lives of 30 years for investment in cooperative apartments, 40 years for the building and improvements (for the New York LLC, over the term of the lease with 795 Corp. and 795 Partnership (see note 5) and 5 to 10 years for furniture, fixtures and equipment. Maintenance and repair expenditures are charged to expense when incurred. Expenditures for improvements and renewals are capitalized. Fully depreciated assets amounting to approximately $12,667,000 are still in use as of March 31, 2018.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2. Significant Accounting Policies (Contd.)

Long-Lived Assets

US GAAP requires that property and equipment held and used be reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset exceeds the sum of its expected future cash flows, on an undiscounted basis. If such review indicates that the asset is impaired, the asset's carrying amount would be written down to fair value. Additionally, US GAAP requires that long-lived assets to be disposed of be reported at the lower of carrying amount or fair value, less cost to sell. Management has determined that no adjustment was required for 2018 and 2017.

Deferred Costs

Deferred costs include the lease acquisition costs expended by the New York LLC to acquire the lease of the Hotel Pierre and secure the extension of the lease agreement with Barney's.

Amortization of the Hotel Pierre lease acquisition costs is computed using a method which approximates the interest method over the term of the related lease agreements. Accumulated amortization of the lease acquisition costs amounted to $2,156,165 and $1,987,054 at March 31, 2018 and 2017, respectively.

Deferred financing costs consist of costs incurred by the Company in connection with the acquisition of the loans payable (see note 3). Amortization is computed using the straight-line method (which approximates the interest method) over the term of the term loans. Deferred financing costs are presented as a deduction to the carrying amount of the related outstanding loans payable (see note 3). Amortization of the financing costs is included within interest and finance costs.

Income Taxes

The Company files income tax returns on a consolidated basis. The Company records income tax expense, if any, on an individual company basis in order to properly reflect its portion of consolidated income tax expense.

The Company recognizes deferred tax assets and liabilities based on the differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements that will result in taxable or deductible amounts in future years. The Company's temporary differences giving rise to deferred taxes result primarily from net loss carry-forwards, employee related benefits and depreciation and amortization. Deferred tax assets and liabilities are measured using the enacted tax rates in effect for the year in which the temporary differences are expected to be recovered or settled.

The Company is also subject to various other taxation requirements imposed by the State and City of New York.

The Tax Cuts and Jobs Act of 2017 (the "Tax Act") was signed into law on December 22, 2017. The law includes significant changes to the U.S. corporate income tax system, including a Federal corporate rate reduction from 35% to 21%, limitations on the deductibility of interest expense and executive compensation, and the transition of U.S. international taxation from a worldwide tax system to a territorial tax system. The Company is in the process of analyzing the final legislation and determining an estimate of the financial impact of the Tax Act.

Uncertainty in Income Taxes

US GAAP requires evaluation of tax positions taken by the Company and recognition of a liability in the consolidated financial statements if the Company has taken uncertain tax positions that more likely-than-not would not be sustained upon examination by the taxing authorities. As of March 31, 2018, management has determined that it has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

As of March 31, 2018, tax years since 2014 remain open to examination by most taxing authorities. There are currently no tax examinations in progress.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2. Significant Accounting Policies (Contd.)

Revenue Recognition

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is primarily acting as principal in all of its revenue arrangements.

Revenue is recognized as earned at the time of sale or rendering of service. Revenue is presented net of taxes collected from the Hotel Properties' guests. Cash received in advance of the sale or rendering of services is recorded as advance deposits in the accompanying consolidated balance sheet. Base rental income is recognized in accordance with the lease terms. Additional rents are recognized when earned, as defined in the lease agreement. US GAAP requires rental income to be recognized on a straight-line basis. Management has determined that the difference between recognizing rental income on a straight-line basis and in accordance with the terms of the lease is not material.

Advertising and Business Promotion

Advertising costs are expensed as incurred and amounted to $2,117,627 and $2,568,000 for 2018 and 2017, respectively.

Retirement Plan Costs

Payments to retirement plans are charged to expense as they are incurred.

3. Term Loan

In September 2014, IHMS Inc. entered into a term loan facility agreement (the "Term Loan Facility") in the amount of $120 million, which was utilized and outstanding at March 31, 2016. As part of the Restructuring, the Company assumed the Term Loan Facility and is the new borrower to the Term Loan Facility. The Term Loan Facility matures on September 15, 2022, and required monthly interest only payments computed at 3.81% plus LIBOR, as defined through March 15, 2017. Effective February 15, 2018, interest is computed at 2.30% plus LIBOR (5.27% and 5.24% at March 31, 2018 and 2017, respectively). Principal payments, as defined, are due every six months beginning in March 2017. All principal payments are the responsibility of the Company and interest costs have been allocated to each of the Hotel Properties based upon factors determined by the Company's management to be appropriate. During 2017, the Company repaid $98,000,000 of the outstanding term loan balance using the proceeds from the Sale. The Company made principal payments in the amount of $880,000 for the year ended March 31, 2018.

The Term Loan Facility is guaranteed by IHCL, the Company and the San Francisco LLC. The Term Loan Facility is secured, by amongst other things, the San Francisco LLC's hotel property. The Term Loan Facility contains covenants that the Company must adhere to which includes, amongst other things, the maintenance of financial ratios. At March 31, 2018 and 2017, the Company was in compliance with all term loan covenants.

Term loans consist of the following at March 31:

	2018	2017
	$	$
Outstanding principal balance	**20,900,000**	21,780,000
Less: unamortized deferred financing costs	**(184,083)**	(224,990)
	20,715,917	21,555,010

Unamortized deferred financing costs consist of the following at March 31:

	2018	2017
	$	$
Deferred financing costs	**1,785,007**	1,785,007
Less: accumulated amortization	**(1,600,924)**	(1,560,017)
	184,083	224,990

Notes to Consolidated Financial Statements for the year ended March 31, 2018

3. Term Loan (Contd.)

The Company wrote off $1,138,891 of deferred financing costs, in proportion with the loans repaid during the year ended March 31, 2017.

Minimum future principal payments to be made through the term of the Term Loan Facility are as follows:

March 31	$
2019	1,980,000
2020	3,410,000
2021	4,950,000
2022	6,710,000
2023	3,850,000
Total	20,900,000

4. Line of Credit

The New York LLC has a $15 million credit facility which expires on August 31, 2018. Interest payments required on the credit facility are based on LIBOR, as defined, plus 450 basis points (approximately 6.38% and 4.73% at March 31, 2018 and 2017, respectively). This credit facility is fully guaranteed by IHCL. All outstanding amounts were repaid during the year ended March 31, 2018.

5. Operating Leases

As Lessors

The San Francisco LLC and the New York LLC, as lessors under various operating leases, will receive base rents over the next five years and thereafter as follows:

	San Francis co LLC	New York LLC	Total
	$	$	$
2019	47,958	558,816	606,774
2020	47,958	601,096	649,054
2021	47,958	601,113	649,071
2022	47,958	595,924	643,882
2023	47,958	481,297	529,255
Thereafter	47,958	769,282	817,240
	287,748	3,607,529	3,895,277

Certain leases contain provisions for additional rents and extension options. The following is the summary of rental income for the years ended March 31:

	2018	2017
	$	$
San Francisco LLC	**49,865**	66,182
Boston LLC	**-**	225,715*
New York LLC	**191,325**	144,394

*up to the sale

As Lessees

Lease Agreement with 795 Corp. and 795 Partnership

The New York LLC's lease agreements with 795 Corp. and 795 Partnership are for certain facilities of the Hotel Pierre for the purpose of operating a hotel business. Both leases were originally scheduled to terminate on June 30, 2015 and may

Notes to Consolidated Financial Statements for the year ended March 31, 2018

5. Operating Leases (Contd.)

Lease Agreement with 795 Corp. and 795 Partnership (Contd.)

be extended for two additional ten-year terms. In November 2007, the New York LLC entered into a lease modification with 795 Corp. which extended the lease term for an additional 10 years, to June 30, 2025.

On August 31, 2017, the New York LLC entered into a lease amendment with 795 Corp. which among other things extended the lease term to June 30, 2035, and has the following provisions:

- 795 Fifth Avenue Corporation to spend not less than $6,000,000 in the aggregate over the course of not more than seven years towards the replacement and retrofitting of the electro-mechanical equipment servicing the Hotel.
- The Company and 795 Fifth Avenue Corporation to share the cost of the replacement and installation of an emergency generator, where the New York LLC's obligation is subject to a maximum of $950,000, and any amount in excess to be spent by 795 Fifth Avenue Corporation.
- The Company and 795 Fifth Avenue Corporation to split the costs associated with the façade repair work to the exterior of the Hotel Pierre as required under Local Law 11, on a 50/50 basis.
- For the lease years, as defined, post June 30, 2025, the cost of repair and replacement of the building systems, as defined, and MEP equipments, as defined, will be shared by the New York LLC and 795 Fifth Avenue Corporation in the ratio of 35% and 65%, respectively.
- Increase in management fees payable to the New York LLC, for servicing to the cooperative apartments.

The lease agreements provide for 795 Corp. and 795 Partnership to receive rental payments with respect to the Hotel Pierre's facilities. Rental payments consist of minimum rentals, and additional rentals measured by a formula based upon 795 Corp.'s and 795 Partnership's costs.

Future fixed minimum rentals, exclusive of formula or percentage rentals, for the years ending March 31 are as follows:

March 31	795 Corp.	795 Partnership	Total
	$	$	$
2019	1,204,848	1,305,252	2,510,100
2020	1,204,848	1,305,252	2,510,100
2021	1,204,848	1,305,252	2,510,100
2022	1,204,848	1,305,252	2,510,100
2023	1,204,848	1,305,252	2,510,100
Thereafter	14,759,388	15,989,337	30,748,725
	20,783,628	**22,515,597**	**43,299,225**

Lease on Ballroom

The New York LLC assumed a lease agreement with Barney's, which was renewed on March 12, 2012 for the use of the Hotel Pierre's ballroom (the "Amended Lease"). The Amended Lease is scheduled to mature on December 31, 2018 and requires an annual fixed rent of $1,700,000. In addition, the Amended Lease Agreement required a one-time rent adjustment fee of $1,000,000 ("Rent Adjustment"). The Rent Adjustment is included in deferred costs and is amortized over the term of the Amended Lease Agreement. Accumulated amortization of the Rent Adjustment amounted to $917,822 and $746,978 at March 31, 2018 and 2017, respectively.

The New York LLC and Barney's are in the process of negotiating the amendment and extension of the lease agreement.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

6. Related Parties

Due to/from Related Parties

Amounts due to/from related parties are non-interest bearing and have no specified date of repayment.

Sales and Marketing Agreement

The Company has a sales and marketing agreement with IHCL, which can be terminated by the Company or IHCL upon notice. The Company is required to perform sales and marketing functions for IHCL. For 2018 and 2017, the Company received $1,762,724 and $1,686,283 of sales and marketing fees, respectively, under the terms of the agreement.

Notes Payable to Related Parties

During February 2016, certain entities that are related to the Company through common ownership and management provided the Company with short-term notes payable. Such notes payable are payable on demand and carry interest at 3.5% per annum.

7. Income Taxes

(Provision) for income taxes consists of the following during 2018 and 2017:

	2018	2017
Current	**$**	$
Federal	**-**	-
State and local	**(6,000)**	(85,000)
	(6,000)	(85,000)
Deferred		
Federal	**-**	-
State and local	**-**	-
	(6,000)	(85,000)

The deferred tax asset consists of, and the related deferred income taxes resulted from the following temporary differences at March 31:

	2018	2017
	$	$
Valuation allowance	**(90,396,000)**	(144,934,933)
Net operating loss carryforward	**89,046,174**	142,417,352
Depreciation and amortization	**151,243**	374,155
Employee related benefits	**1,198,583**	2,143,426
	-	-

The reduction of the net operating loss carryforward was due to the re-measurement of such deferred tax asset considering the impact of the Tax Act.

The components of the net deferred tax provision (benefit) consist of the following for 2018 and 2017:

	2018	2017
	$	$
Valuation allowance	**54,538,933**	(19,044,547)
Net operating loss carryforward	**(53,371,178)**	17,096,355
Depreciation and amortization	**(222,912)**	1,646,336
Employee related benefits	**(944,843)**	301,856
	-	-

As of March 31, 2018, the Company has approximately $350 million available in net operating loss carryforwards which expire through 2037.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

8. Employee Benefit Plans

Multi-Employer Defined Benefit Plans

The New York LLC is a party to the Industrywide Collective Bargaining Agreement between the New York Hotel Trades Council ("NYC Union") and the Hotel Association of New York City, Inc. The Boston LLC, along with certain other hotel operators and owners in Boston, Massachusetts, was a party to the Collective Bargaining Agreement with UNITE HERE Local 26 ("Boston Union"). As part of the Sale, the new owner of the Boston Hotel assumed the obligations for the Boston Union, accordingly, the Company is no longer a party to the Boston Union. The collective bargaining agreement provides for union sponsored multi-employer defined benefit plans (the "Plans") to which the New York LLC makes contributions for the benefit of their employees covered by the collective bargaining agreements.

The New York LLC has not received information from the Plans' administrators to determine their share of unfunded benefit obligations, if any. The New York LLC has not undertaken to terminate, withdraw or partially withdraw from the Plans.

The risks of participating in the multi-employer plan are different from a single-employer plan in the following aspects:

a. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If an employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The New York LLC's and the Boston LLC's participation in the Plans for 2017 and 2016 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number (EIN). The most recent Pension Protection Act (PPA) zone status available is for the Plans' year-end at December 31, 2017 and 2016.

The zone status is based on information that the New York LLC and the Boston LLC received from the Plans and is certified by the actuaries of the Plans. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The New York LLC's and the Boston LLC's contributions to its respective Plans did not exceed more than 5% of the total contributions to the Plans by all participating employers. The following is a summary of the Plans to which the New York LLC and the Boston LLC make contributions for the benefit of their employees covered by the collective bargaining agreements.

			Pension Protection Act		FIP/RP Status	Contributions by the Company	
		Plan	Zone Status		Pending/		
Plans	EIN No.	Number	2018	2017	Implemented	2018 $	2017 $
New York LLC							
Pension Fund (1)	13-1764242	001	Green	Green	Yes	2,202,377	870,777
Health Benefits Fund (2)	13-6126923	501	N/A	N/A	Yes	8,115,173	8,956,793
Prepaid Legal Services Fund (3)	13-3418414	508	N/A	N/A	Yes	73,752	71,278
Total - New York LLC						**10,391,302**	**9,898,848**
Boston LLC							
Pension Fund (4)	45-4227067	001	N/A	Green	Yes	-	124,432
Health Benefits Fund (5)	04-6048964	501	N/A	N/A	Yes	-	838,919
Other funds						-	133,289
Total - Boston LLC						**-**	**1,096,640**
						10,391,302	10,995,488

Notes to Consolidated Financial Statements for the year ended March 31, 2018

8. Employee Benefit Plans (Contd.)

Defined Contribution 401(k) Plans

The Company and the Subsidiaries have defined contribution plans for the benefit of their eligible employees pursuant to Section 401(k) of the Internal Revenue Code. In addition to employee 401(k) contributions, the plans require employer contributions of 3% of each eligible participant's plan compensation for each year. The employer may also make a profit sharing contribution of a uniform percentage of eligible participants' plan compensation based on profits as defined.

The employer contributions charged to the Company's and the Subsidiaries' operations amounts to the following for the years ended March 31:

	2018	2017
	$	$
San Francisco LLC	**114,651**	102,817
Boston LLC	**-**	55,356*
New York LLC	**176,791**	167,627
Company	**7,067**	26,400
	298,509	370,200

* up to the sale

9. Commitments and Contingencies

Claims and Legal Actions

The Company is a party to claims that arose in the normal course of business. Management of the Company believes that the ultimate outcome of these claims will not have a material effect on the financial statements.

Condominium Association Maintenance Charges

The Boston LLC was a member of The Carlton House of Boston Condominium Association ("Condominium Association") as part of its purchase of the Boston Hotel and was required to make payments towards its allocable share of the Condominium Association's maintenance charges. Such maintenance charges amounted to $54,858 for the year ended March 31, 2017. As part of the Sale, the Company is no longer a party to the Condominium Association.

Management Agreement with Landlord

On July 1, 2005, 795 Corp. entered into a management agreement (the "Management Agreement") with the New York LLC. Under the Management Agreement, the New York LLC agreed to manage the Hotel Pierre as agent for 795 Corp. and provide the shareholders of 795 Corp. with certain services.

Under the Management Agreement, 795 Corp. is required to pay a base annual management fee of $3,907,362. This fee, subject to annual adjustments, reflects increases in costs of management over the prior year.

The Management Agreement was originally expected to expire on June 30, 2025. On August 31, 2017, the New York LLC entered into a modified Management Agreement which extended the term of the agreement by ten years to June 30, 2035. In connection with the modified Management Agreement, the base annual management fee required to be paid by 795 Corp. was increased to $5,744,690, with annual increases thereafter. In addition, the New York LLC is no longer required to provide certain services to the shareholders of 795 Corp.

Management fees, including other reimbursements and fees charged to 795 Corp. totaled to $6,289,400 and $5,630,000 for the years ended March 31, 2018 and 2017, respectively and are included in other income. The Management Agreement is co-terminus with the lease agreements with 795 Corp. and 795 Partnership (see note 5).

