TAJ

HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

A TATA Enterprise

SUBSIDIARIES ACCOUNTS 2016 - 2017

Taj Swarna, Amritsar

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CORPORATE INFORMATION

BENARES HOTELS LIMITED

Board of Directors

Dr. Anant Narain Singh	(Chairman)
Rakesh Sarna	
Shriraman	
Rukmani Devi	
B. L. Passi	
Moiz Miyajiwala	
Rohit Khosla	

Company Secretary

Vanika Mahajan

Auditors

N. Krishnaswamy and Company
Chartered Accountants
71A, Kashi Raj Apartments, Kamachha,
Varanasi – 221 001

Registered Office

Nadesar Palace Compound,
Varanasi – 221 002
Phone: 0542-6660001
CIN – L55101UP1971PLC003480
Website: www.benareshotelslimited.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 Sixth Annual Report of the Company together with the Financial Statement (Audited Statements of Account) for the year ended 31st March, 2017.

OPERATING AND FINANCIAL RESULTS

	(₹ Lacs) 2016-17	(₹ Lacs) 2015-16
Income	**5113.62**	5122.88
Gross Profit for the year	**1538.19**	1582.40
Less: Depreciation	**464.85**	266.45
Less: Interest	**-**	-
Profit before tax	**1073.34**	1315.95
Less: Provision for Tax		
- Current Tax	**491.77**	199.33
- Deferred Tax	**(100.12)**	268.74
Profits after Taxes	**681.69**	847.88
Add: Other Comprehensive Income (Net of Taxes)	**(16.61)**	(4.34)
Total Comprehensive Income	**665.08**	843.54
Add: Balance brought forward from previous year	**3466.03**	2935.41
Balance available for appropriations	**4131.11**	3778.95
Less: Dividend Paid	**260.00**	260.00
Less: Tax on Dividend	**52.93**	52.93
Less: Amount transferred to General Reserve	**-**	-
Balance Carried forward	**3818.17**	3466.03

OPERATIONS

During the year, the Revenue from Operations dropped by 1% as compared to previous year. While room revenues were almost at par with previous year, the F&B revenues decreased by 3% as compared with previous year.

Owing to decrease in F&B revenues and increase in operating expenses, the Gross Operating Profits (EBIDTA) for the year was at ₹1538 Lakhs, i.e. 3% lower than the previous year. The Profits before Taxes were at Rs 1073 Lakhs, i.e. 18% lower than the previous year.

The depreciation charge increase by ₹ 198 lakh primarily owing to accelerated depreciation charged on assets identified to have a shorter useful life, in accordance with provisions of Schedule II of the Companies Act, 2013.

Consequently, the profit before tax was at ₹ 1073 lakh, i.e. 18% lower than the previous year.

DIVIDEND

Keeping in view the performance of the Company, your Directors recommend the payment of dividend @ 150% (previous year dividend @ 200%) per equity share involving distribution of ₹ 195 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 lakhs for the year, if employed throughout the financial year, or

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

DIRECTORS

In accordance with Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 (SEBI Listing Regulations), Mr. Moiz Miyajiwala was appointed as Additional Director of the Company in the capacity of Independent Director effective

January 24, 2017 and he holds office up to the date of the forthcoming Annual General Meeting and is further proposed to be appointed as Independent Director of the Company for a period of 5 years commencing from January 24, 2017.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rohit Khosla, Director of the Company is liable to retire by rotation and being eligible seeks reappointment.

During the year under report, Mr. D. R. Kaarthikeyan, independent director resigned from the Directorship of the Company with effect from October 20, 2016. The Directors place on record their appreciation of the services rendered by Mr. Kaarthikeyan during his tenure as Director of the Company.

KEY MANAGERIAL PERSONNEL

In terms of Section 203 of Companies Act, 2013, your Company has Mr. Ashwani Anand as the Chief Executive Officer (CEO), Mr. Ravi Sharma 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 had convened 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. B.L. Passi, Mr. Shriraman, Mr. Rohit Khosla and Mrs. Rukmani Devi as its members.