Notes to Consolidated Financial Statements for the year ended March 31, 2018

9. Commitments and Contingencies (Contd.)

Cash in Escrow

As part of the Sale, $9,375,000 of the proceeds from the Sale was held in escrow, and can only be drawn on and after January 12, 2018. During 2018, the Company withdrew $8,305,286 from the escrow. Cash in escrow amounted to $1,069,714 and $9,375,000 at March 31, 2018 and 2017, respectively. On April 3, 2018, the Company withdrew the remaining balance from the escrow.

Management Agreement for Boston Hotel

As part of the Sale, the Manager entered into a hotel management services agreement (the "Boston Management Agreement") with the new owner of the Boston Hotel. The Boston Management Agreement, which requires the Boston Hotel to be continually branded as the Taj Boston, has an initial lock-in term of ten years, as defined, and can be extended by the Manager for an additional 5-year term, provided that the Manager is not in default of the terms of the Boston Management Agreement. The Boston Management Agreement entitles the Manager to a revenue based fee in an amount equal to 1.5% of gross revenue, as defined and an incentive fee equal to 5% of net operating income, as defined, if any. Management fees earned for the years ended March 31, 2018 and 2017 amounted to $526,583 and $350,020, respectively.

On April 3, 2018, the Manager and the new owner of the Boston Hotel amended the Boston Management Agreement, which includes a provision that allows the new owner of the Boston Hotel to terminate this agreement at any time, with at least three months' notice, without payment of a penalty beginning January 1, 2019. If such termination occurs, the Boston Hotel will no longer be branded as a Taj Hotel. In connection with the amendment, the Manager received a modification and incentive fee in the amount of $6,915,100 in consideration for entering into the amendment. In addition, the funds held in escrow from the Sale as mentioned above, were released to the Manager.

10. Subsequent Events

The Company has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date the consolidated financial statements were available to be issued, which date is April 25, 2018, and has determined that there were no subsequent events or transactions which would require recognition or disclosure in the consolidated financial statements, other than noted herein.

Independent Auditors' Report on Supplementary Information

To the Board of Directors and Stockholder of United Overseas Holdings, Inc.

We have audited the consolidated financial statements of United Overseas Holdings, Inc.United Overseas Holdings, Inc. as of and for the years ended March 31, 2018 and 2017 and our report thereon dated April 25, 2018, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet and consolidating statements of operations and cash flows are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'Connor Davies, LLP

Date : April 25, 2018
665, Fifth Avenue New York NY-10022

Consolidating Balance Sheet March 31, 2018

	IHMS (SF) LLC $	IHMS, LLC $	IHMS (USA) LLC $	United Overseas Holdings, Inc. $	Eliminations $	Consolidated Total $
ASSETS						
Current Assets						
Cash	659,846	980,214	1,114	41,028	-	1,682,202
Cash in escrow	-	-	-	1,069,714	-	1,069,714
Accounts Receivable						
Guest ledger	129,763	545,602	-	-	-	675,365
City ledger	235,821	2,451,878	36,499	-	-	2,724,198
	365,584	2,997,480	36,499	-	-	3,399,563
Inventories	275,150	501,711	-	-	-	776,861
Prepaid expenses	268,906	1,124,401	-	18,705	-	1,412,012
Total Current Assets	1,569,486	5,603,806	37,613	1,129,447	-	8,340,352
Property and Equipment						
Investment in cooperative apartments	-	1,500,000	-	-	-	1,500,000
Land	14,000,000	-	-	-	-	14,000,000
Building and improvements	45,771,617	97,499,107	-	-	-	143,270,724
Furniture, fixtures and equipment	3,350,190	28,646,675	-	76,146	-	32,073,011
	63,121,807	127,645,782	-	76,146	-	190,843,735
Accumulated depreciation	14,519,485	47,392,148	-	56,749	-	61,968,382
	48,602,322	80,253,634	-	19,397	-	128,875,353
Construction in progress	26,082	14,000	-	-	-	40,082
	48,628,404	80,267,634	-	19,397	-	128,915,435
Other Assets						
Deferred costs, net	60,000	512,432	-	-	-	572,432
Security deposits	72,992	95,611	-	-	-	168,603
Investment in subsidiaries	-	-	-	90,418,386	(90,418,386)	-
Due from related parties	-	-	831,520	75,983,899	(76,704,509)	110,910
	132,992	608,043	831,520	166,402,285	(167,122,895)	851,945
Total Assets	**50,330,882**	**86,479,483**	**869,133**	**167,551,129**	**(167,122,895)**	**138,107,732**

See Independent auditors' report on supplementary information

Consolidating Balance Sheet March 31, 2018 (Continued)

	IHMS (SF) LLC $	IHMS, LLC $	IHMS (USA) LLC $	United Overseas Holdings, Inc. $	Eliminations $	Consolidated Total $
LIABILITIES AND STOCKHOLDER'S EQUITY						
Current Liabilities						
Accounts Payable						
Trade	279,801	3,269,240	-	-	-	3,549,041
Other	15,812	7,603	-	-	-	23,415
	295,613	3,276,843	-	-	-	3,572,456
Taxes payable, other than income	186,650	247,392	-	-	-	434,042
Accrued Expenses						
Payroll and related	264,738	700,357	-	-	-	965,095
Vacation, gratuities and incentives	635,627	3,085,156	-	67,625	-	3,788,408
Interest	-	-	-	45,441	-	45,441
Utilities	21,557	223,124	-	-	-	244,681
Other	446,213	927,066	-	-	-	1,373,279
	1,368,135	4,935,703	-	113,066	-	6,416,904
Tenants' security deposits	-	193,700	-	-	-	193,700
Advance deposits and other credit balances	283,466	6,713,700	-	-	-	6,997,166
Current portion of term loan	-	-	-	1,980,000	-	1,980,000
Notes payable to related parties	-	-	-	11,000,000	-	11,000,000
Total Current Liabilities	**2,133,864**	**15,367,338**	**-**	**13,093,066**	**-**	**30,594,268**
Due to related parties	19,339,739	57,364,768	-	-	(76,704,507)	-
Long term portion of term loan	-	-	-	18,735,917	-	18,735,917
Total Liabilities	21,473,603	72,732,106	-	31,828,983	(76,704,507)	49,330,185
Commitments and contingencies						
Stockholder's Equity						
Common stock	-	-	-	100	-	100
Additional paid-in capital	50,941,941	219,103,509	-	163,723,741	(270,045,450)	163,723,741
Accumulated earnings (deficit)	(22,084,662)	(205,356,132)	869,133	(28,001,695)	179,627,062	(74,946,294)
Total Stockholder's Equity	28,857,279	13,747,377	869,133	135,722,146	(90,418,388)	88,777,547
Total Liabilities and Stockholder's Equity	**50,330,882**	**86,479,483**	**869,133**	**167,551,129**	**(167,122,895)**	**138,107,732**

See Independent auditors' report on supplementary information

Consolidating Balance Sheet March 31, 2017

	IHMS (SF) LLC $	IHMS (Boston) LLC $	IHMS, LLC $	IHMS (USA) LLC $	United Overseas Holdings, Inc. $	Eliminations $	Consolidated Total $
ASSETS							
Current Assets							
Cash	394,922	-	94,622	2,595	8,929	-	501,068
Cash in escrow	-	-	-	-	9,375,000	-	9,375,000
Accounts Receivable							
Guest ledger	88,287	-	197,579	-	-	-	285,866
City ledger	135,701	-	1,373,258	34,799	-	-	1,543,758
	223,988	-	1,570,837	34,799	-	-	1,829,624
Inventories	278,258	-	499,690	-	-	-	777,948
Prepaid expenses	278,857	-	1,121,079	-	34,059	-	1,433,995
Total Current Assets	1,176,025	-	3,286,228	37,394	9,417,988	-	13,917,635
Property and Equipment							
Investment in cooperative apartments	-	-	1,500,000	-	-	-	1,500,000
Land	14,000,000	-	-	-	-	-	14,000,000
Building and improvements	45,771,617	-	97,438,137	-	-	-	143,209,754
Furniture, fixtures and equipment	3,072,020	-	28,027,555	-	74,844	-	31,174,419
	62,843,637	-	126,965,692	-	74,844	-	189,884,173
Accumulated depreciation	13,058,875	-	42,618,044	-	47,032	-	55,723,951
	49,784,762	-	84,347,648	-	27,812	-	134,160,222
Construction in progress	41,915	-	16,268	-	-	-	58,183
	49,826,677	-	84,363,916	-	27,812	-	134,218,405
Other Assets							
Deferred costs, net	60,000	-	852,386	-	-	-	912,386
Security deposits	73,996	-	95,611	-	-	-	169,607
Investment in subsidiaries	-	-	-	-	80,918,386	(80,918,386)	-
Due from related parties	-	-	-	306,173	69,698,030	(69,927,437)	76,766
	133,996	-	947,997	306,173	150,616,416	(150,845,823)	1,158,759
Total Assets	**51,136,698**	**-**	**88,598,141**	**343,567**	**160,062,216**	**(150,845,823)**	**149,294,799**

See Independent auditors' report on supplementary information

Consolidating Balance Sheet March 31, 2017 (Continued)

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated Total
	$	$	$	$	$	$	$
LIABILITIES AND STOCKHOLDER'S EQUITY							
Current Liabilities							
Cash overdraft	-	-	594,396	-	-	-	594,396
Accounts Payable							
Trade	198,245	-	4,801,873	-	-	-	5,000,118
Other	-	-	95,113	-	-	-	95,113
	198,245	-	4,896,986	-	-	-	5,095,231
Taxes payable, other than income	160,875	-	229,897	-	-	-	390,772
Accrued Expenses							
Payroll and related	281,836	-	640,276	-	-	-	922,112
Vacation, gratuities and incentives	747,244	-	2,825,013	-	1,165,133	-	4,737,390
Interest	-	-	-	-	83,442	-	83,442
Utilities	18,770	-	202,416	-	-	-	221,186
Other	462,437	-	314,526	-	11,680	-	788,643
	1,510,287	-	3,982,231	-	1,260,255	-	6,752,773
Tenants' security deposits	-	-	11,400	-	-	-	11,400
Advance deposits and other credit balances	547,653	-	6,473,801	-	-	-	7,021,454
Current portion of term loan	-	-	-	-	880,000	-	880,000
Notes payable to related parties	-	-	-	-	11,000,000	-	11,000,000
Total Current Liabilities	2,417,060	-	16,188,711	-	13,140,255	-	31,746,026
Due to related parties	19,427,486	-	50,499,949	-	-	(69,927,435)	-
Long term portion of term loan	-	-	-	-	20,675,010	-	20,675,010
Total Liabilities	21,844,546	-	66,688,660	-	33,815,265	(69,927,435)	52,421,036
Commitments and contingencies							
Stockholder's Equity							
Common stock	-	-	-	-	100	-	100
Additional paid-in capital	50,941,941	-	209,603,509	-	153,223,741	(260,545,450)	153,223,741
Accumulated earnings (deficit)	(21,649,789)	-	(187,694,028)	343,567	(26,976,890)	179,627,062	(56,350,078)
Total Stockholder's Equity	29,292,152	-	21,909,481	343,567	126,246,951	(80,918,388)	96,873,763
Total Liabilities and Stockholder's Equity	**51,136,698**	**-**	**88,598,141**	**343,567**	**160,062,216**	**(150,845,823)**	**149,294,799**

See Independent auditors' report on supplementary information

Consolidating Statement of operations for the year ended March 31, 2018

	IHMS (SF) LLC $	IHMS, LLC $	IHMS (USA) LLC $	United Overseas Holdings, Inc. $	Eliminations $	Consolidated Total $
REVENUE						
Rooms	11,266,655	$31,793,570	-	-	-	43,060,225
Food and beverage	5,397,860	34,643,879	-	-	-	40,041,739
Other	473,496	6,798,824	-	29,370	-	7,301,690
Total Revenue	17,138,011	73,236,273	-	29,370	-	90,403,654
DEPARTMENTAL EXPENSES						
Rooms	3,819,560	18,247,532	-	-	-	22,067,092
Food and beverage	5,370,152	35,693,258	-	-	-	41,063,410
Other	440,151	1,718,237	-	-	-	2,158,388
Total Departmental Expenses	9,629,863	55,659,027	-	-	-	65,288,890
UNALLOCATED OPERATING EXPENSES						
Administrative and general	2,336,499	9,468,488	1,017	1,773,503	-	13,579,507
Sales and marketing	1,029,772	2,936,304	-	992,771	-	4,958,847
Repair and maintenance	1,059,362	5,559,843	-	-	-	6,619,205
Utilities	605,534	3,386,501	-	-	-	3,992,035
Total Unallocated Operating Expenses	5,031,167	21,351,136	1,017	2,766,274	-	29,149,594
Income (Loss) Before Fixed Charges, Other Income and Income Tax (Provision)	2,476,981	(3,773,890)	(1,017)	(2,736,904)	-	(4,034,830)
FIXED CHARGES						
Real estate taxes	688,559	-	-	-	-	688,559
Insurance	290,754	253,594	-	-	-	544,348
Rent and license fees	34,148	7,355,045	-	-	-	7,389,193
Depreciation	1,460,611	4,774,103	-	9,717	-	6,244,431
Amortization	-	339,955	-	-	-	339,955
Interest and finance costs	437,784	1,159,516	-	40,907	-	1,638,207
Total Fixed Charges	2,911,856	13,882,213	-	50,624	-	16,844,693
(Loss) Before Other Income and Income Tax (Provision)	(434,875)	(17,656,103)	(1,017)	(2,787,528)	-	(20,879,523)
OTHER INCOME						
Sales and marketing, and management fees	-	-	526,583	1,762,724	-	2,289,307
Income (Loss) Before Income Tax (Provision)	(434,875)	(17,656,103)	525,566	(1,024,804)	-	(18,590,216)
Income tax (provision)	-	(6,000)	-	-	-	(6,000)
Net Income (Loss)	(434,875)	(17,662,103)	525,566	(1,024,804)	-	(18,596,216)

See Independent auditors' report on supplementary information

UNITED OVERSEAS HOLDINGS, INC.
(A Delaware Corporation)

Consolidating Statement of Operations for the year ended March 31, 2017

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Elimina-tions	Conso-lidated Total
	$	$	$	$	$	$	$
REVENUE							
Rooms	10,966,207	7,600,799	30,268,021	-	-	-	48,835,027
Food and beverage	5,566,241	3,505,864	33,515,528	-	-	-	42,587,633
Other	404,959	297,161	5,676,519	-	19,180	-	6,397,819
Total Revenue	16,937,407	11,403,824	69,460,068	-	19,180	-	97,820,479
DEPARTMENTAL EXPENSES							
Rooms	3,704,816	2,897,490	17,155,191	-	-	-	23,757,497
Food and beverage	5,505,656	3,535,131	34,881,051	-	-	-	43,921,838
Other	433,088	132,125	1,615,185	-	-	-	2,180,398
Total Departmental Expenses	9,643,560	6,564,746	53,651,427	-	-	-	69,859,733
UNALLOCATED OPERATING EXPENSES							
Administrative and general	2,708,744	1,430,514	9,085,107	6,452	2,404,484	-	15,821,439
Sales and marketing	923,713	613,377	3,283,898	-	1,412,140	-	6,233,128
Repair and maintenance	1,004,477	599,625	5,561,304	-	3,090	-	7,168,496
Utilities	575,160	380,122	3,278,773	-	-	-	4,234,055
Total Unallocated Operating Expenses	5,212,094	3,023,638	21,209,082	6,452	3,819,714	-	33,270,980
Income (Loss) Before Fixed Charges, Other Income (Expense)							
and Income Tax (Provision)	2,081,753	1,815,440	(5,400,441)	(6,452)	(3,986,672)	-	(5,496,372)
FIXED CHARGES							
Real estate taxes	633,102	525,579	-	-	-	-	1,158,681
Insurance	282,545	90,705	261,129	-	-	-	634,379
Rent and license fees	30,000	9,937	7,202,757	-	-	-	7,242,694
Depreciation	1,459,091	1,041,773	4,835,747	-	10,086	-	7,346,697
Amortization	-	-	339,955	-	-	-	339,955
Interest and finance costs	643,017	917,160	1,562,249	-	1,225,352	-	4,347,778
Total Fixed Charges	3,047,755	2,585,154	14,201,837	-	1,235,438	-	21,070,184
(Loss) Before Other Income (Expense) and Income Tax (Provision)	(966,002)	(769,714)	(19,602,278)	(6,452)	(5,035,972)	-	(26,380,418)
OTHER INCOME (EXPENSE)							
Sales and marketing, and management fees	-	-	-	350,019	1,686,283	-	2,036,302
Loss on sale of subsidiary	-	(15,232,019)	-	-	(186,138)	-	(15,418,157)
Total Other Income (Expenses)	-	(15,232,019)	-	350,019	1,500,145	-	(13,381,855)
Income (Loss) Before Income Tax (Provision)	(966,002)	(16,001,733)	(19,602,278)	343,567	(3,535,827)	-	(39,762,273)
Income tax (provision)	-	-	(85,000)	-	-	-	(85,000)
Net Income (Loss)	(966,002)	(16,001,733)	(19,687,278)	343,567	(3,535,827)	-	(39,847,273)

See Independent auditors' report on supplementary information

Consolidating Statement of Cash Flows for the year ended March 31, 2018

	IHMS (SF) LLC $	IHMS, LLC $	IHMS (USA) LLC $	United Overseas Holdings, Inc. $	Eliminations $	Consolidated Total $
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Income (Loss)	(434,875)	(17,662,103)	525,566	(1,024,804)	-	(18,596,216)
Adjustments to reconcile net income (loss) to net						
cash from operating activities						
Depreciation and amortization	1,460,611	5,114,058	-	50,624	-	6,625,293
Changes in Certain Other Accounts						
Accounts receivable	(141,596)	(1,426,643)	(1,700)	-	-	(1,569,939)
Inventories	3,108	(2,021)	-	-	-	1,087
Prepaid expenses	9,951	(3,322)	-	15,354	-	21,983
Security deposits	1,004	182,300	-	-	-	183,304
Accounts payable	97,368	(1,620,143)	-	-	-	(1,522,775)
Taxes payable, other than income	25,775	17,495	-	-	-	43,270
Accrued expenses	(142,150)	953,470	-	(1,147,191)	-	(335,871)
Advance deposits and other credit balances	(264,187)	239,899	-	-	-	(24,288)
Due to/from related parties	(87,748)	6,864,819	(525,347)	(6,285,868)	-	(34,144)
Total Adjustments	962,136	10,319,912	(527,047)	(7,367,081)	-	3,387,920
Net Cash from Operating Activities	527,261	(7,342,191)	(1,481)	(8,391,885)	-	(15,208,296)
CASH FLOWS FROM INVESTING ACTIVITIES						
Change in cash in escrow	-	-	-	8,305,286	-	8,305,286
Capital expenditures, net	(262,337)	(677,821)	-	(1,302)	-	(941,460)
Investment in subsidiaries	-	-	-	(9,500,000)	9,500,000	-
Net Cash from Investing Activities	(262,337)	(677,821)	-	(1,196,016)	9,500,000	7,363,826
CASH FLOWS FROM FINANCING ACTIVITIES						
Change in cash overdraft	-	(594,396)	-	-	-	(594,396)
Contributions/advances from member/shareholder	-	9,500,000	-	10,500,000	(9,500,000)	10,500,000
Withdrawals on line of credit	-	9,500,000	-	-	-	9,500,000
Repayment of line of credit	-	(9,500,000)	-	-	-	(9,500,000)
Repayment of term loan	-	-	-	(880,000)	-	(880,000)
Net Cash from Financing Activities	-	8,905,604	-	9,620,000	(9,500,000)	9,025,604
Net Change in Cash	264,924	885,592	(1,481)	32,099	-	1,181,134
Cash, beginning of year	394,922	94,622	2,595	8,929	-	501,068
Cash, end of year	659,846	980,214	1,114	41,028	-	1,682,202
Supplemental Disclosure of Cash Flow Information						
Cash paid for capital taxes	-	6,000	-	-	-	6,000
Cash paid for interest	437,784	1,159,516	-	-	-	1,597,300

See Independent auditors' report on supplementary information

UNITED OVERSEAS HOLDINGS, INC.
(A Delaware Corporation)

Consolidating Statement of Cash Flows for the year ended March 31, 2017

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated Total
	$	$	$	$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES							
Net Income (Loss)	(966,002)	(16,001,733)	(19,687,278)	343,567	(3,535,827)	-	(39,847,273)
Adjustments to reconcile net income (loss) to net							
cash from operating activities							
Depreciation and amortization	1,459,091	1,041,773	5,175,702	-	1,235,438	-	8,912,004
Loss on sale of subsidiary	-	15,232,019	-	-	-	-	15,232,019
Changes in Certain Other Accounts							
Accounts receivable	35,157	(232,207)	739,208	(34,799)	9,000	-	516,359
Inventories	(6,214)	1,526	(56,555)	-	-	-	(71,243)
Prepaid expenses	(58,922)	148,324	(48,417)	-	(34,059)	-	6,926
Security deposits	(2,656)	400	2,400	-	-	-	144
Accounts payable	(21,223)	(724,541)	1,220,243	-	-	-	474,479
Taxes payable, other than income	(6,333)	(159,572)	(25,366)	-	-	-	(191,271)
State Income Taxes payable	-	-	10,000	-	-	-	10,000
Accrued expenses	25,915	149,461	(182,595)	-	(85,965)	-	(93,184)
Advance deposits and other credit balances	216,368	(354,688)	(1,226,736)	-	-	-	(1,365,056)
Due to/from related parties	(2,858,133)	514,640	1,378,417	(306,173)	(16,491,008)	17,556,550	(205,707)
Total Adjustments	(1,216,950)	15,617,135	6,976,301	(340,972)	(15,366,594)	17,556,550	23,225,470
Net Cash from Operating Activities	(2,182,952)	(384,598)	(12,710,977)	2,595	(18,902,421)	17,556,550	(16,621,803)
CASH FLOWS FROM INVESTING ACTIVITIES							
Change in cash in escrow	-	-	-	-	(9,375,000)	-	(9,375,000)
Investment in subsidiaries	-	-	-	-	(12,000,000)	12,000,000	-
Capital expenditures, net	(116,918)	-	(2,768,730)	-	(6,036)	-	(2,891,684)
Proceeds from Sale	-	-	-	-	124,403,900	-	124,403,900
Net Cash from Investing Activities	(116,918)	-	(2,768,730)	-	103,022,864	12,000,000	112,137,216
CASH FLOWS FROM FINANCING ACTIVITIES							
Change in cash overdraft	-	-	594,396	-	-	-	594,396
Contributions/Advances from member/ shareholder	2,271,550	-	27,285,000	-	12,000,000	(29,556,550)	12,000,000
Proceeds from notes payable to related parties	-	-	-	-	2,000,000	-	2,000,000
Withdrawals on line of credit	-	-	14,000,000	-	-	-	14,000,000
Repayment of line of credit	-	-	(27,000,000)	-	-	-	(27,000,000)
Repayment of term loan	-	-	-	-	(98,220,000)	-	(98,220,000)
Net Cash from Financing Activities	2,271,550	-	14,879,396	-	(84,220,000)	(29,556,550)	(96,625,604)
Net cash transferred due to Sale	-	(50,666)	-	-	-	-	(50,666)
Net Change in Cash	(28,320)	(435,264)	(600,311)	2,595	(99,557)	-	(1,160,857)
Cash, beginning of year	423,242	435,264	694,933	-	108,486	-	1,661,925
Cash, end of year	394,922	-	94,622	2,595	8,929	-	501,068
Supplemental Disclosure of Cash Flow Information							
Cash paid for capital taxes	-	-	85,000	-	-	-	85,000
Cash paid for interest	643,017	917,160	1,576,833	-	-	-	3,137,010

See Independent Auditors' Report on supplementary information

DIRECTORS AND CORPORATE INFORMATION

Board of Directors
Mr. R. M. Nagpal
Mr. R. H. Parekh
Mr. Sudhir L. Nagpal
Mr. Rajesh R. Nagpal
Mr. N. Chandrasekhar

Auditors
Mazars CPA Limited
Certified Public Accountants

Bankers
Hong Kong & Shanghai Banking Corporation Ltd.
Schroders & Co. Banque SA.

Registered Office
42/F, Central Plaza,
18 Harbour Road,
Wanchai,
Hong Kong.

Directors Reports

The directors submit herewith their report and audited financial statements of PIEM International (H.K.) Limited (the "Company") for the year ended March 31, 2018.

Principal activities

The principal activities of the Company are investment holding and provision of consultancy, hotel management and operating services.

Results and dividends

The results of the Company for the year ended March 31, 2018 are set out in the statement of comprehensive income.

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year or during the period from the end of year to the date of this report were:

Rajkumar Menghraj Nagpal

Rajeshkumar Harshadrai Parekh

Sudhir Lalchand Nagpal

Rajesh Rajkumar Nagpal

Chandrasekhar Nagarajan

In accordance with the Company's Articles of Association, Rajeshkumar Harshadrai Parekh will retire by rotation and, being eligible, will offer himself for re-election.

Arrangements for acquisition of shares or debentures

At no time during the year was the Company, its holding companies or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other company.

Material interests in transactions, arrangements or contracts

The directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company's holding companies or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Equity-linked agreements

No equity-linked agreements into which the Company entered subsisted at any time during the year.

Permitted indemnity provisions

No permitted indemnity provision was in force during the year, or is in force at the date of this report, for the benefit of a then director or a director of the Company (whether made by the Company or otherwise) or a then director or a director of its holding company, subsidiary or fellow subsidiary (if made by the Company).

Auditor

A resolution will be submitted to the annual general meeting to re-appoint Mazars CPA Limited, Certified Public Accountants, as auditor of the Company.

Approved by the board of directors and signed on its behalf by

Director
Rajeshkumar Harshadrai Parekh
April 30, 2018

Independent Auditor's Report

To The Members of
PIEM International (H.K.) Limited
(Incorporated in Hong Kong with limited liability

Opinion

We have audited the financial statements of PIEM International (H.K.) Limited (the "Company"), which comprise the statement of financial position as at March 31 , 2018, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31,0 2018, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the directors' report and the detailed income statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mazars CPA Limited
Certified Public Accountants
Hong Kong,
Date : April 30, 2018

The engagement director on the audit resulting in this independent auditor's report is:
Chan Wai Man
Practising Certificate number: P02487

Statement of Comprehensive Income for the year ended March 31, 2018

	Note	2018 US$	2017 US$
Revenue	2	**140,002**	141,225
Exchange gain (loss)		**12**	(181,402)
Operating expenses		**(59,248)**	(56,342)
Share of result of an associate		**1,674,107**	2,512,121
Profit before tax	3	**1,754,873**	2,415,602
Income tax expense	4	**-**	-
Profit for the year		**1,754,873**	2,415,602
Other comprehensive income (loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange gain (loss) arising from translation of interest in an associate		**3,154,577**	(3,562,853)
Other comprehensive income (loss) for the year, net of tax		**3,154,577**	(3,562,853)
Total comprehensive income (loss) for the year		**4,909,450**	(1,147,251)

Statement of Financial Position for the year ending at March 31, 2018

	Note	At 31 March 2018 US$	At 31 March 2017 US$
Non-current assets			
Interest in an associate	5	**31,235,046**	26,406,362
Available-for-sale financial assets	6	**541,375**	541,375
		31,776,421	26,947,737
Assets classified as held for sale	7	**1**	1
Current assets			
Loan to a fellow subsidiary	8	**4,000,000**	4,011,890
Due from the ultimate holding company	9	**-**	413
Bank balances		**312,467**	219,319
		4,312,467	4,231,622
Current liabilities			
Accrued charges		**8,642**	8,563
Net current assets		**4,303,825**	4,223,059
NET ASSETS		**36,080,247**	31,170,797
Capital and reserves			
Share capital	10	**8,000,000**	8,000,000
Exchange reserve		**(1,249,968)**	(4,404,545)
Accumulated profits		**29,330,215**	27,575,342
TOTAL EQUITY		**36,080,247**	31,170,797

These financial statements were approved and authorised for issue by the board of directors on April 30, 2018 and signed on behalf by

Director	Director
Rajeshkumar Harshadrai Parekh	**Rajesh R. Nagpal**

Statement of Changes in Equity for the year ended March 31, 2018

	Share capital US$	Exchange reserve (Note) US$	Accumulated profits US$	Total US$
At 1 April 2016	8,000,000	(841,692)	26,919,740	34,078,048
Profit for the year	-	-	2,415,602	2,415,602
Other comprehensive loss				
Exchange loss arising from translation of interest in an associate	-	(3,562,853)	-	(3,562,853)
Total comprehensive (loss) income for the year	-	(3,562,853)	2,415,602	(1,147,251)
Transaction with owners Interim dividend (Note 11)	-	-	(1,760,000)	(1,760,000)
At 31 March 2017	8,000,000	(4,404,545)	27,575,342	31,170,797
At 1 April 2017	8,000,000	(4,404,545)	27,575,342	31,170,797
Profit for the year	-	-	1,754,873	1,754,873
Other comprehensive income				
Exchange gain arising from translation of interest in an associate	-	3,154,577	-	3,154,577
Total comprehensive income for the year	-	3,154,577	1,754,873	4,909,450
At 31 March 2018	**8,000,000**	**(1,249,968)**	**29,330,215**	**36,080,247**

Note:

The exchange reserve comprises exchange differences arising from translation of financial statements of the Company's foreign associate. The reserve is dealt with in accordance with the accounting policy on foreign currency translation as stated in note 1 to the financial statements.

Statement of Cash Flows for the year ended March 31, 2018

	Note	**2018 US$**	2017 US$
OPERATING ACTIVITIES			
Cash (used in) generated from operations	12	**(58,744)**	1,732,133
Net cash (used in) generated from operating activities		**(58,744)**	1,732,133
INVESTING ACTIVITIES			
Interest received		**151,892**	143,072
Dividend received from available-for-sale financial assets		**-**	1,222
Net cash generated from investing activities		**151,892**	144,294
FINANCING ACTIVITY			
Interim dividend paid		**-**	(1,760,000)
Net cash used in financing activity		**-**	(1,760,000)
Net increase in cash and cash equivalents		**93,148**	116,427
Cash and cash equivalents at beginning of year		**219,319**	102,892
Cash and cash equivalents at end of year, represented by bank balances		**312,467**	219,319

Notes to Financial Statements for the year ended March 31, 2018

CORPORATE INFORMATION

PIEM International (H.K.) Limited (the "Company") is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The immediate holding company of the Company is Piem Hotels Limited, which is incorporated in India. In the opinion of the directors, the ultimate holding company of the Company is The Indian Hotels Company Limited which is incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange in India. The principal activities of the Company are investment holding and provision of consultancy, hotel management and operating services.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2017 financial statements. The adoption of the new / revised HKFRSs that are relevant to the Company and effective from the current year had no significant effects on the results and financial position of the Company for the current and prior years. A summary of the principal accounting policies adopted by the Company is set out below.

Adoption of new / revised HKFRSs

Amendments to HKAS 7 "Disclosure Initiative"

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The adoption of the amendments results in the additional disclosures in the financial statements. In accordance with the transitional provisions therein, the comparative information is not presented in the first year of adoption.

Amendments to HKAS 12 "Recognition of Deferred Tax Assets for Unrealised Losses"

The amendments clarify, among others, how to account for deferred tax assets related to debt instruments measured at fair value.

The adoption of the amendments did not have any significant impact on the financial statements.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost.

Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but no control or joint control of those policies.

The Company's investment in an associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Company's share of the investee's net assets and any impairment loss relating to the investment.

Except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the investee, the Company discontinues recognising its share of further losses when the Company's share of losses of the

Notes to Financial Statements for the year ended March 31, 2018

1. PRINCIPAL ACCOUNTING POLICIES (CONTD.)

investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Company's net investment in the investee.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) the Company transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial assets or financial liabilities are initially recognised at their fair value plus, in the case of financial assets or financial liabilities not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

1) *Loans and receivables*

Loans and receivables including bank balances, loan to a fellow subsidiary, due from the ultimate holding company are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in the profit or loss.

2) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated at this category or not classified in any of the other categories of financial assets. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment loss.

Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence that financial assets are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to Financial Statements for the year ended March 31, 2018

1. PRINCIPAL ACCOUNTING POLICIES (CONTD.)

For an available-for-sale financial asset that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

Financial liabilities

The Company's financial liabilities include accrued charges. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Cash equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

Operating and incentive fees are recognised in the period when services are rendered.

Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the Company's rights to receive payment have been established.

Foreign currency translation

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in the currency of United States dollars ("US$"), which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Exchange differences arising from the translation of the net investment in foreign operations are recognised in a separate component of equity and recognised in profit or loss on disposal of the foreign operations.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Notes to Financial Statements for the year ended March 31, 2018

1. PRINCIPAL ACCOUNTING POLICIES (CONTD.)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:
   (i) has control or joint control over the Company;
   (ii) has significant influence over the Company; or
   (iii) is a member of the key management personnel of the Company or of the parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:
   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint ventures of the same third party.
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
   (vi) The entity is controlled or jointly controlled by a person identified in (a).
   (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;
(b) children of that person's spouse or domestic partner; and
(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Impairment of available-for-sale financial assets

The directors assess at the end of each reporting period whether there is any objective evidence that available-for-sale financial assets is impaired. In determining whether an investment in an equity instrument is impaired, the directors uses their experience and judgement to assess information about significant changes with an adverse effect that have taken place in the economic environment in which the investee company operates which indicates that the cost of equity investment may not be recovered.

Notes to Financial Statements for the year ended March 31, 2018

1. PRINCIPAL ACCOUNTING POLICIES (CONTD.)

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new / revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted.

Annual Improvements to HKFRSs	2014 - 2016 Cycle: HKFRS 1 and HKAS 28[1]
HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[1]
Annual Improvements to HKFRSs	2015 - 2017 Cycle[2]
HKFRS 16	Leases[2]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKAS 28	Investments in Associates and Joint Ventures[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1]Effective for annual periods beginning on or after 1 January 2018

[2]Effective for annual periods beginning on or after 1 January 2019

[3]Effective date to be determined

The management of the Company is in the process of making a detailed assessment of the possible impact on the future adoption of the new / revised HKFRSs. So far the management is of the opinion that except for HKFRS 9 and 15 which are explained below, the adoption of the new / revised HKFRSs will not have any significant impact on the financial statements.

<u>HKFRS 9 “Financial Instruments”</u>

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39 “Financial instruments: Recognition and measurement”.

HKFRS 9 introduces new requirements for classification and measurement of financial assets, including the measurement of impairment for financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification and measurement of financial liabilities.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis. The Company plans to use the exemption from restating comparative information and will recognise any transition adjustments against the opening balance of equity at 1 April 2018.

The Company has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 April 2018:

Under HKAS 39, the Company’s equity securities are stated at cost less impairment loss, HKFRS 9 requires them to be measured at fair value. The Company’s equity securities that are currently classified as available-for-sale financial assets will be designated as financial assets at fair value through other comprehensive income (“FVOCI”).