Your Company has a Policy on Vigil Mechanism/ Whistleblower Policy to provide a mechanism for the Directors and employees to report actual and suspected fraud or Violation of your Company's Code of Conduct. The provisions of this Policy are in line with the Provisions of Section 177(9) of the Act and Clause 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 Corporate Social Responsibility (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. The Committee met four times during the year on 3rd May, 2016, 2nd July,2016, 24th January, 2017 and 24th March, 2017.

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 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.

During the financial year 2016-17, the Company received one complaint from an industrial trainee at The Gateway Hotel Ganges – Varanasi, on sexual harassment. The investigation for the same has been completed and accused employee has since resigned from the Company.

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 familiarisation programme, with respect to the roles, rights and responsibilities in the Company, nature of the industry in which the Company Operates, business model of the Company, etc. The details of familiarisation programme are disclosed on the Company's Website under the web link: www.benareshotelslimited.com.

LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186

During the year under report, the Company has placed/renewed a sum of ₹ 10.00 crores as short term Inter Corporate Deposits with bodies corporate within the limits prescribed under Section 186 of the Companies Act, 2013.

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 is self-explanatory and does not call for any comments.

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 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 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

Pursuant to Section 134 of the Act, your Company has a Risk Management Policy, 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.

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 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

M/s. N. Krishnaswamy & Company, Chartered Accountants (Firm Registration No. 001555S), the Statutory Auditors of the Company, hold office till the conclusion of the 46th AGM of the Company. The Board has recommended the appointment of PKF Sridhar & Santhanam, LLP, Chartered Accountants (Firm Registration No. 003990S/S200018), as the Statutory Auditors of the Company in their place, from the conclusion of this AGM till the conclusion of next AGM of the Company on such remuneration as shall be mutually agreed between the Board and Auditors.

The Report of the Statutory Auditors alongwith the notes to Schedules is enclosed to this report and does not contain any qualification, reservation or adverse remark or disclaimer.

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:

- Continue to replace the CFL lights in various areas in the Hotels with energy efficient LED lights.
- Replacement of out of order electrical equipments with energy efficient equipments in a systematic manner.
- Conducted detailed energy audits through expert agency specializing in such audits and identified more areas where energy saving measures can be implemented in following years.

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 in Notes on Accounts (Refer Note 29 to 31 in Notes to Financial Statements).

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 2016-17.

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 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, 2017 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; and

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

Place: Mumbai
Date: May 8, 2017

Dr. Anant Narain Singh
Chairman

Annexure 1

The information pursuant to Rule 5 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 2016-17.	1. Dr. A. N. Singh 5.5 : 1 2. Mr. Rakesh Sarna - 3. Mr. Shriraman 2.8 : 1 4. Mrs. Rukmani Devi 2.8 : 1 5. Mr. B. L. Passi 1 : 1 6. Mr. Rohit Khosla - 7. Mr. D. R. Kaarthikeyan 1.1 : 1 8. Mr. Moiz Miyajiwala NA
The percentage increase 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 Meetings.	1. Dr. A. N. Singh 11% 2. Mr. Rakesh Sarna - 3. Mr. Shriraman 2% 4. Mrs. Rukmani Devi 1% 5. Mr. B. L. Passi -24% 6. Mr. Rohit Khosla - 7. Mr. D. R. Kaarthikeyan 15% 8. Mr. Moiz Miyajiwala - 9. Mr Ashwani Anand(CEO) 8.0% 10. Mr. Ravi Sharma (CFO) 14.3% 11. Ms. Vanika Mahajan (CS) -
The percentage increase in the median remuneration of employees in the financial year	9.1%
The number of permanent employees on the rolls of company for the year 2016-17	135
The explanation on the relationship between average increase in remuneration and company performance	During the year, the PBT decreased by 18% from last year, while the median employee remuneration increased by 9.1%.
Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company	The total remuneration paid to the KMP amounts to ₹ 61.01 Lakhs, i.e. 5.7% of the PBT for the year 2016-17.
Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	A. Market Capitalization and P/E Ratio As at 31.3.2016 – ₹ 129.48 Crs. As at 31.3.2017 – ₹ 162.76 Crs. P/E Ration As at 31.3.2016 – 15.3 As at 31.3.2017 – 23.9 B. Percentage increase in market quotation in the shares in comparison to the rate at which the company came out with the last public offer: 12420%. The last public offer was in May 1987 by way of an at par rights issue.