Under HKFRS 9, FVOCI are measured at fair value with changes in value recognised as a separate component of equity until the assets are sold, collected or otherwise disposed of, or until the assets are determined to be impaired,

Notes to Financial Statements for the year ended March 31, 2018

at which time the cumulative gain or loss previously reported in other comprehensive income shall be reclassified directly from the FVOCI reserve to retained profits.

There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. The Company expects that the application of the expected credit loss model will result in earlier recognition of credit losses and will need to perform a more detailed analysis to determine the impact on the Company's financial statements.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Company's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, by applying the following five steps:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract(s);

Step 3: Determine the transaction price, the amount of consideration in a contract to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer;

Step 4: Allocate the transaction price to the performance obligations in the contract(s); and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The adoption of this standard is not expected to have a significant impact on the measurement and recognition of revenue of the Company, but it may result in more disclosures.

Notes to Financial Statements for the year ended March 31, 2018

2. REVENUE

	2018 US$	2017 US$
Interest income from deposits	**2**	3
Interest income from loan to a fellow subsidiary	**140,000**	140,000
Dividend income from available-for-sale financial assets	**-**	1,222
	140,002	141,225

3. PROFIT BEFORE TAX

This is stated after charging:

	2018 US$	2017 US$
Auditor's remuneration	**7,773**	7,464
Withholding tax	**45,567**	42,921

4. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Company's profits neither arose in, nor derived from, Hong Kong and therefore was not subject to Hong Kong Profits Tax. In the opinion of the directors, the Company is not subject to taxation in any other jurisdictions in which the Company operates.

The income tax provision in respect of operations in overseas (especially USA) is calculated at the applicable tax rates (30%) on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof

Reconciliation of tax expense

	2018 US$	2017 US$
Profit before tax	**1,754,873**	2,415,602
Income tax at applicable tax rate of 16.5% (2017: 16.5%)	**289,554**	398,574
Share of result of an associate	**(276,228)**	(414,500)
Tax-exempted revenue	**(13,326)**	-
Non-deductible expenses	**-**	15,926
Income tax expense	**-**	-

5. INTEREST IN AN ASSOCIATE

	2018 US$	2017 US$
Share of net assets	**31,235,046**	**26,406,362**

Interest in an associate represents 35.38% (2017: 35.38%) of the issued ordinary share capital of St. James Court Hotel Limited, a company engaged in hotel operations and incorporated in the United Kingdom. The associate is accounted for using the equity method in the financial statements.

Notes to Financial Statements for the year ended March 31, 2018

Summary of financial information of the associate is as follows:

	As at 31 March 2018 US$	As at 31 March 2017 US$
Gross amount		
Current assets	**15,851,868**	15,754,238
Non-current assets	**141,545,909**	124,173,507
Current liabilities	**(12,439,697)**	(10,751,115)
Non-current liabilities	**(56,673,608)**	(54,540,222)
Equity	**88,284,472**	74,636,408

	As at 31 March 2018 US$	As at 31 March 2017 US$
Reconciliation		
Total equity of the associate	**88,284,472**	74,636,408
Company's ownership interests	**35.38%**	35.38%
Company's share of equity and carrying amount of interest	**31,235,046**	26,406,362

	As at 31 March 2018 US$	As at 31 March 2017 US$
Gross amount		
Revenue	**43,515,513**	46,693,943
Profit for the year and total comprehensive income for the year	**4,731,789**	7,100,398

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2018 US$	2017 US$
Equity investment listed outside Hong Kong, at cost	**541,375**	541,375

At the end of the reporting period, the Company held 0.27% (2017: 0.27%) interest representing 487,500 (2017: 487,500) Global Deposit Receipts ("GDRs") of Oriental Hotels Limited ("OHL"), which is a related company in which the holding company of the Company has significant influence. The market value of the GDRs held at the end of the reporting period was US$312,000 (2017: US$268,000). In the opinion of directors, although OHL is listed on Luxembourg Stock Exchange, the GDRs of which are not considered to be actively traded. Investment in OHL is stated at cost less any impairment loss. No impairment loss has been made as the directors consider, based on a review of the future prospects of OHL, that the underlying value of the investment at least equals its carrying value.

7. ASSETS CLASSIFIED AS HELD FOR SALE

	2018 US$	2017 US$
Investments in unlisted shares, at cost	1	1

Notes to Financial Statements for the year ended March 31, 2018

Name of subsidiary	Country of incorporation	Percentage of ordinary shares directly held	Principal activities
BAHC 5 Pte Limited ("BAHC5")	Singapore	100%	Aircraft owning

In accordance with the written board resolution initially passed on April 15, 2009, the Company intended to dispose of the above investment and a disposal plan has been established. In accordance with the latest written board resolution passed on April 26, 2018, the Company confirmed its intention to proceed the disposal and the said plan is now under implementation as concrete initial steps in this regard have been taken. In the opinion of the directors, the disposal is highly probable to be completed before the end of the financial year 2018 - 2019. As a result, the interest in the subsidiary is still classified as "Assets classified as held for sale" at the end of the reporting period.

8. LOAN TO A FELLOW SUBSIDIARY

During the previous period, the Company entered into a loan agreement with a fellow subsidiary to advance a loan of US$4,000,000. The loan is unsecured, interest-bearing at 3.5% per annum and original maturity in August 2016 has since become repayable on call with option to repay within 3 days. The fair value of the amount due at the end of the reporting period approximates its carrying amount.

9. DUE FROM THE ULTIMATE HOLDING COMPANY

The amount due is unsecured, interest-free and has no fixed repayment term.

10. SHARE CAPITAL

	2018		2017	
	No. of shares	US$	No. of shares	US$
Issued and fully paid:				
At beginning of the year and end of the reporting period	800,000	8,000,000	800,000	8,000,000

11. DIVIDEND

	2018 US$	2017 US$
Dividend declared and paid during the year:		
Interim dividend in respect of 2018 of US$Nil per share *(2017: US$2.20 per share)*	-	1,760,000

12. CASH (USED IN) GENERATED FROM OPERATIONS

	2018 US$	2017 US$
Profit before tax	**1,754,873**	2,415,602
Dividend income from available-for-sale financial assets	**-**	(1,222)
Interest income	**(140,002)**	(140,003)
Share of results of an associate	**(1,674,107)**	(2,512,121)
Changes in working capital:		
Due from fellow subsidiaries	**-**	1,968,663
Due from the ultimate holding company	**413**	-
Accrued charges	**79**	1,214
Cash (used in) generated from operations	**(58,744)**	1,732,133

Notes to Financial Statements for the year ended March 31, 2018

13. RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year the Company had the following transactions with related parties.

Related party relationship	Nature of transaction	2018	2017
		US$	US$
A fellow subsidiary	Interest income	**140,000**	140,000
An entity which ultimate parent of the Company has significant influence	Dividend income	**-**	1,222

14. PLEDGE OF ASSETS

The Company has pledged its investment in BAHC5 with a net book value of US$1.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise mainly bank balances and available-for-sale financial assets. The main purpose of these financial instruments is to raise and maintain finance for the Company's operations. The Company has various other financial instruments such as intra-group balances, which arise directly from its business activities.

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors generally adopts conservative strategies on its risk management and limits the Company's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's short-term deposits.

The management considers the risk of movements in interest rates to be insignificant in view of the current market condition.

Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than United States dollars. Related company balances and interest in an associate are denominated in British Pounds ("GBP").

At March 31, 2018, if the US$ had weakened / strengthened by 7% (2017: 8%) against the GBP with all other variables held constant, the Company's net profit for the year would have been US$126,000 (2017:US$192,000) higher / lower while the exchange reserve would increase / decrease by US$2,230,000 (2017: US$2,102,000).

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Company's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period.

Credit risk

The Company provides services only to a fellow subsidiary. The objective of the Company to manage credit risk is to control potential exposure to recoverability problem.

Notes to Financial Statements for the year ended March 31, 2018

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

The Company's bank balances are placed with credit-worthy banks and financial institutions in Hong Kong. Also, the management reviews and monitors regularly the recoverability of loan to a fellow subsidiary on an ongoing basis with the result that the Company exposure to non-recoverable debts are minimal.

Liquidity risk

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled on demand at the end of the reporting period.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2018 and 2017.

17. CAPITAL MANAGEMENT

The objectives of the Company's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for shareholders. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholders, return of capital to shareholders or issue new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2018 and 2017.

18. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

(a) Director's remuneration

There is no director remuneration for the year (2017: Nil).

(b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company that were entered into or subsisted during the year (2017: Nil).

(c) Directors' material interests in transactions, arrangements or contracts

The directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2017: Nil).

	Schedule	**2018** **US$**	2017 US$
Revenue	A	**140,002**	141,225
Exchange gain (loss)		**12**	(181,402)
Operating expenses	B	**(59,248)**	(56,342)
Share of result of an associate		**1,674,107**	2,512,121
Profit before taxation		**1,754,873**	2,415,602
Taxation		**-**	-
Profit for the year		**1,754,873**	2,415,602

Notes to Financial Statements for the year ended March 31, 2018

		2018	2017
A.	**REVENUE**	**US$**	US$
	Dividend income from available-for-sale financial assets	**-**	1,222
	Interest income from deposits	**2**	3
	Interest income from a fellow subsidiary	**140,000**	140,000
		140,002	141,225

B.	**OPERATING EXPENSES**		US$
	Auditor's remuneration	**7,773**	7,464
	Bank charges	**2,276**	2,352
	Legal and professional fees	**3,152**	3,382
	Sundry expenses	**480**	223
	Withholding tax	**45,567**	42,921
		59,248	56,342

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended 31 March 2018 and 2017 does not constitute the Company's specified financial statements for those years as defined in section 436 of the HKCO but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

Auditor's reports have been prepared on the specified financial statements for both years.

In respect of the years ended 31 March 2018 and 2017, the auditor's reports:

- were not qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the reports; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

DIRECTORS AND CORPORATE INFORMATION

Directors	Mr. F. K. Kavarana Mr. S. Nagpal Mr. R. Nagpal Mr. R. M. Nagpal (Alternate director to Mr R Nagpal) Mr. N. Chandrasekhar Mr. G. Sanjeevi (Appointed w.e.f. October 9, 2017) Mr. P. Chhatwal (Appointed w.e.f. January 10, 2018) Mr. R. Sarna (Resigned w.e.f. September 30, 2017)
Company secretary	Mr. P. Mangal
Registered number	03888595
Registered office	St. James Court Hotel Buckingham Gate London SW1E 6AF
Auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Barclays Bank plc Standard Chartered Bank plc
Solicitors	Slaughter and May 1 Bunhill Row London EC1Y 8YY

Strategic Report

for the Year Ended 31 March 2018

Introduction

The company is a subsidiary of The Indian Hotels Company Limited (IHCL), the oldest and most prominent publicly listed company in the Indian hospitality sector. The parent is the proud owner of the renowned 'Taj' Hotels and has been in the business of luxury hospitality for over 115 years. Both your company's hotels proudly sport the Taj name and trade as follows:

- Taj 51Buckingham Gate Suites and Residences
- St. James' Court, a Taj Hotel.

Environmental overview

In the year to March 2018, the French and German elections returned Governments that stemmed the fraying of the western liberal order witnessed in the earlier year. The UK Government sought a renewed mandate from the electorate, presumably seeking support for its vision of exit from the European Union. The voting public returned a fractured verdict, with no single party being able to form a Government on its own. Having triggered the process of a formal departure in March 2017, the elected UK Government set about negotiating the process of withdrawal from the EU slated for March 2019 and a transition period post departure to last until the end of Calendar year 2020. Negotiations for the post transition relationship with the EU are expected to commence soon.

Undoubtedly, the decision confronting the United Kingdom is the most momentous since the world wars. Whether the results of the referendum reflect the recall of a nostalgic past or the vision of an unshackled future, the precious Union of our United Kingdom needs to be preserved. Everything great about Great Britain and everything United about the UK must remain intact. While the elected representatives remain torn between the various versions of the exit from and the future relationship with the EU, it is incumbent on the Government, every political party and the elected representatives to work for the greatest good of the governed.

On the economic front, the world economy steamed ahead in 2017 and is expected to do so in 2018 as well, despite a weak start. Both the United States and the European Union saw economic growth rates rise. The recent announcements by the US Government on trade tariffs and the prospect of trade conflicts, however remote, between the two largest economies of the world cannot augur well for world economic growth. Unemployment in the UK as at February 2018 was 4.2%, a historic low. Employment is at record levels and wage growth that remained below inflation has shown signs of picking up. While inflation is still high, the inflation effects of the Pound Sterling devaluation in the immediate aftermath of the Brexit vote is falling away from annual computations and is expected to moderate back to the desired policy level of 2% over the forecast period of the Bank of England. The BOE Policy interest rates continue to remain accommodative, despite the small increase in November 2017 and a further increase expected in the near future. Interest rates are expected to rise slowly and gradually and the new normal is expected to remain far below that of the years before the financial crisis of 2007/2008. As with certain other sectors, the hospitality sector has a large dependence on the EU for its workforce. Availability of willing and able resources is an imperative for the sector. The immigration policies post transition will directly impact the sector as a whole. The company nonetheless remains optimistic about the future and confident of its own ability to improve performance in the years ahead.

The state of the company's hotel properties

As indicated in the last Report, over the past few years your company had embarked on a phased renovation of its rooms and suites. Over 150 rooms at the St. James' Court and all 86 suites at Taj 51 Buckingham Gate had been either fully renovated or extensively refurbished. The fully renovated lobby at Taj 51-BG and the new Kona restaurant completed the Taj 51BG offering. These aforesaid renovations were well received in the market place. Taj 51-BG is now rated amongst the ten best hotels in London on Trip Advisor. The renovations also enabled the Taj to proudly sport its own brand and flags on the properties.

Resulting from the Brexit vote, the company had taken a hiatus of a year in its scheduled renovation program. Having judged the impact, the company commenced work on the renovations of its three remaining town houses comprising 182 rooms at St. James Court in September 2017. The three year execution plan schedules physical work being undertaken in the lean period months between October of each year and April of the next, so as to minimize the impact of the closure on the financial performance of the company. It is envisaged that in each such period, a whole block of rooms would be closed for renovations. Accordingly during the year under review, 102 rooms were shuttered for renovations from September 2017. The Financial Results for the year ended March 31, 2018 must therefore be read in conjunction with this.

This three year program is expected to cost between £23 million to £25 million pounds and will be funded through a mixture of additional debt and internal cash generations.

Overview of financial performance

For the year under review, with the renovations underway, the company reported a decrease of 8% in overall turnover compared to the previous year when the full hotel room inventory was available for sale. Room revenues recorded a similar 8% decrease over the previous year. Occupancy at 74% was lower than the 84% recorded in the previous year, while achieved average daily rate was 4% higher. Food and Beverage and associated revenues were 6% lower than the previous year.

Total operating costs were 3% lower than the previous year. Earnings before Interest, Depreciation, Amortization and Taxes amounted to £5.7 million against £7.6 million achieved in the year before. The company's management is happy to report that the achieved financials were exactly in line with the financial assumptions of lost revenues and profits arising from the temporary shuttering of hotel rooms on account of the renovations.

Profit before tax was £1.47 million against £3.03million achieved in the previous year. Due to the sustained improvement in financial performance over the past few years and the company's belief that this would continue in the future, the Company recognized an additional deferred tax asset of £2.1 million in the Balance Sheet as at the year end. Given the uncertainty of the economic path resulting from Britain's vote to leave the EU, the Company has not accounted for all available deferred tax assets as at the Balance Sheet date. The company will review the appropriateness of any recognition on an annual basis.

This report was approved by the board and signed on its behalf.

N Chandrasekhar
Director

Date: May 4, 2018

Directors' Report For the year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company operates two hotels at Buckingham Gate, London, SW1.

Results and dividends

The profit for the year, after taxation, amounted to £3,567,795 (2017 - £5,433,005).

The directors do not recommend the payment of a dividend (2017 - £Nil).

Directors

The directors who served during the year were:

Mr. F K Kavarana

Mr. S Nagpal

Mr. R Nagpal

Mr. R M Nagpal (Alternate director to Mr R Nagpal)

Mr. R K Sarna (resigned 30 September 2017)

Mr. N Chandrasekhar

Mr. G Sanjeevi (appointed 9 October 2017)

Mr. P Chhatwal (appointed 10 January 2018)

Financial instruments

The company finances its assets and operations using retained earnings and bank borrowings. The company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

The company's financial risk management objective is to hedge its exposure to interest rate risks through appropriate derivative instruments with the Company's Bankers.

Employees

It is the company's stated policy to ensure that ongoing communication and consultation takes place with regard to the performance and future prospects of all its employees in all parts of the company's operations.

Disabled employees

Disabled persons are employed and trained where aptitudes and abilities allow and suitable vacancies are available. Where an employee becomes disabled, every attempt is made to continue his or her employment and to arrange appropriate re-training or transfer.

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

N Chandrasekhar
Director

Date : May 4, 2018

Independent Auditors Report to the members of St. James Court Hotel Ltd.

Opinion

We have audited the financial statements of St James Court Hotel Limited ("the company") for the year ended 31 March 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Stuart Collins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: May 4, 2018
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income for the Year Ended March 31, 2018

	Note	2018 £	2017 £
Turnover	4	**32,811,630**	35,728,780
Cost of sales		**(17,676,062)**	(18,487,571)
Gross profit		**15,135,568**	17,241,209
Administrative expenses		**(12,740,847)**	(12,888,481)
Operating profit	**5**	**2,394,721**	4,352,728
Interest receivable and similar income		**6,642**	4,021
Interest payable and similar charges	9	**(933,568)**	(1,323,744)
Profit before tax		**1,467,795**	3,033,005
Tax on profit	10	**2,100,000**	2,400,000
Profit for the financial year and total comprehensive income		**3,567,795**	5,433,005

All amounts relate to continuing operations.