Particulars of Disclosures	
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 increase in the median remuneration of the employees excluding managerial remuneration was 9.1% while the total managerial remuneration decreased by 3% over the previous financial year.
Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	While the PBT during the year decreased by 18% over last year, the remuneration of KMP's increased during the year as follows: CEO- 8% CFO- 14.3% Company Secretary -
The key parameters for any variable component of remuneration availed by the directors	The remuneration to directors comprises the sitting fees for attending the Board meetings and the commission on net profit of the Company. Attendance at the meetings, contribution at the meeting and the contribution other than in meetings are the key parameters for deciding the commission payable to directors.
The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not applicable as the Company has only non-executive directors whose remuneration comprises only the sitting fee and the commission on net profit equivalent to a maximum of 3% of the net profit in aggregate for all the directors.

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 : May 8, 2017

Dr. Anant Narain Singh
Chairman

Annexure 2

Annual Report on Corporate Social Responsibility Activities
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A Brief Outline of the Policy

   In line with the CSR theme of the Company "Building Livelihoods", 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/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 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: Mr. Rohit Khosla

   iii) Member: Mrs. Rukmani Devi

3. Average Net Profit of the Company for the Last three Financial Years: - ₹ 1354.40 lakh

4. Prescribed CSR Expenditure: - ₹ 27.09 lakh

5. Details of CSR spent during the Financial Year 2016-17: ₹ 27.70 lakh

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

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure up to 31st March, 2017	Amount spent: Direct or through implementing agency
				(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	
1	Hospitality skill centre set-up cost at Varanasi and food production lab set-up-Training in F&B service, production and Housekeeping trades	Livelihood	Varanasi	14.00	14.97	14.97	Tata Strive
2	Livelihood Entrepreneurship (HWA partnership program)-handloom weaving and training	Livelihood	Varanasi	2.75	2.75	2.75	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	5.00	5.00	OKHAI

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure up to 31st March, 2017	Amount spent: Direct or through implementing agency
				(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	
4	Expenditure for cleanliness program at Varanasi Ganga ghats and providing clean drinking water	Responsible Neighbourhood	Varanasi	5.34	4.98	4.98	Direct
	Total			**27.09**	**27.70**	**27.70**	

6. 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

Shriraman
Director
(DIN: 00114913

Dr. Anant Narain Singh
Chairman, CSR Committee
(DIN: 00114728)

Place : Mumbai
Date : May 8, 2017

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, 2017 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, 2017 according to the provisions of:

i. 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 regard 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 : 08/05/2017
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.

Annexure-A

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 : 08/05/2017
Place : New Delhi.

Annexure 4

Form No. MGT-9
Extract of Annual Return
(As on the financial year ended on 31/03/2017)

[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:-

Sl. 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 –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	The Indian Hotels Company Limited	L74999MH1902PLC000183	Ultimate Holding	53.70 (together with its 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				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	60250	22550	82800	6.37	61487	22550	84037	6.46	0.09
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									
Sub-total (A)(1) :-	**789388**	**22550**	**811938**	**62.46**	**790625**	**22550**	**813175**	**62.55**	**0.09**

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	
(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	0.00
Total Shareholding of Promoter (A) = (A)(1) +(A)(2)	789388	22550	811938	62.46	790625	22550	813175	62.55	0.09
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) :-	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
(2) Non Institutions									
a) Bodies Corp.	22213	815	23028	1.77	20099	815	20914	1.61	(0.16)
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	260780	84552	345332	26.56	252311	81041	333352	25.64	(0.92)
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	61852	20000	81852	6.30	74092	20000	94092	7.24	0.94