The notes form part of these financial statements.

Statement of Financial Position as at March 31, 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		**101,079,817**		98,950,918
Current assets					
Stocks	12	**488,033**		535,393	
Debtors	13	**8,484,451**		6,456,247	
Cash and cash equivalents	14	**2,347,546**		5,562,538	
		11,320,030		12,554,178	
Creditors: amounts falling due within one year	15	**(8,883,353)**		(8,567,308)	
Net current assets			**2,436,677**		3,986,870
Total assets less current liabilities			**103,516,494**		102,937,788
Creditors: amounts falling due after more than one year	16		**(40,472,718)**		(43,461,807)
Net assets			**63,043,776**		59,475,981
Capital and reserves					
Share capital	19		**56,527,912**		56,527,912
Share premium	20		**1,191,976**		1,191,976
Profit and loss account	20		**5,323,888**		1,756,093
			63,043,776		59,475,981

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

N Chandrasekhar

Director

Date : May 4, 2018

The notes form part of these financial statements.

Statement of Changes in Equity for the Year Ended March 31, 2018

	Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At April 1, 2017	56,527,912	1,191,976	1,756,093	9,475,981
Comprehensive income for the year				
Profit for the year and total comprehensive income	-	-	3,567,795	3,567,795
At March 31, 2018	**56,527,912**	**1,191,976**	**5,323,888**	**63,043,776**

Statement of Changes in Equity for the Year Ended March 31, 2018

	Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At April 1, 2016	56,527,912	1,191,976	(3,676,912)	54,042,976
Comprehensive income for the year				
Profit for the year and total comprehensive income	-	-	5,433,005	5,433,005
At March 31, 2017	**56,527,912**	**1,191,976**	**1,756,093**	**59,475,981**

The notes form part of these financial statements.

Statement of Cash Flows for the Year Ended March 31, 2018

	2018	2017
Cash flows from operating activities	**£**	£
Profit for the financial year	**3,567,795**	5,433,005
Adjustments for:		
Depreciation of tangible assets	**3,298,346**	3,267,967
Interest paid	**2,054,880**	2,186,344
Interest received	**(6,642)**	(4,021)
Taxation charge	**(2,100,000)**	(2,400,000)
Decrease/(increase) in stocks	**47,360**	(632)
Decrease/(increase) in debtors	**71,796**	(170,437)
(Decrease)/increase in creditors	**(1,029,628)**	1,847,931
Net fair value (gains) recognised in P&L	**(1,121,312)**	(862,600)
Net cash generated from operating activities	**4,782,595**	9,297,557
Cash flows from investing activities		
Purchase of tangible fixed assets	**(4,528,324)**	(2,403,985)
Interest received	**6,642**	4,021
HP interest paid	**(1,652)**	(2,591)
Net cash used in investing activities	**(4,523,334)**	(2,402,555)
Cash flows from financing activities		
New secured loans	**-**	44,500,000
Repayment of loans	**(1,505,000)**	(45,750,000)
Repayment of/new finance leases	**(15,576)**	(14,637)
Interest paid	**(1,953,677)**	(1,954,470)
Loan arrangement cost	**-**	(591,287)
Net cash used in financing activities	**(3,474,253)**	(3,810,394)
Net (decrease)/increase in cash and cash equivalents	**(3,214,992)**	3,084,608
Cash and cash equivalents at beginning of year	**5,562,538**	2,477,930
Cash and cash equivalents at the end of year	**2,347,546**	5,562,538

The notes form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2018

1. General information

St James Court Hotel Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at March 31, 2018 and these financial statements may be obtained from Mandlik House, Mandlik Road, Mumbai 400 001, India.

2.3 Turnover

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Notes to Financial Statements for the year ended March 31, 2018

2. Accounting policies (Contd.)

Depreciation is provided on the following basis:

Longterm leasehold property	Over term of lease
Fixtures, fittings and equipment	5% to 20% straight line
Leasehold building surfaces	30 years straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Impairment reviews are carried out on assets which have useful economic lives of over 50 years at the year end.

2.5 Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivables as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Notes to Financial Statements for the year ended March 31, 2018

2. Accounting policies (Contd.)

2.10 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Hedge accounting

The company uses variable to fixed interest rate swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each balance sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

Notes to Financial Statements for the year ended March 31, 2018

2. Accounting policies (Contd.)

2.13 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to Financial Statements for the year ended March 31, 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 11)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018	2017
	£	£
Room revenue	**26,614,328**	29,062,234
Food and beverage	**4,956,815**	5,249,682
Other	**1,240,487**	1,416,864
	32,811,630	35,728,780

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets	**3,298,346**	3,267,967
Other operating lease rentals	**885,018**	955,339
Exchange gains	**(6,897)**	(19,392)
Defined contribution pension cost	**126,804**	113,862

6. Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**53,500**	52,000
Audit-related assurance services	**74,050**	53,000
Other services relating to taxation	**12,950**	12,450
All other services	**3,600**	3,500

Notes to Financial Statements for the year ended March 31, 2018

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018	2017
	£	£
Wages and salaries	**6,886,173**	6,686,803
Social security costs	**615,842**	599,442
Cost of defined contribution scheme	**126,804**	113,862
	7,628,819	7,400,107

The average monthly number of employees, including the directors, during the year was as follows:

	2018	2017
	£	£
Operations	**244**	257
Administration	**37**	34
	281	291

8. Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	**136,980**	132,990

The highest paid director received remuneration of £136,980 (2017 - £132,990).

Directors remuneration for the current year represents amounts paid to Manchan Limited, a company controlled by a director.

9. Interest payable and similar charges

	2018	2017
	£	£
Bank interest payable	**1,934,368**	2,064,091
Other loan interest payable	**118,860**	119,662
Finance leases and hire purchase contracts	**1,652**	2,591
Derivative fair value changes	**(1,121,312)**	(862,600)
	933,568	1,323,744

10. Taxation

	2018	2017
	£	£
Deferred tax		
Origination and reversal of timing differences	**(2,100,000)**	(2,400,000)
Taxation on profit on ordinary activities	**(2,100,000)**	(2,400,000)

Notes to Financial Statements for the year ended March 31, 2018

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 -20%). The differences are explained below:

	2018	2017
	£	£
Profit on ordinary activities before tax	**1,467,795**	3,033,005
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	**278,881**	606,601
Effects of:		
Expenses not deductible for tax purposes	**7,574**	11,036
Fixed asset differences	**516,843**	554,769
Non-taxable income	**(213,049)**	(172,520)
Effect of tax rate change on opening balance	**(62,131)**	426,382
Deferred tax not recognised	**(2,623,648)**	(3,816,326)
Adjustments to tax charge in respect of prior periods - deferred tax	**(4,470)**	(9,942)
Total tax charge for the year	**(2,100,000)**	(2,400,000)

Factors that may affect future tax charges

As at 31 March 2018 the company had unrelieved trading losses of approximately £45.3m (2017 - £48.9m) available to set off against future profits. See further details in note 18.

11. Tangible fixed assets

	Long term leasehold property	Furniture, fittings and equipment	Assets under course of construction	Total
	£	£	£	£
Cost				
At 1 April 2017	1	18,991,231	543,593	136,997,055
Additions	89,176	389,400	4,948,669	5,427,245
Disposals	-	(321,772)	-	(321,772)
Transfers between classes	-	25,000	(25,000)	-
At 31 March 2018	**117,551,407**	**19,083,859**	**5,467,262**	**142,102,528**
Depreciation				
At 1 April 2017	27,634,350	10,411,787	-	38,046,137
Charge for the year	2,030,463	1,267,883	-	3,298,346
Disposals	-	(321,772)	-	(321,772)
At 31 March 2018	**29,664,813**	**11,357,898**	-	**41,022,711**
Net book value				
At 31 March 2018	**87,886,594**	**7,725,961**	**5,467,262**	**101,079,817**
At 31 March 2017	**89,827,881**	**8,579,444**	**543,593**	**98,950,918**

Notes to Financial Statements for the year ended March 31, 2018

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018	2017
	£	£
Furniture, fittings and equipment	**16,084**	30,931

Depreciation on assets held under finance leases or hire purchase contracts amounts to £14,847 (2017 - £32,167).

12. Stocks

	2018	2017
	£	£
Stocks	**488,033**	535,393

The stocks consist of food and beverage, merchandise for sale, housekeeping and maintenance materials. The directors are of the opinion that the replacement cost of these stocks is not significantly different to their carrying value.

Stock recognised in cost of sales as an expense during the year was £1,382,233 (2017 - £1,434,600).

13. Debtors

	2018	2017
	£	£
Trade debtors	**1,461,020**	1,622,506
Amounts owed by group undertakings	**116,982**	44,872
Other debtors	**178,662**	183,083
Prepayments and accrued income	**427,787**	405,786
Deferred taxation	**6,300,000**	4,200,000
	8,484,451	6,456,247

Deferred taxation asset due after one year amounts to £5,400,000.

All other amounts shown under debtors fall due for payment within one year.

14. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	**2,347,546**	5,562,538

15. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Bank loans	**1,376,140**	1,381,140
Trade creditors	**2,617,399**	1,130,108
Amounts owed to group undertakings	**1,085,436**	1,718,864
Other taxation and social security	**218,120**	322,993
Obligations under finance lease and hire purchase contracts	**18,002**	15,576
Other creditors	**262,401**	388,828
Accruals and deferred income	**2,693,075**	3,465,654
Derivative financial instruments	**612,780**	144,145
	8,883,353	8,567,308

Accruals and deferred income above includes interest payable of £203,178 (2017 - £222,486).

Notes to Financial Statements for the year ended March 31, 2018

16. Creditors: Amounts falling due after more than one year

	2018	2017
	£	£
Bank loans	**40,472,718**	41,853,858
Net obligations under finance leases and hire purchase contracts	**-**	18,002
Derivative financial instruments	**-**	1,589,947
	40,472,718	43,461,807

Analysis of the maturity of bank loans is given below:

	2018	2017
	£	£
Within one year	**1,376,140**	1,500,000
Between two and five years	**40,873,860**	42,250,000
Less: issue costs	**(401,142)**	(515,002)
	41,848,858	43,234,998

A new loan of £44,500,000 was undertaken in the prior year at a floating rate of 1 month Sterling LIBOR + 1.65%. Repayments on the loan are £1.5m per annum (payable quarterly) with the balance repayble in August 2021.

Subsequent to the year end, a revolving loan facility was taken out for £15,000,000.

17. Financial instruments

	2018	2017
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**4,104,210**	7,412,999
	4,104,210	7,412,999

Financial liabilities

	2018	2017
	£	£
Derivative financial instruments designed as hedges of variable interest rate risk	**(612,781)**	(1,734,092)
Financial liabilities measured at amortised cost	**(47,463,463)**	(49,972,027)
	(48,076,244)	(51,706,119)

Financial assets that are debt instruments measured at amortised cost comprise cash, trade and other debtors and amounts owed by group undertakings.

Derivative financial liabilities measured at fair value through profit or loss held as part of a trading portfolio comprises an interest rate swap.

Financial liabilities measured at amortised cost comprise bank loans, trade and other payables, amounts owed to group undertakings and accrued expenses.

Notes to Financial Statements for the year ended March 31, 2018

18. Deferred taxation

	2018	2017
	£	£
At beginning of year	**4,200,000**	1,800,000
Charged to the profit or loss	**2,100,000**	2,400,000
At end of year	**6,300,000**	4,200,000

The deferred tax asset is made up as follows:

	2018	2017
	£	£
Accelerated capital allowances	**4,200,000**	616,288
Tax losses carried forward	**2,100,000**	3,583,712
	6,300,000	4,200,000

A deferred tax asset has been recognised for the anticipated utilisation of tax losses in the next 7 financial years as the directors believe it is more likely than not that sufficient taxable profits will be generated but have less visibility over results of later periods.

19. Share capital

	2018	2017
	£	£
Authorised, allotted, called up and fully paid		
56,527,912- Ordinary shares of £1 each	**56,527,912**	56,527,912

20. Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit & loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

21. Capital commitments

At 31 March 2018 the company had capital commitments as follows:

	2018	2017
	£	£
Contracted for but not provided in these financial statements	**6,796,712**	177,045

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £126,804 (2017 - £113,862). Contributions payable to the fund at the year end included in creditors totalled £18,398 (2017 - £47,484).

Notes to Financial Statements for the year ended March 31, 2018

23. Commitments under operating leases

At 31 March 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	**852,600**	852,600
Later than 1 year and not later than 5 years	**3,407,150**	3,409,750
Later than 5 years	**79,191,666**	80,041,666
	83,451,416	84,304,016

24. Related party transactions

The following entities are related parties of the company by virtue of being under the control of The Indian Hotels Company Limited. During the year Taj International Hotels (HK) Limited, the immediate parent undertaking, has charged the company £Nil (2017 - £1,071,863) in management fees and £Nil (2017 - £617,894) in incentive fees.

The company also charged £127,015 (2017 - £120,758) in respect of rent and £59,129 (2017 - £31,845)in respect of utilities to Taj International Hotels Limited. Taj International Hotels Limited recharged salary and related costs of £326,242 (2017 - £324,480) and sold goods of £288,191 (2017 - £328,017) to the company.

The Indian Hotels Company Limited charged the company £489,466 (2017 - £673,751) for expenses it incurred on behalf of the company, £984,349 (2017 - £Nil) in management fees and £461,600 (2017 - £Nil) in incentive fees. The company during the year recovered costs of £296,104 (2017 - £510,778) which it incurred on behalf of The Indian Hotels Company Limited.

The company had the following balances with other related parties:

	2018	2017
	£	£
Amount due from Taj International Hotels Limited	**5,969**	3,885
Amount due to Taj International Hotels Limited	**(840,019)**	(29,107)
Amount due from Taj Trade and Transport Limited	**1,897**	1,897
Amount due to Taj International Hotels (UK) Limited	**-**	(1,689,757)
Amount due from The Indian Hotels Company Limited	**109,118**	37,447
Amount due to The Indian Hotels Company Limited	**(245,416)**	-

25. Controlling party

The ultimate parent undertaking and the ultimate controlling party is The Indian Hotels Company Limited, incorporated in India. The financial statements of The Indian Hotels Company Limited are available from Mandlik House, Mandlik Road, Mumbai 400 001, India.

Company Information

Directors	Mr N Chandrasekhar Mr R H Parekh
Registered number	01661824
Registered office	St James Court Hotel Buckingham Gate London SW1E 6AF
Trading address	The Bombay Brasserie Courtfield Road London SW7 4QH
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	National Westminster Bank plc PO Box 420 88 Cromwell Road London SW7 4EW
WSolicitors	Slaughter and May 1 Bunhill Row London EC1Y 8YY

Director Report

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company's principal activities during the year are that of caterers and restaurant operators.

Results and dividends

The profit for the year, after taxation, amounted to £521,099 (2017 - £519,210).

Dividends of £1,000,000 were paid to ordinary shareholders (2017 - £500,000).

Directors

The directors who served during the year were:

Mr. N. Chandrasekhar
Mr. R. H. Parekh

Financial instruments

The company funds its operations using its retained reserves. The company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and

- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Mr N Chandrasekhar
Director

Date: May 4, 2018

Independent Auditor's Report to the Members of Taj International Hotels Limited

Opinion

We have audited the financial statements of Taj International Hotels Limited ("the company") for the year ended 31 March 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- and have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed,we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Stuart Collins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date : May 4, 2018
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income for the Year Ended March 31, 2018

	Note	2018 £	2017 £
Turnover	4	**9,272,720**	8,446,671
Cost of sales		**(7,259,628)**	(6,467,730)
Gross profit		**2,013,092**	1,978,941
Administrative expenses		**(1,671,592)**	(1,662,802)
Other operating income	5	**326,242**	324,480
Operating profit	6	**667,742**	640,619
Interest receivable and similar income		**315**	2,784
Interest payable and similar charges		**(28)**	-
Profit before tax		**668,029**	643,403
Tax on profit	9	**(146,930)**	(124,193)
Profit for the financial year and total comprehensive income		**521,099**	519,210

All amounts relate to continued operations.

The Notes form part of these financial statements

Statement of Financial Position as at March 31, 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		**1,758,964**		2,052,630
Current assets					
Stocks	12	**412,346**		401,297	
Debtors	13	**1,701,564**		723,425	
Cash and cash equivalents	14	**866,776**		1,912,669	
		2,980,686		3,037,391	
Creditors: amounts falling due within one year	15	**(1,881,981)**		(1,734,547)	
Net current assets			**1,098,705**		1,302,844
Total assets less current liabilities			**2,857,669**		3,355,474
Provisions for liabilities					
Deferred tax	17		**(117,624)**		(136,528)
Net assets			**2,740,045**		3,218,946
Capital and reserves					
Share capital	18		**2**		2
Profit and loss account	19		**2,740,043**		3,218,944
			2,740,045		3,218,946

The company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr. N Chandrasekhar

Director

Date: May 4, 2018

The notes form part of these financial statements.