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	
C. Others									
(i) Trusts	-	-	-	-	-	-	-	-	-
(ii) Directors & their Relatives	1106	9000	10106	0.77	1106	9000	10106	0.78	No Change
(iii) Non Resident Indians	3066	-	3066	0.24	3258	-	3258	0.25	0.01
(iv) Clearing Members	73	-	73	0.01	679	-	679	0.05	0.04
(v) HUF	24605	-	24605	1.89	24424	-	24424	1.88	(0.01)
Sub-total (B)(2) :-	373695	114367	488062	37.54	375969	110856	486825	37.45	(0.10)
Total Public Shareholding (B) = (B)(1) + (B)(2)	373695	114367	488062	37.54	375969	110856	486825	37.45	(0.10)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Grand Total (A) + (B) + (C)	**1163083**	**136917**	**1300000**	**100**	**1166594**	**133406**	**1300000**	**100**	

(ii) Shareholding of Promoters

S. No.	Shareholder's 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	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	5700	0.44	-	5700	0.44	-	-
13	Maharaj Kumari Har Priya*	5100	0.39	-	5100	0.39	-	-
14	Mahraj Kumari Vishnupriya*	5000	0.38	-	5000	0.38	-	-
15	Anamika Kunwar	-	-	-	1237	0.09	-	0.09
	TOTAL	**811938**	**62.46**		**813175**	**62.55**		**0.09**

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

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

Sl. 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
	Anamika Kunwar				
	At the beginning of the year	5700	0.44	6937	0.53
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			Purchased 712 shares on 23-9-2016 and purchased 525 shares on 4-11-2016	
	At the end of the year	5700	0.44	6937	0.53

(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 (01-04-16)/end of the year (31-03-17)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year(01-04-16 to 31-03-17)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Raghubirsingh R Gohil	23,802	1.83	01 April 2016				
		23,802	1.83	31 March 2017	0		23,802	1.83
2	Brij Raj Singh of Kishangarh	20,000	1.54	01 April 2016				
		20,000	1.54	31 March 2017	0		20,000	1.54
3	Vinodchandra Mansukhlal Parekh	19,252	1.48	01 April 2016				
		19,252	1.48	31 March 2017	0		19,252	1.48
4	Arjun Ramani	18,798	1.45	01 April 2016				
		18,798	1.45	31 March 2017	0		18,798	1.45
5	Dinesh Muktilal Paldiwal	6,702	0.52	01 April 2016				0.00
				29 July 2016	425	Purchase	7,127	0.55
				05 August 2016	479	Purchase	7,606	0.59
				26 August 2016	861	Purchase	8,467	0.65
				02 September 2016	253	Purchase	8,720	0.67
				09 September 2016	46	Purchase	8,766	0.67
				16 September 2016	116	Purchase	8,882	0.68
				23 September 2016	229	Purchase	9,111	0.70
				04 November 2016	6	Purchase	9,117	0.70
				11 November 2016	83	Purchase	9,200	0.71
				18 November 2016	478	Purchase	9,678	0.74
				25 November 2016	1,026	Purchase	10,704	0.82
				27 January 2017	17	Purchase	10,721	0.82

Sr. No.	Name	No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year(01-04-16 to 31-03-17)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				03 February 2017	246	Purchase	10,967	0.84
				10 February 2017	3	Purchase	10,970	0.84
				17 February 2016	196	Purchase	11,166	0.86
				24 February 2017	21	Purchase	11,187	0.86
				03 March 2017	275	Purchase	11,462	0.88
				10 March 2017	154	Purchase	11,616	0.89
				17 March 2017	42	Purchase	11,658	0.90
				24 March 2017	709	Purchase	12,367	0.95
		12,440	0.96	31 March 2017	73	Purchase	12,440	0.96
6	Arjun Dunichand Ramani	11,391	0.88	01 April 2016				
		11,391	0.88	31 March 2017	0		11,391	0.88
7	Muktilal Ganulal Paldiwal	7,702	0.59	01 April 2016				0.00
				15 April 2016	14	Purchase	7,716	0.59
				22 April 2016	29	Purchase	7,745	0.60
				06 May 2016	4	Purchase	7,749	0.60
				13 May 2016	399	Purchase	8,148	0.63
				20 May 2016	79	Purchase	8,227	0.63
				03 June 2016	41	Purchase	8,268	0.64
				10 June 2016	91	Purchase	8,359	0.64
				17 June 2016	11	Purchase	8,370	0.64
				30 June 2016	75	Purchase	8,445	0.65
				08 July 2016	25	Purchase	8,470	0.65
				15 July 2016	25	Purchase	8,495	0.65
				26 August 2016	110	Purchase	8,605	0.66
				07 October 2016	50	Purchase	8,655	0.67
				14 October 2017	50	Purchase	8,705	0.67
				21 October 2016	100	Purchase	8,805	0.68
				28 October 2016	50	Purchase	8,855	0.68
				04 November 2016	359	Purchase	9,214	0.71
				11 November 2016	74	Purchase	9,288	0.71
				18 November 2016	123	Purchase	9,411	0.72
				25 November 2016	72	Purchase	9,483	0.73
				09 December 2016	20	Purchase	9,503	0.73

Sr. No.	Name	No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year(01-04-16 to 31-03-17)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				06 January 2017	46	Purchase	9,549	0.73
				20 January 2017	150	Purchase	9,699	0.75
				27 January 2017	54	Purchase	9,753	0.75
				03 February 2017	50	Purchase	9,803	0.75
				17 March 2017	86	Purchase	9,889	0.76
		9,889	0.76	31 March 2017	0		9,889	0.76
8	Sharda Ramani	6,700	0.52	01 April 2016				0.00
				05 August 2016	1,950	Purchase	8,650	0.67
		8,650	0.67	31 March 2017	0		8,650	0.67
9	Abhay Krishi Udyog Pvt Ltd	7,648	0.59	01 April 2016				0.00
		7,648	0.59	31 March 2017	0		7,648	0.59
10	Jitendra Mansukhlal Parekh	7,141	0.55	01 April 2016				0.00
		7,141	0.55	31 March 2017	0		7,141	0.55
11	Sanjeev Vinodchandra Parekh*	6,883	0.53	01 April 2016				0.00
		6,883	0.53	31 March 2017	0		6,883	0.53

* Ceased to be in the list of top 10 shareholders as on March 31, 2017. The same is reflected above since the shareholder was one of the Top 10 shareholder as on April 1, 2016

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. 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):	No Change		No Change	
	At the end of the year	4500	0.35	4500	0.35
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	
	At the end of the year	1106	0.09	1106	0.09

V. INDEBTEDNESS

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2016-17.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. The Company is a Board managed Company and does not have any Managing Director, Whole-time Director and/or Manager.

B. REMUNERATION TO OTHER DIRECTORS

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
1.	**Independent Directors**	**Mr. D. R. Kaarthikeyan***	**Mr. Shriraman**	**Mrs. Rukmani Devi**	**Mr. Moiz Miyajiwala**	
	• Fee for attending board / committee meetings • Commission** (for 2015-16) • Others, please specify	1,80,000 3,36,800 -	3,00,000 8,10,900 -	3,90,000 8,09,800 -	60,000 -	10,50,000 22,76,300 -
	Total (1)	**5,16,800**	**11,10,900**	**11,99,800**	**60,000**	**33,26,300**
2	Other Non-Executive Directors	Dr. A N Singh	Mr. Rakesh Sarna	Mr. Rohit Khosla		
	• Fee for attending board / committee meetings • Commission** (for 2015-16) • Others, please specify	4,20,000 15,82,700 -	NA NA	- -		4,20,000 15,82,700 -
	Total (2)	**20,02,700**	**-**	**-**		**20,02,700**
	Total (B)=(1+2)					**53,29,000**
	Total Managerial Remuneration					**53,29,000**
	Overall Ceiling as per the Act	**3% of the net profit of the Company excluding sitting fees**				

*Resigned w.e.f. October 20, 2016

**An amount of ₹ 32.19 Lakh has been provided in the books of Accounts towards the commission payable to the Directors for the financial year ended 31st March, 2017 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 3rd August, 2017.