Statement of Changes in Equity for the Year Ended March 31, 2018

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	2	3,218,944	3,218,946
Comprehensive income for the year			
Profit for the year and total comprehensive income	-	521,099	521,099
Distributions to owners			
Dividends paid	-	(1,000,000)	(1,000,000)
At March 31, 2018	2	**2,740,043**	2,740,045

Statement of Changes in Equity for the Year Ended March, 31 2017

	Share capital	Profit and loss account	Total equity
	£	£	£
At April 1, 2016	2	3,199,734	3,199,736
Comprehensive income for the year			
Profit for the year and total comprehensive income	-	519,210	519,210
Distributions to owners			
Dividends paid	-	(500,000)	(500,000)
At March 31, 2017	**2**	**3,218,944**	**3,218,946**

The Notes form part of these financial statements

Statement of Cash Flows for the Year Ended March 31, 2018

	2018	2017
	£	£
Cash flows from operating activities		
Profit for the financial year	**521,099**	519,210
Adjustments for:		
Depreciation of tangible assets	**302,952**	252,494
Interest paid	**28**	-
Interest received	**(315)**	(2,784)
Taxation charge	**146,930**	124,193
Increase in stocks	**(11,049)**	(25,628)
(Increase)/decrease in debtors	**(978,139)**	56,715
Increase in creditors	**99,677**	141,553
Corporation tax paid	**(118,077)**	(93,028)
Net cash (used in)/generated from operating activities	**(36,894)**	972,725
Cash flows from investing activities		
Purchase of tangible fixed assets	**(15,221)**	(328,610)
Disposal of tangible fixed assets	**5,935**	-
Interest received	**315**	2,784
Net cash used in investing activities	**(8,971)**	(325,826)
Cash flows from financing activities		
Dividends paid	**(1,000,000)**	(500,000)
Interest paid	**(28)**	-
Net cash used in financing activities	**(1,000,028)**	(500,000)
Net (decrease)/increase in cash and cash equivalents	**(1,045,893)**	146,899
Cash and cash equivalents at beginning of year	**1,912,669**	1,765,770
Cash and cash equivalents at the end of year	**866,776**	1,912,669
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**866,776**	1,912,669
	866,776	1,912,669

The notes form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2018

1. General information

Taj International Hotels Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at March 31, 2018 and these financial statements may be obtained from Mandlik House, Mandlik Road, Mumbai 400 001, India.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold Improvements	-	Over the period of the lease
Fixtures, fittings and equipment	-	10-20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Notes to Financial Statements for the year ended March 31, 2018

2. Accounting policies (Contd.)

2.5 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Notes to Financial Statements for the year ended March 31, 2018

2. Accounting policies (Contd.)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.14 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of

Notes to Financial Statements for the year ended March 31, 2018

2. Accounting policies (Contd.)

comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 11)

  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018	2017
	£	£
Restaurants	**5,377,634**	5,200,566
Airline catering	**3,775,483**	3,150,787
Other	**119,603**	95,318
	9,272,720	8,446,671

All turnover arose within the United Kingdom

Notes to Financial Statements for the year ended March 31, 2018

5 Other operating income

	2018	2017
	£	£
Other operating income	**326,242**	324,480

Other operating income comprises salary recharges and management fees received from related parties (see note 22).

6. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	**302,952**	252,494
Exchange differences	**(12,982)**	39,283
Other operating lease rentals	**424,522**	410,762

During the year, no director received any emoluments (2017 - £Nil).

7. Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**18,750**	18,000

8. Employees

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	**2,692,652**	2,504,590
Social security costs	**271,001**	253,929
Cost of defined contribution scheme	**121,114**	120,065
	3,084,767	2,878,584

The average monthly number of employees, including the directors, during the year was as follows:

	2018	2017
	No.	No.
Admin, kitchen and waiting staff	**90**	85

9. Taxation

	2018	2017
	£	£
Corporation tax		
Current tax on profits for the year	165,834	121,909
Adjustments in respect of previous periods	-	(13,828)
Total current tax	**165,834**	**108,081**
Deferred tax		
Origination and reversal of timing differences	(20,447)	18,807
Adjustments in respect of prior years	1,543	4,230
Effect of tax rate change on opening balance	-	(6,925)
Total deferred tax	**(18,904)**	**16,112**
Taxation on profit on ordinary activities	**146,930**	**124,193**

Notes to Financial Statements for the year ended March 31, 2018

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018	2017
	£	£
Profit on ordinary activities before tax	**668,029**	643,403
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	**126,926**	128,681
Effects of:		
Fixed asset differences	**15,445**	15,354
Adjustments to tax charge in respect of prior periods	**-**	(13,828)
Adjustments to deferred tax in respect of previous periods	**1,543**	4,230
Adjustment to deferred tax due to change in tax rates	**3,016**	(10,244)
Total tax charge for the year	**146,930**	124,193

10. Dividends

	2018	2017
	£	£
Ordinary shares of £1 each		
Interim dividend paid of £500,000 (2017 - £250,000) per share	**1,000,000**	500,000

11. Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost or valuation			
At April 1, 2017	1,739,612	1,867,553	3,607,165
Additions	-	15,221	15,221
Disposals	(6,594)	-	(6,594)
At March 31, 2018	**1,733,018**	**1,882,774**	**3,615,792**
Depreciation			
At April 1, 2017	583,054	971,481	1,554,535
Charge for the year	108,724	194,228	302,952
Disposals	(659)	-	(659)
At March 31, 2018	**691,119**	**1,165,709**	**1,856,828**
Net book value			
At March 31, 2018	**1,041,899**	**717,065**	**1,758,964**
At March 31, 2017	**1,156,558**	**896,072**	**2,052,630**

12. Stocks

	2018	2017
	£	£
Food and beverage stock	**412,346**	401,297

Stock recognised in cost of sales during the year as an expense was £3,239,496 (2017 - £2,821,584).

Notes to Financial Statements for the year ended March 31, 2018

13. Debtors

	2018 £	2017 £
Trade debtors	**759,219**	591,157
Amounts owed by group undertakings (see note 22)	**840,019**	28,087
Other debtors	**29,708**	32,237
Prepayments and accrued income	**72,618**	71,944
	1,701,564	723,425

All amounts shown under debtors fall due for payment within one year.

14. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	**866,776**	1,912,669

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	**452,374**	392,446
Amounts owed to group undertakings (see note 22)	**120,341**	101,270
Corporation tax	**110,675**	62,919
Other taxation and social security	**161,385**	165,934
Other creditors	**43,994**	51,857
Accruals and deferred income	**993,212**	960,121
	1,881,981	1,734,547

16. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**2,495,722**	2,564,150
	2,495,722	2,564,150
Financial liabilities		
Financial liabilities measured at amortised cost	**(1,609,922)**	(1,505,694)
	(1,609,922)	(1,505,694)

Financial assets that are debt instruments measured at amortised cost comprise cash, trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade and other payables, amounts owed to group undertakings and accrued expenses.

Notes to Financial Statements for the year ended March 31, 2018

17. Deferred taxation

	2018	2017
	£	£
At beginning of year	(136,528)	(120,416)
Charged to the profit or loss	18,904	(16,112)
At end of year	**(117,624)**	(136,528)

The provision for deferred taxation is made up as follows:

Accelerated capital allowances	**(118,393)**	(137,192)
Short term timing differences	**769**	664
	(117,624)	136,528)

18. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
2- Ordinary shares of £1 each	**2**	2

19. Reserves

Profit & loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £121,114 (2017 - £120,065). Contributions payable to the fund at the year end included in creditors totalled £4,523 (2017 - £3,904).

21. Commitments under operating leases

At 31 March 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	**366,800**	366,800
Later than 1 year and not later than 5 years	**1,198,400**	1,275,200
Later than 5 years	**1,353,333**	1,643,333

In addition to the above, the company has an annual commitment to pay an additional rent being the excess of 5% of sales above £76,800 in relation to The Quilon Restaurant. The lease expires within five years. The total rental amount payable for the year was £127,018 (2017 - £120,758).

22. Related party transactions

During the year The Indian Hotels Company Limited invoiced Taj International Hotels Limited £463,638 (2017 £422,333) for the provision of management services.

St James Court Hotel Limited is a fellow subsidiary of Ihoco BV. During the year, St James Court Hotel Limited invoiced Taj International Hotels Limited £127,015 (2017 £120,758) towards rent in respect of the premises let out and £59,129 (2017

Notes to Financial Statements for the year ended March 31, 2018

£31,845) in respect of recharge of utilities. Taj International Hotels Limited recharged payroll costs of £326,242 (2016 £324,480) to St James Court Hotel Limited and made sales of goods to St James Court Hotel Limited totalling £288,191 (2017 £328,017).

At the balance sheet date Taj International Hotels Limited had the following balances with other group companies. Amounts were due to The Indian Hotel Company Limited of £120,341 (2017 £101,270). Amounts were due from St James Court Hotel Limited of £840,019 (2016 £28,087) and due to St James Court Hotel Limited of £5,969 (2017 £3,862). This amount is included within accruals and deferred income.

23. Controlling party

The immediate parent undertaking and controlling party is Ihoco BV, a company registered in the Netherlands.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is The Indian Hotels Company Limited. Consolidated accounts are available from Mandlik House, Mandlik Road, Mumbai 400 001, India. in the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.

DIRECTORS AND CORPORATE INFORMATION

Board of Directors:
Mr. R. K. Sarna (resigned on September 30, 2017)
Mr. R. H. Parekh
Mr. N. Chandrasekhar

Registered Office:
42nd Floor, Central Plaza
18, Harbour Road,
Wanchai
Hong Kong

Auditors:
Mazars CPA Limited
42nd Floor, Central Plaza,
18, Harbour Road,
Wanchai,
Hong Kong.

Bankers
The Hong Kong & Shanghai Banking Corporation Ltd.

Director's Report

The directors submit herewith their report and audited financial statements of Taj International Hotels (H.K.) Limited (the "Company") for the year ended 31 March 2018.

Principal activities
The principal activities of the Company are investment holding and provision of consultancy, hotel management and operating services.

Results and dividends
The results of the Company for the year ended 31 March 2018 are set out in the statement of comprehensive income.

The directors do not recommend the payment of a dividend.

Directors
The directors who held office during the year or during the period from the end of the year to the date of this report were:

Rakesh Kumar Sarna	(Resigned on September 30, 2017)
Rajeshkumar Harshadrai Parekh	
Chandrasekhar Nagarajan	

There being no provision in the Company's Articles of Association for retirement by rotation, all existing directors shall continue in office.

Arrangements for acquisition of shares or debentures
At no time during the year was the Company, its holding company or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other company.

Material interests in transactions, arrangements or contracts
The directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company's holding company or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management contracts
No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Equity-linked agreements
No equity-linked agreements into which the Company entered subsisted at any time during the year.

Permitted indemnity provisions
No permitted indemnity provision was in force during the year, or is in force at the date of this report, for the benefit of a then director or a director of the Company (whether made by the Company or otherwise) or a then director or a director of its holding company, subsidiary or fellow subsidiary (if made by the Company).

Auditor
A resolution will be submitted to the annual general meeting to re-appoint Mazars CPA Limited, Certified Public Accountants, as auditor of the Company.

Approved by the board of directors and signed on its behalf by

Rajeshkumar Harshadrai Parekh
Director

Date : May 4, 2018

Independent Auditor's Report

To the member of
Taj International Hotels (H.K.) Limited
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Taj International Hotel (H.K.) Limited (the "Company"), which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *"Auditor's Responsibilities for the Audit of the Financial Statements"* section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the directors' report and the detailed income statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mazars CPA Limited
Certified Public Accountants
Hong Kong
Date : May 4, 2018

The engagement director on the audit resulting in this independent auditor's report is:
Chan Wai Man
Practising Certificate Number: P02487

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Statement of Comprehensive Income Year ended March 31, 2018

	Note	2018 US$	2017 US$
Revenue	2	**245,020**	5,003,416
Other income	3	**181,925**	559,302
Other operating expenses	4	**(239,883)**	(25,700,124)
Finance costs	5	**-**	(915,999)
Profit (loss) before tax	5	**187,062**	(21,053,405)
Income tax expense	6	**-**	-
Profit (loss) for the year		**187,062**	(21,053,405)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income (loss) for the year		**187,062**	(21,053,405)

Statement of Financial Position at March 31, 2018

	Note	2018 US$	2017 US$
Non-current assets			
Interests in subsidiaries	7	-	15,258
		-	15,258
Current assets			
Accounts receivable	8	-	984,560
Loan advanced to a fellow subsidiary	9	**7,000,000**	7,000,000
Loan advanced to related companies	10	**9,599,888**	9,081,180
Due from fellow subsidiaries	11	-	2,141,284
Due from the ultimate holding company	12	**608,977**	-
Bank balances		**1,065,244**	3,622,564
		18,274,109	22,829,588
Current liabilities			
Accrued charges		**11,824**	52,454
Due to a joint venture of a fellow subsidiary	11	-	141,875
Due to a related company	11	-	183,848
Due to the ultimate holding company	12	-	11,446
		11,824	389,623
Net current assets		**18,262,285**	**22,439,965**
Total assets less current liabilities		**18,262,285**	**22,455,223**
Non-current liability			
Due to the ultimate holding company	12	-	4,380,000
		-	4,380,000
NET ASSETS		**18,262,285**	18,075,223
Capital and reserves			
Share capital	13	**230,000,000**	230,000,000
Accumulated losses		**(211,737,715)**	(211,924,777)
TOTAL EQUITY		**18,262,285**	18,075,223

These financial statements were approved and authorised for issue by the board of directors on May 4, 2018 and signed on behalf by

Director
Rajeshkumar Harshadrai Parekh

Director
Chandrasekhar Nagarajan

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Statement of Changes in Equity Year ended March 31, 2018

	Share capital US$	Accumulated losses US$	Total US$
At 1 April 2016	230,000,000	(190,871,372)	39,128,628
Loss for the year and total comprehensive loss for the year	-	(21,053,405)	(21,053,405)
At 31 March 2017 and 1 April 2017	230,000,000	(211,924,777)	18,075,223
Profit for the year and total comprehensive income for the year	-	187,062	187,062
At 31 March 2018	**230,000,000**	**(211,737,715)**	**18,262,285**

Statement of Cash Flows Year ended March 31, 2018

	Note	**2018** **US$**	2017 US$
OPERATING ACTIVITIES			
Cash generated from operations	14(a)	**2,629,424**	9,052,364
Net cash generated from operating activities		**2,629,424**	9,052,364
INVESTING ACTIVITIES			
Interest received		**245,020**	228,725
Loan to a fellow subsidiary		**-**	(2,000,000)
Loan to related parties		**(455,000)**	(2,000,000)
Repayment from a related party		**15,728**	1,244,903
Proceeds from disposal of subsidiaries		**7,508**	76
Net cash used in investing activities		**(186,744)**	(2,526,296)
FINANCING ACTIVITIES			
Interest paid		**-**	(320,188)
Repayment of loan from a subsidiary		**-**	18,792,802
Repayment to the ultimate holding company	14(b)	**(5,000,000)**	(25,018,000)
Net cash used in financing activities		**(5,000,000)**	**(6,545,386)**
Net decrease in cash and cash equivalents		**(2,557,320)**	**(19,318)**
Cash and cash equivalents at beginning of year		**3,622,564**	**3,641,882**
Cash and cash equivalents at end of year, represented by bank balances		**1,065,244**	**3,622,564**

Notes to Financial Statements for the year ended March 31, 2018

CORPORATE INFORMATION

Taj International Hotels (H.K.) Limited (the "Company") is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is The Indian Hotels Company Limited which is incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange in India. The principal activities of the Company are investment holding and provision of consultancy, hotel management and operating services.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2017 financial statements. The adoption of the new / revised HKFRSs that are relevant to the Company and effective from the current year had no significant effects on the results and financial position of the Company for the current and prior years. A summary of the principal accounting policies adopted by the Company is set out below.

Adoption of new / revised HKFRSs

Amendments to HKAS 7 "Disclosure Initiative"

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The adoption of the amendments results in the additional disclosures in note 14(b) to the financial statements. In accordance with the transitional provisions therein, the comparative information is not presented in the first year of adoption.

Amendments to HKAS 12 "Recognition of Deferred Tax Assets for Unrealised Losses"

The amendments clarify, among others, how to account for deferred tax assets related to debt instruments measured at fair value.

The adoption of the amendments did not have any significant impact on the financial statements.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost.

Subsidiaries

A subsidiary is an entity that is controlled by the Company. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position, the interests in subsidiaries are stated at cost less accumulated impairment losses. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Notes to Financial Statements for the year ended March 31, 2018

1. PRINCIPAL ACCOUNTING POLICIES (Contd.)

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) the Company transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial assets or financial liabilities are initially recognised at their fair value plus, in the case of financial assets or financial liabilities not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

Loans and receivables

Loans and receivables including bank balances, accounts receivable, due from the ultimate holding company, due from fellow subsidiaries, loan advanced to a fellow subsidiary and loan advanced to related companies are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in profit or loss.

Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence that financial assets are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities

The Company's financial liabilities include accrued charges, due to a joint venture of a fellow subsidiary, due to a related company and due to the ultimate holding company. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Cash equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Notes to Financial Statements for the year ended March 31, 2018

1. PRINCIPAL ACCOUNTING POLICIES (Contd.)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

Operating, incentive and technical fees are recognised in the period when services are rendered.

Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Foreign currency translation

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in the currency of United States dollars ("US$"), which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews internal and external sources of information to determine whether there is any indication that its interests in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Notes to Financial Statements for the year ended March 31, 2018

1. PRINCIPAL ACCOUNTING POLICIES (Contd.)

Related parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:
   (i) has control or joint control over the Company;
   (ii) has significant influence over the Company; or
   (iii) is a member of the key management personnel of the Company or of the parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:
   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint ventures of the same third party.
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
   (vi) The entity is controlled or jointly controlled by a person identified in (a).
   (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;
(b) children of that person's spouse or domestic partner; and
(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new / revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted.