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

Sl. 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) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	32,07,957 53,800	6,63,524 7729	19,78,190 17,352	58,49,671 78,881
2	**Stock Option**	-	-	-	-
3	**Sweat Equity**	-	-	-	-
4	**Commission** - as % of profit - Others, specify…	-	-	-	-
5	**Others, (PF, Superannuation, Gratuity)**	1,02,384	23,544	46,764	1,72,692
	Total	**33,64,141**	**6,94,797**	**20,42,306**	**61,01,244**

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

Place: Mumbai
Date: May 8, 2017

Chairman

Management Discussion and Analysis

World Economy

After a lackluster outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. The outlook for advanced economies has improved for 2017–18, reflecting somewhat stronger activity in the second half of 2016 as well as a projected fiscal stimulus in the United States. Growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised up for China, due to expected policy stimulus, but were revised down for a number of other large economies - most notably India, Brazil, and Mexico. (Source: World Economic Outlook, IMF, January, 2017)

As per World Economic Outlook update of IMF (Januar-2017), Global growth for 2016-17 is now estimated at 3.1 percent, in line with the October 2016 forecast. Economic activity in both advanced economies and EMDEs is forecast to accelerate in 2017-18, with global growth projected to be 3.4 percent and 3.6 percent, respectively, again unchanged from the October forecasts.

Indian Economic and Hospitality Scenario

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.

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. India has moved up 13 positions to 52nd rank from 65th in Tourism & Travel competitive index. In the year 2016, the Foreign Tourist Arrival to India increased by 10.7% as compared to 2015 and it is expected to be maintained at similar healthy rates till 2020. As per press release of Ministry of Tourism in February 2017, the FTA to India for the month of January 2017 increased by 16.5% over January-2016. The visa reforms, in terms of e-visa facility extended to more countries, has effectively contributed to the growth and the number of tourists arriving through E-visa registered an increase of 72% in the month of January 2017 over January 2016.

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 2016-17, the total revenues were at ₹ 51.14 Crores as against ₹ 51.22 Crs in 2015-16. The operating expenses (excl. Depreciation) increased from ₹ 35.40 Crs to ₹ 35.75 Crs in the same period while the depreciation increased from Rs 2.66 Crores to 4.65 Crores. Resultantly, the Profit before tax registered decrease from ₹ 13.15 Crs in 2015-16 to ₹ 10.73 Crs in 2016-17, whereas Profit after Tax decreased from ₹ 8.48 Crs to ₹ 6.82 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 second time.

Workforce

Total manpower employed by the company was 305 as on March 31st 2017 as against the previous year number of 311 as on March 31st 2016.

REPORT ON CORPORATE GOVERNANCE

Philosophy on Corporate Governance

Wealth creation, protection and interest enhancements for all the stakeholders, creditors, customers, employees, suppliers and society is the basis of the Company's philosophy on Corporate Governance. The integral part of the Corporate Governance Policy includes complying with legal and regulatory requirements and meeting environmental and local community needs with the highest standards of integrity, transparency and accountability. 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 promoting the interest of other shareholders. The values, ethics and business principle that were adhered to by the employees are part of its philosophy on Corporate Governance.

The Company has complied with 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, Independent Directors and as well as a Woman Director. More than 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, have proved to be of immense assistance to the Company. The details of Directors seeking re-appointment at the ensuing Annual General Meeting have been attached with the notice of the Annual General Meeting. None of the Directors 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 Director, 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 3, 2016	April to June
2	July 22, 2016	July to September
3	October 20, 2016	October to December
4	January 24, 2017	January to March