Annual Improvements to HKFRSs	2014 - 2016 Cycle: HKFRS 1 and HKAS 28[1]
HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[1]
Annual Improvements to HKFRSs	2015 - 2017 Cycle [2]
HKFRS 16	Leases[2]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments [2]
Amendments to HKAS 28	Investments in Associates and Joint Ventures[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1]Effective for annual periods beginning on or after 1 January 2018

[2]Effective for annual periods beginning on or after 1 January 2019

[3]Effective date to be determined

Notes to Financial Statements for the year ended March 31, 2018

1. PRINCIPAL ACCOUNTING POLICIES (Contd.)

The management of the Company is in the process of making a detailed assessment of the possible impact on the future adoption of the new / revised HKFRSs. So far the management is of the opinion that except for HKFRS 9 and 15 which are explained below, the adoption of the new / revised HKFRSs will not have any significant impact on the financial statements.

HKFRS 9 "Financial Instruments"
HKFRS 9, which will supersede HKAS 39 in its entirety, introduces new requirements on the classification and measurement of financial assets and financial liabilities, hedge accounting and impairment of financial assets.

The most significant change to be brought by HKFRS 9 to the Company is the requirements on impairment of financial assets. HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The application of HKFRS 9 may result in earlier recognition of credit losses which are not yet incurred in respect of the Company's financial assets measured at amortised cost.

HKFRS 15 "Revenue from Contracts with Customers"
HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, by applying the following five steps:

Step 1: Identify the contract(s) with a customer;
Step 2: Identify the performance obligations in the contract(s);
Step 3: Determine the transaction price, the amount of consideration in a contract to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer;
Step 4: Allocate the transaction price to the performance obligations in the contract(s); and
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The adoption of this standard is not expected to have a significant impact on the measurement and recognition of revenue of the Company, but it may result in more disclosures.

2. REVENUE

Revenue recognised by category is as follows:

	2018	2017
	US$	US$
Operating fees	-	2,728,015
Incentive fees	-	1,392,281
Technical fees	-	654,395
Interest income	**245,020**	228,725
	245,020	5,003,416

Notes to Financial Statements for the year ended March 31, 2018

3. OTHER INCOME

	2018 US$	2017 US$
Marketing Fees	**-**	279,651
Group Services Fees	**-**	279,651
Exchange gain	**181,925**	-
	181,925	559,302

4. OTHER OPERATING EXPENSES

	2018 US$	2017 US$
Technical fees expenses	**-**	54,938
Impairment loss on interest in a subsidiary	**7,750**	-
Impairment loss on loan advanced to a subsidiary, net	**-**	24,340,802
Impairment loss on loan advanced to a related company	**80,000**	751,529
Loss on disposal of a subsidiary	**-**	50
Other expenses	**152,133**	552,805
	239,883	25,700,124

5. PROFIT BEFORE TAX

This is stated after charging:	2018 US$	2017 US$
Finance costs		
Agency and arrangement fee	**-**	595,811
Interest on bank and other loans	**-**	320,188
	-	915,999
Other item		
Auditor's remuneration	**12,192**	19,302

6. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Company's profits neither arose in, nor derived from, Hong Kong and therefore was not subject to Hong Kong Profits Tax. In the opinion of the directors, the Company is not subject to taxation in any other jurisdictions in which the Company operates.

Reconciliation of tax expense

	2018 US$	2017 US$
Profit (loss) before tax	**187,062**	(21,053,405)
Income tax at applicable tax rate of 16.5% (2017:16.5%)	**30,865**	(3,473,812)
Non-deductible losses	**-**	3,473,812
Tax-exempted income	**(30,865)**	-
Income tax expense	**-**	-

Notes to Financial Statements for the year ended March 31, 2018

7. INTERESTS IN SUBSIDIARIES

	2018	2017
	US$	US$
Unlisted shares, at cost	-	38,389,240
Impairment loss	-	(38,373,982)
	-	15,258

Particulars of the major subsidiaries at 31 March 2017 are as follows:

Name of subsidiaries	**Country of incorporation**	**Percentage of ordinary shares directly held** %	**Principal activities**
Chieftain Corporation N.V.	Netherlands Antilles	100%	Investment holding
Samsara Properties Limited ("SPL")	British Virgin Islands	100%	Investment holding

A written resolution dated 8 February 2017 was passed that all of the then subsidiaries of the Company would be closed down in the most appropriate manner. Chieftain Corporation N.V. and SPL were dissolved and liquidated on 13 April 2017 and 6 June 2017 respectively. Accordingly the Company no longer had any interests in subsidiaries at the end of the reporting period.

8. ACCOUNTS RECEIVABLE

	Note	**2018**	2017
		US$	US$
Accounts receivable			
From third parties		-	573,555
From a related company	8(a)	-	411,005
		-	984,560

8(a) The accounts receivable of US$Nil (2017: US$411,005) due from a related company in which the ultimate holding company of the Company has significant influence, is unsecured, interest-free and payable within 30 days from each quarter end. The carrying amount approximates its fair value at the end of the reporting period.

9. LOAN ADVANCED TO A FELLOW SUBSIDIARY

The amount is unsecured, interest bearing at 3.5% per annum (2017: 3.5% per annum) and repayable with a call option of 3 days' notice. The total carrying amount approximates its fair value at the end of the reporting period.

10. LOAN ADVANCED TO RELATED COMPANIES

	Note	**2018**	2017
		US$	US$
Loan advanced to a company in which the ultimate holding company has significant influence	10(a)	**21,156,995**	21,076,995
Loan advanced to a company in which the ultimate holding company has joint control	10(b)	**9,599,888**	9,081,180
		30,756,883	30,158,175
Impairment loss		**(21,156,995)**	(21,076,995)
	10(c)	**9,599,888**	9,081,180

Notes to Financial Statements for the year ended March 31, 2018

10(a) The amount is unsecured, bears interest at LIBOR + 5% per annum (2017: LIBOR + 5% per annum) and has no fixed repayment term.

10(b) The amount is unsecured, interest-free and repayable on 31 March 2020 (2017: repayable on 1 April 2018) while the Company has the right to call back the loan with 3 days' notice.

10(c) The total carrying amount approximates its fair value at the end of the reporting period.

11. DUE FROM (TO) FELLOW SUBSIDIARIES / A JOINT VENTURE OF A FELLOW SUBSIDIARY / A RELATED COMPANY

	Note	**2018 US$**	2017 US$
Due from fellow subsidiaries	11(a)	-	2,141,284
Due to joint venture of a fellow subsidiary	11(b)	-	(141,875)
Due to a related company in which the ultimate holding company has significance influence	11(a)	-	(183,848)

11(a) The amounts are unsecured, interest-free and have no fixed repayment term. The carrying amounts approximate their fair value at the end of the reporting period.

11(b) The amount is unsecured, interest-free and has no fixed repayment term. It represents payment in advance for the 2017's operating and incentive fee expenses by TAL Hotels and Resorts Limited, a joint venture of a fellow subsidiary of the Company. The carrying amount approximates its fair value at the end of the reporting period.

12. DUE FROM (TO) THE ULTIMATE HOLDING COMPANAY

	Note	**2018 US$**	2017 US$
Accounts receivable, loans and advance		620,000	620,000
Professional fees and charges payables		(11,023)	(11,446)
Shareholder's deposits	12(a)	-	(5,000,000)
		608,977	(4,391,446)
Add: Repayable within one year		(608,977)	11,446
		-	(4,380,000)

12(a) Shareholder's deposits

The amounts due are unsecured, interest-free and have no fixed repayment term. The ultimate holding company has the right to convert its shareholder's deposits and share application money up to its carrying amount as at the end of the reporting period but not exceeding US$374 million into equity at any time before 1 April 2025. These amounts are in the nature of quasi-equity loans to the Company and is neither required nor expected to be settled until the Company has sufficient cash flows to meet all its current and non-current obligations. The amounts were repaid during the reporting period.

13. SHARE CAPITAL

	2018		2017	
	No. of shares	**US$**	No. of shares	US$
Issued and fully paid:				
At beginning of the year and end of the reporting period	**230,000,000**	**230,000,000**	230,000,000	230,000,000

Notes to Financial Statements for the year ended March 31, 2018

14. OTHER CASH FLOW INFORMATION

14(a) Cash generated from operations

	2018	2017
	US$	US$
Profit (loss) before tax	**187,062**	(21,053,405)
Exchange gain	**(159,436)**	(51,143)
Loss on disposal of a subsidiary	**-**	50
Impairment loss on loan advanced to a subsidiary, net	**-**	24,340,802
Impairment loss on loan advanced to a related company	**80,000**	751,529
Impairment on interest in a subsidiary	**7,750**	-
Interest expenses	**-**	320,188
Interest income	**(245,020)**	(228,725)
Changes in working capital:		
Accounts receivable	**984,560**	(58,753)
Accrued charges	**(40,630)**	(87,666)
Due from fellow subsidiaries	**2,141,284**	6,880,901
Due to a joint venture of a fellow subsidiary	**(141,875)**	141,875
Due to a fellow subsidiary	**-**	(2,060,303)
Due to a subsidiary	**-**	(17,484)
Due to related companies	**(183,848)**	156,103
Due to the ultimate holding company	**(423)**	18,395
Cash generated from operations	**2,629,424**	9,052,364

14(b) Changes in liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	Due to (from) the ultimate holding company US$
At April 1, 2017	4,391,446
Changes from financing cash flows:	
Repayment to the ultimate holding company	(5,000,000)
Total changes from financing cash flows	(5,000,000)
Other changes:	
Changes in working capital	(423)
Total other changes	(423)
At March 31, 2018	(608,977)

15. CONTINGENT LIABILITIES

St. James Court Hotel Limited ("SJCHL"), a fellow subsidiary of the Company, owns the leasehold interest in a property in London, such interest having been assigned to it in an earlier period by an erstwhile subsidiary company on the basis of a license granted by the landlord of the property, Scottish Widows' Fund and Life Assurance Society. The license was

Notes to Financial Statements for the year ended March 31, 2018

granted for such assignment upon the guarantee from the Company for the due performance and observance by SJCHL of the covenants and conditions contained in the license. The obligations of the Company in favour of the landlord shall remain in force throughout the full term of the lease, including any renewals.

16. RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year the Company had the following transactions with related parties:

			2018	2017
(a)	Related party relationship	Nature of transaction	**US$**	US$
	The ultimate holding company	Business support service fee	**(49,736)**	(55,659)
	Companies in which the ultimate holding company has significant influence (ex-associate)	Operating fee income	-	284,890
		Incentive fee income	-	357,204
	Companies in which the ultimate holding company has significant influence	Technical fee income	-	654,395
		Operating fee expenses	-	(145,749)
		Incentive fee expenses	-	(42,226)
	Fellow subsidiaries	Loan interest income	**245,000**	228,699
	Fellow subsidiaries (ex-subsidiaries)	Operating fee income	-	1,227,947
		Incentive fee income	-	753,736

(b) The ultimate holding company has indemnified the Company against any possible losses arising from the loan advance to a company in which the ultimate holding company has joint control, amounting to US$9,599,888 (2017: US$9,081,180).

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise mainly bank balances and amount due to the ultimate holding company. The main purpose of these financial instruments is to raise and maintain finance for the Company's operations. The Company has various other financial instruments such as inter-company and related company balances, which arise directly from its business activities.

The main risks arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors generally adopts conservative strategies on its risk management and limit the Company's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than United States dollars. Related company balances are mainly denominated in Great British Pound ("GBP"), Sri Lanka Rupee ("LKR") and South African Rand ("ZAR"). The management considers the risk relating to foreign currency other than ZAR to be insignificant in view of the outstanding balances and current market condition.

At 31 March 2018, if the United States dollars had weakened / strengthened by 9% (2017: 4%) against ZAR with all other variables held constant, the Company's net profit (2017: net loss) for the year would have been US$523,000 lower / higher (2017: US$201,000 higher / lower).

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Company's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period.

Notes to Financial Statements for the year ended March 31, 2018

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Credit risk

The Company provides services only to related companies and recognised and creditworthy third parties. The objective of the Company to manage credit risk is to control potential exposure to recoverability problem.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

The Company's bank balances are placed with credit-worthy banks and financial institutions in Hong Kong. Also, the management reviews and monitors regularly the recoverability of accounts receivable, loan advanced to a fellow subsidiary, loan advanced to related companies, amount due from the ultimate holding company and amount due from fellow subsidiaries on an ongoing basis with the result that the Company's exposure to non-receivable debts are minimal.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of shareholder's deposits and amounts due to group and related companies. The maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments is summarised below:

	On demand or within 1 year US$	Over 1 year US$	Total US$
As at 31 March 2018			
Accrued charges	11,824	-	11,824
As at 31 March 2017			
Accrued charges	52,454	-	52,454
Due to joint venture of a fellow subsidiaries	141,875	-	141,875
Due to a related company	183,848	-	183,848
Due to the ultimate holding company	11,446	4,380,000	4,391,446
	389,623	4,380,000	4,769,623

18. FAIR VALUE EMASUREMENTS

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2018 and 2017.

19. CAPITAL MANAGEMENT

The objectives of the Company's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for its shareholder. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholder, return of capital to shareholder or issue new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2018 and 2017.

20. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

(a) Director's remuneration

There is no director remuneration for the year (2017: Nil).

(b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company that were entered into or subsisted during the year (2017: Nil).

Notes to Financial Statements for the year ended March 31, 2018

(c) Directors' material interests in transactions, arrangements or contracts

The directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2017: Nil).

Management Information

Detailed Income Statement for the year ended March 31, 2018

	Schedule	2018 US$	2017 US$
Revenue	A	**245,020**	5,003,416
Other income	B	**181,925**	559,302
Other operating expenses	C	**(239,883)**	(25,700,124)
Finance costs	D	**-**	(915,999)
Profit (loss) before tax		**187,062**	(21,053,405)

		2018 US$	2017 US$
A.	**REVENUE**		
	Operating fees	**-**	2,728,015
	Incentive fees	**-**	1,392,281
	Technical fees	**-**	654,395
	Interest income	**245,020**	228,725
		245,020	5,003,416
B.	**OTHER INCOME**		
	Marketing Fees	**-**	279,651
	Group Services Fees	**-**	279,651
	Exchange gain	**181,925**	-
		181,925	559,302
C.	**OTHER OPERATING EXPENSES**		
	Auditor's remuneration	**12,192**	19,302
	Bank charges	**1,086**	2,359
	Exchange Loss	**-**	13,307
	General administrative expenses	**4,212**	7,377
	Impairment loss on interest in a subsidiary	**7,750**	-
	Impairment loss on loan advance to a subsidiary, net	**-**	24,340,802
	Impairment loss on loan advanced to a related party	**80,000**	751,529
	Legal and professional fees	**54,901**	187,130
	Loss on disposal of a subsidiary	**-**	50
	Technical fees	**-**	54,938
	Withholding taxes	**79,742**	323,330
		239,883	25,700,124
D.	**FINANCE COSTS**		
	Agency and arrangement fee	**-**	595,811
	Interest on bank and other loans	**-**	320,188
		-	915,999

Notes to Financial Statements for the year ended March 31, 2018

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended 31 March 2018 and 2017 does not constitute the Company's specified financial statements for those years as defined in section 436 of the HKCO but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

Auditor's reports have been prepared on the specified financial statements for both years.

In respect of the both years, the auditor's report:

- were qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

Directors

Rajeshkumar Harshadrai Parekh
Ivy Ong Lay Kuan

Secretaries

Kong Yuh Ling Doreen
Nur Iman Binte Rohan

Registered Office

8 Shenton Way
#21-07, AXA Tower
Singapore 068811

Auditors

Rohan • Mah & Partners LLP

Banker

Hong Kong & Shanghai Banking Corporation Ltd.

BAHC 5 PTE. LIMITED

(Incorporated in the Republic of Singapore)

Directors' Statement

The directors are pleased to present their statement to the members together with the audited financial statements of the BAHC 5 Pte. Limited (the "Company") for the financial year ended March 31, 2018.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2018 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, as the promoter company of the ultimate holding company is expected to continue providing financial support and not to recall amounts due to them, if any, until all creditors have been paid, there are reasonable grounds to believe that the Company will be able to pay its debt as and when they fall due.

2 DIRECTORS

The directors of the Company in office at the date of this statement are:

Rajeshkumar Harshadrai Parekh

Ivy Ong Lay Kuan

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES or DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

4 DIRECTORS' CONTRACTUAL BENEFITS

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

5 SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6 AUDITORS

The auditors, Messrs. Rohan · Mah & Partners LLP have expressed their willingness to accept re-appointment.

THE BOARD OF DIRECTORS
Rajeshkumar Harshadrai Parekh
Director

Ivy Ong Lay Kuan
Director

Singapore,

Date : April 25, 2018

Independent Auditor's Report to the Members of BAHC 5 PTE. Limited

(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BAHC 5 Pte. Limited ("the Company''), which comprise the statement of financial position as at March 31, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at March 31, 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 of the financial statements with respect to the Company's ability to continue as a going concern. The Company incurred a net loss during the year ended March 31, 2018 and, as of that date, the Company's net current liabilities exceeded the current assets, and the accumulated losses exceeded the share capital, respectively as at March 31, 2018. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The validity of the going concern basis on which the financial statements are prepared depends on management's assessment of the Company's ability to operate as a going concern as set forth in Note 2.2 to the financial statements. In the event that the Company is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

ROHAN • MAH & PARTNERS LLP

Public Accountants and

Chartered Accountants

Singapore
Date : April 25, 2018

Statement of Financial Position as at March 31, 2018

	Note	**2018** US$	2017 US$
ASSETS LESS LIABILITIES			
Non-Current Asset			
Plant and equipment	4	**76,264,731**	83,854,500
Current Assets			
Cash and cash equivalents	5	**3,281,410**	1,146,627
Current Liabilities			
Other payables	6	**2,437**	2,603
Loans	7	**104,315,066**	101,339,157
		104,317,503	101,341,760
Net Current Liabilities		**(101,036,093)**	(100,195,133)
Net Liabilities		**(24,771,362)**	(16,340,633)
Capital and reserves attributable to equity holders of the Company			
Share capital	8	**1**	1
Accumulated losses		**(24,771,363)**	(16,340,634)
		(24,771,362)	(16,340,633)

The accompanying notes form an integral part of these audited financial statements.

Statement of Comprehensive Income for the Year ended March 31, 2018

	Note	**2018** US$	2017 US$
Continuing operations			
Other income	9	**2,750,021**	44,302,214
Administrative expenses		**(4,484)**	(3,147)
Other operating expenses	10	**(8,200,357)**	(13,345,833)
Finance costs	11	**(2,975,909)**	(2,630,498)
(Loss)/Profit before taxation		**(8,430,729)**	28,322,736
Taxation	12	**-**	-
(Loss)/Profit for the year		**(8,430,729)**	28,322,736
Total comprehensive (loss)/income		**(8,430,729)**	28,322,736
(Loss)/Profit attributable to:			
Equity holders of the Company		**(8,430,729)**	28,322,736
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(8,430,729)**	28,322,736

The accompanying notes form an integral part of these audited financial statements.

Statement of Changes in Equity for the Year ended March 31, 2018

	Share Capital US$	Accumulated Losses US$	Total US$
As at 1 April 2016	1	(44,663,370)	(44,663,369)
Total comprehensive income for the year	-	28,322,736	28,322,736
As at 31 March 2017	1	(16,340,634)	(16,340,633)
Total comprehensive loss for the year	-	(8,430,729)	(8,430,729)
As at 31 March 2018	1	(24,771,363)	(24,771,362)

The accompanying notes form an integral part of these audited financial statements.

Statement of Cash Flows For the Year ended March 31, 2018

	2018 US$	2017 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	**(8,430,729)**	28,322,736
Adjustments for:		
Depreciation of plant and equipment	**4,225,673**	2,650,000
Impairment of plant and equipment	**3,974,684**	10,695,833
Interest expense	**2,975,909**	2,630,498
Interest income	**(21)**	(2)
Loan written back	**-**	(44,299,180)
Operating profit/(loss) before working capital changes	**2,745,516**	(115)
Working capital changes, excluding related to cash:		
Other receivables	**-**	52,000,000
Other payables	**(166)**	(15)
Cash generated from operations	**2,745,350**	51,999,870
Interest received	**21**	2
Net cash generated from operating activities	**2,745,371**	51,999,872
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	**(610,588)**	(63,854,500)
Net cash used in investing activities	**(610,588)**	(63,854,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	**-**	13,000,000
Net cash generated from financing activities	**-**	13,000,000
Net increase cash and cash equivalents	**2,134,783**	1,145,372
Cash and cash equivalents at the beginning of year	**1,146,627**	1,255
Cash and cash equivalents at the end of year (Note 5)	**3,281,410**	1,146,627

The accompanying notes form an integral part of these audited financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 CORPORATE INFORMATION

BAHC 5 Pte. Limited is a private limited company incorporated in Singapore with its registered address at 8 Shenton Way #21-07, Singapore 068811.

The immediate holding company is Piem International (HK) Limited, incorporated in Hong Kong. As of date, the Company's penultimate holding company and ultimate holding company are Piem Hotels Limited and The Indian Hotels Co Ltd respectively, both incorporated in India.

On August 21, 2009, the Company was acquired by Piem International (HK) Limited on the basis that the latter's shareholding will only be a temporary one. The Directors of Piem International (HK) Limited has, from time to time, reiterated its intention to hold the Company's shares on a temporary basis. The Directors of Piem Hotels Limited had also, in the past, issued resolution declaring the temporary nature of its shareholding in the Company. On 24 April 2017, the Directors of Piem International (HK) Limited issued yet another resolution reiterating the temporary nature of its shareholding in the Company and noting that the promoter company of the ultimate holding company is fully financially supporting the Company.

The principal activity of the Company is to retain ownership of aircraft. There have been no significant changes in the nature of these activities during the year.

The financial statements of the Company for the year ended 31 March 2018 were authorised for issue in accordance with a resolution of the Directors on April 25, 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, expressed in United States Dollar (USD or US$) are prepared based on the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity except as disclosed in Note 3.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or before April 1, 2017. The adoption of these standards did not have any material effect on the financial statements.

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning before January 1, 2017, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Description	Effective for annual periods beginning on or after
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
FRS 109 Financial Instruments	1 Jan 2018
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116 Leases	1 Jan 2019
Amendments to FRS 102: Classification and Measurement of Share Based Payment Transactions	1 Jan 2018

2.2 Going Concern

The Company's current liabilities exceeded its current assets and the accumulated losses exceeded its share capital as at 31 March 2018. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability as a going concern.

The ability of the Company to continue as a going concern depends on the promoter company of the ultimate holding company continuing to provide financial support and not to recall amounts, if any, due to them until all creditors have been paid.

The validity of the going concern basis on which the financial statements are prepared depends on management's assessment of the Company's ability to operate as a going concern as set forth above. In the event that the Company is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to provide for further liabilities that might arise

2.3 Plant and Equipment

2.3.1 Measurement

Items of plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2.3.2 Components of Costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.3.3 Depreciation

Depreciation is provided on the straight-line basis so as to write off the cost of assets over their estimated useful lives as follows:

Aircraft Years : 15

The useful life of aircraft is 15 years with a residual value of 25% of original cost.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.3.4 Subsequent Expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as an expense in the statement of comprehensive income during the financial year in which it is incurred.

2.3.5 Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of comprehensive income.

2.4 Income Taxes

Current income tax liabilities (and assets) for the current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for all deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets/liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at:

(i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date; and

(ii) the tax consequence that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the statement of comprehensive income for the period, except to the extent that the tax arises from a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from the revaluation gains and losses on land and buildings, fair value gains and losses on available-for-sale financial assets and cash flow hedges, and the liability component of convertible debts are charged or credited directly to equity in the same period the temporary differences arise.

2.5 Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.6 Foreign Currencies

2.6.1 Functional and Presentation Currency

The functional currency of the Company is United States Dollar (USD or US$). As sales and purchases are denominated primarily in USD and receipts from operations are usually retained in USD, the directors are of the opinion that the USD reflects the economic substance of the underlying events and circumstances relevant to the Company.

2.6.2 Foreign Currencies Transactions

Foreign currency transactions during the year are translated into recording currencies at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into USD at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the statement of comprehensive income.

2.7 Impairment of Non-Financial Assets

2.7.1 Plant and Equipment

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.8 Financial Assets

2.8.1 Initial Recognition and Measurement

Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

When financial assets are recognised initially, they are measured as fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2.8.2 Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Company has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(iv) Available-for-sale financial assets

Available-for-sale financial assets include equity and debts securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2.8.3 Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.9 Impairment of Financial Assets

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

2.9.1 Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.9.2 Financial Assets Carried at Cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.9.3 Available-For-Sale Financial Assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include

(i) significant financial difficulty of the issuer or obligor,

(ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and

(iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.10 Financial Liabilities

2.10.1 Initial Recognition and Measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

2.10.2 Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortization process.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.10.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.11 Fair Value Estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Company are the current bid prices; the appropriate quoted market prices for financial liabilities are the current ask prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used where appropriate. Other techniques, such as estimated discounted cash flows, are also used to determine the fair values of the financial instruments.

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The fair values of non-current receivables for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Company for similar financial instruments.

2.12 Related Parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);or
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management.

2.14 Employee Benefits

2.14.1 Defined Contribution Pension Costs

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contributions are recognised as employee compensation expense when they are due.

2.14.2 Short-term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably

2.15 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

3 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

3 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTD.)

Key Source of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated Useful Life of Aircraft

Estimated useful life for plant and equipment is based on the Company's assessment of the expected usage of the asset and expect wear and tear of the asset. The depreciation is charged against the fixed assets to show utilisation of the assets. The estimation of depreciation and useful life requires use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of plant and equipment and depreciation expenses in the period in which such estimates has been changed.

Depreciation of Plant and Equipment

Plant and equipment are depreciated on a straight-line basis less residual value of 25% of cost over their estimated useful lives. Management estimates the useful lives of plant and equipment to be within 15 years. The carrying amount of the Company's plant and equipment as at 31 March 2018 is US$76,264,731 (2017: US$ US$83,854,500). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual lives of these assets, therefore future depreciation charges could be revised.

4 PLANT AND EQUIPMENT

2018	**Aircraft US$**
Cost	
At beginning of year	116,854,500
Addition	610,588
At end of the year	117,465,088
Accumulated Depreciation	
At beginning of year	22,304,167
Depreciation	4,225,673
At end of year	26,529,840
Accumulated Impairment	
At beginning of year	10,695,833
Addition	3,974,684
At end of year	14,670,517
Carrying Amount	
At end of year	76,264,731
2017	
Cost	
At beginning of year	53,000,000
Addition	63,854,500
At end of the year	116,854,500

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2018	Aircraft US$
Accumulated Depreciation	
At beginning of year	19,654,167
Depreciation	2,650,000
At end of year	22,304,167
Accumulated Impairment	
At beginning of year	-
Addition	10,695,833
At end of year	10,695,833
Carrying Amount	
At end of year	83,854,500

The Aircrafts are held in trust by a bank not in individual capacity, but as owner trustee and registered with the Federal Aviation Administration (FAA) in the United States of America.

Aircraft with carrying amount of US$15,000,000 (2017: US$20,000,000) is pledged to secure the loan which are set out in Note 7.

5 CASH AND CASH EQUIVALENTS

	2018 US$	2017 US$
Cash at bank	**3,281,409**	1,146,626
Cash on hand	**1**	1
	3,281,410	1,146,627

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in United States Dollar.

6 OTHER PAYABLES

	2018 US$	2017 US$
Accruals	**2,437**	2,603

The carrying amounts of other payables approximate their fair values and denominated in Singapore Dollar.

7 LOANS

	2018 US$	2017 US$
Principal		
Secured loan - LIBOR plus 3.5%*	**30,727,553**	30,727,553
Unsecured loan - LIBOR plus 4%	**901,935**	901,935
Unsecured loan - 2.1%	**65,000,000**	65,000,000
	96,629,488	96,629,488
Accrued interest	**7,685,578**	4,709,669
	104,315,066	101,339,157

The loan amounts are repayable within 12 months. However, the lenders have agreed not to recall the loans during that period.

* The loan is secured by the Company's aircraft (Note 4).

The carrying amount of the loans approximates its fair value and is denominated in United States Dollar.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

8 SHARE CAPITAL

	2018		2017	
	No. of shares	**US$**	No. of shares	US$
Ordinary shares issued and fully paid:				
At beginning and end of the year	**1**	**1**	1	1

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

9 OTHER INCOME

	2018	2017
	US$	US$
Expenses chargeback #	**-**	3,032
Interest received	**21**	2
Loan written back *	**-**	44,299,180
Liquidated damages received ^	**2,750,000**	-
	2,750,021	44,302,214

\# Expenses chargeback represents expenses relating to the use of the aircraft directly borne by the users.

* This is the loan repayment made by the promoter of ultimate holding company to the lender on behalf of the Company. Subsequently, the entire repayment made by the promoter is waived off.

^ These are the liquidated damages received from a third party upon termination of the aircraft purchase agreement dated 30 May 2017 for the sale of one of the Company's aircraft due to default by the third party.

10 OTHER OPERATING EXPENSES

	2018	2017
Other operating expenses include:	**US$**	US$
Depreciation expense	**4,225,673**	2,650,000
Impairment loss	**3,974,684**	10,695,833
	8,200,357	13,345,833

11 FINANCE COSTS

	2018	2017
	US$	US$
Interest on loans	**2,975,909**	2,630,498

12 TAXATION

Major components of income tax expense are as follows:

	2018	2017
	US$	US$
Current year taxation	**-**	-

Notes to Consolidated Financial Statements for the year ended March 31, 2018

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follow:

	2018	2017
	US$	US$
(Loss)/Profit before taxation	**(8,430,729)**	28,322,736
Current tax expense on (loss)/profit before tax at 17%	**(1,433,224)**	4,814,865
Adjustments:		
Non-deductible expenses	**1,899,965**	2,715,976
Non-taxable income	**(467,504)**	(7,530,860)
Unutilised tax losses	**763**	19
	-	-

13 FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	2018	2017
Financial Assets	**US$**	US$
Loans and receivables:		
Cash and cash equivalents	**3, 281,410**	1,146,627
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Other payables	**2,437**	2,603
Loans	**104,315,066**	101,339,157
	104,317,503	101,341,760

Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are credit, foreign currency, liquidity and interest rate risks. The policies of managing each of these risks are summarised below:

Credit Risk

Credit risk refers to the risk that counter parties may default on their contractual obligations resulting in a financial loss to the Company. As there are no trade receivable and cash and bank balances are placed with reputable local financial institutions, the Company has no exposure to credit risk.

Foreign Currency Risk

Foreign exchange risk arises from change in foreign exchange rates that may have an adverse effect on the Company in the current reporting period and in the future years. The Company has no significant exposure to foreign currency risk.

The Company's exposure to foreign currency is as follows:

	Singapore Dollar US$
2018	
Other payables	**(2,437)**
2017	
Other payables	(2,603)

Notes to Consolidated Financial Statements for the year ended March 31, 2018

Sensitivity analysis

A 5% strengthening of United States Dollar against the following currency at the reporting date would increase/(decrease) equity and profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Statement of Comprehensive Income US$
2018	
Singapore dollar	**122**
2017	
Singapore dollar	130

A 5% weakening of United States Dollar against the above currency would have had the equal but opposite effect on the above currency to the amounts shown above , on the basis that all other variables remain constant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The tables below set out the Company's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Variable Rates		Fixed Rates		
	Less than 1 year US$	2 to 5 years US$	Less than 1 year US$	2 to 5 years US$	Total US$
2018					
Liabilities					
Loans	(31,629,488)	-	(65,000,000)	-	(96,629,488)
2017					
Liabilities					
Loans	(31,629,488)	-	(65,000,000)	-	(96,629,488)

Sensitivity analysis

An increase in 100 basis point ("bp") (1%) in interest rate at the reporting date would increase/(decrease) equity and profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

	Statement of Comprehensive Income US$
2018	
Loans	966,295
2017	
Loans	966,295

A decrease in 100 bp (1%) would have had the equal but opposite effect as shown above, on the basis that all other variables remain constant.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalent. The Company is mainly financed by its holding company. The Company obtained an undertaking from its immediate holding company to provide continuing financial support in order to enable the Company to be a going concern.

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

2018	Within 1 year US$	Within 2 to 5 years US$	More than 5 years US$	Total US$
Financial Assets				
Cash and cash equivalents	3,281,410	-	-	3,281,410
Total undiscounted financial assets	3,281,410	-	-	3,281,410
Financial Liabilities				
Other payables	2,437	-	-	2,437
Loans	104,315,066	-	-	104,315,066
Total undiscounted financial liabilities	104,317,503	-	-	104,317,503
Total net undiscounted Financial liabilities	(101,036,093)	-	-	(101,036,093)
2017				
Financial Assets				
Cash and cash equivalents	1,146,627	-	-	1,146,627
Total undiscounted financial assets	1,146,627	-	-	1,146,627
Financial Liabilities				
Other payables	2,603	-	-	2,603
Loans	101,339,157	-	-	101,339,157
Total undiscounted financial liabilities	101,341,760	-	-	101,341,760
Total net undiscounted Financial liabilities	(100,195,133)	-	-	(100,195,133)

Notes to Consolidated Financial Statements for the year ended March 31, 2018

Fair Value of Financial Instruments

As at the end of the financial year, the Company has no financial assets or financial liabilities that are carried at fair value measurements.

The carrying amounts of financial assets and financial liabilities of the Company recorded at amortised cost in the financial statements approximate their fair values due to their short term nature.

14 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximise shareholder's value.

The Company manages its capital structure and make adjustments to it, in light of changes in the working capital requirements, business performance and economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2018 and 31 March 2017.

TATA 150

LEADERSHIP WITH TRUST

SINCE 1868

₹ 656,973 CRORE REVENUE

600 MILLION+ CONSUMERS

In a free enterprise,
the community is not just another
stakeholder in business, but is in fact
the very purpose of its existence.
- Jamsetji Tata

695,699 EMPLOYEES

₹ 27,346 CRORE PROFIT AFTER TAX

3.98 MILLION SHAREHOLDERS

150+ COUNTRIES

66% OF PARENT COMPANY TATA SONS' EQUITY SHARE CAPITAL HELD BY PHILANTHROPIC TRUSTS

150 YEARS

The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,
to pioneering national institutions,
the Tata Group remains committed to improving the lives of communities
we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata; Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.

tata150.com

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MANDLIK HOUSE, MANDLIK ROAD, MUMBAI - 400 001.

A TATA Enterprise

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