   As required under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, 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 serve 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 12.08.2016
		Salary & Perks 2016-2017	Sitting Fees 2016-2017	Commission 2015-16	Indian	Foreign	As Member	As Chairman		
Dr. Anant Narain Singh	Promoter Non-executive	N.A.	4,20,000	15,82,700	1	–	–	–	4	Yes
Mr. Rakesh Sarna	Promoter Non-executive	N.A.	NA	N.A.	7	–	3	–	1	No
Mr. Shriraman	Independent Non-executive	N.A.	3,00,000	8,10,900	–	–	–	–	3	No
Mrs. Rukmani Devi	Independent Non-executive	N.A.	3,90,000	8,09,800	–	–	–	–	4	Yes
Mr. B L Passi	Independent Non-executive	N.A.	1,20,000	3,18,800	1	–	–	–	2	No
Mr. D.R. Kaarthikeyan*	Independent Non-executive	N.A.	1,80,000	3,36,800	–	–	–	–	3	No
Mr. Rohit Khosla	Promoter Non-executive	-	-	-	3	–	1	3	2	Yes
Mr. Moiz Miyajiwala**	Independent Non-executive	N.A.	60,000	-	2	–	2	2	1	NA

* Resigned from the directorship w.e.f. October 20, 2016

** Appointed as Director w.e.f 24th January, 2017

NOTE: Traditionally, the Directors are paid commission each year, after the Financial Statements are approved by the Members at the Annual General Meeting of the Company. A sum of ₹ 32.19 lakhs has been provided as commission to Non – Executive Directors for the year 2016-17.

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 have 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:-

Sr. No.	Members	Attendance at Audit Committee Meetings held on			
		03.05.2016	22.07.2016	20.10.2016	24.01.2017
1	Mr. B L Passi, Chairman	✓	✓	-	-
2	Mr. Shriraman	✓	-	-	✓
3	Mr. Rohit Khosla*	-	-	✓	✓
4	Mrs. Rukmani Devi	✓	✓	✓	✓

Audit Committee meetings are attended by invitation by the AVP 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 comprising with Dr. Anant Narain Singh, Mr. Shriraman, Mrs. Rukmani Devi as its members.

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 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.

The said committee met four times during the year on 3rd May, 2016, 22nd July, 2016, 24th January, 2017 and 24th March, 2017 and inter alia, considered the appointment of Independent Director under Section 149 of the Companies Act, 2013 and the commission payable to directors on net profit for the year 2015-16.

Pursuant to Section 178(2) and (3) of the Act, the Company has adopted a Remuneration Policy for Directors, KMP 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 appointed 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 then in meetings in the ratio of 40%, 40% and 20% respectively.

The Committee at their meeting noted that under Section 178(3)of the Companies Act, 2013, the Committee has recommended to the Board a policy relating to the remuneration for the directors and the same had been adopted by the Board for payment of commission on the net profits 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 ration of 40%, 40% and 20% respectively.

3. Stakeholders Relationship Committee:

As per Section 178(5) the Company has a Share Transfer & Stakeholders Relationship Committee comprising with Dr. Anant Narain Singh, Mr. Shriraman and Mr. Rohit Khosla as its members to redress the shareholder and investor complaints like transfer of shares, non receipt of Annual Report, non receipt of dividends etc. Dr. Anant Narain Singh, Non-Executive Director, heads the Committee. The Secretary acts as the Compliance Officer to the Committee

There were no pending investor complaints which remain unresolved. The status of complaints received from shareholders during the year 2016-17 is as under:-

Complaints received	Pending as on March 31, 2017
2	Nil

Amounts Transferred to IEPF

As per the provisions of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Company is required to transfer not only all unclaimed / unpaid dividend but also the equity shares in respect of which dividends are not claimed for the continuous period of seven years from the date they first became due for payment, by any shareholder, to the Demat Account of the Investor Education and Protection Fund Authority ("IEPF").

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*
2009-10	13.08.2010	19.09.2017
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

* Indicative dates, actual dates may vary

During the year under review, the total amount transferred to IEPF of the Central Government was ₹ 2,49,684/-.

It may be noted that no claims will lie against the Company in respect of the said unclaimed amounts transferred to the Fund.

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 the 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, 2017, are as under:

Dr. Anant Narain Singh	-	24000
Mr. Shriraman	-	4500
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 Resolutions Passed
Annual General Meetings			
Registered office at Nadesar Palace Compound, Varanasi 221 002	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
	August 28, 2014	3.30 p.m.	

The special resolution passed in the previous Annual General Meeting 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 Financial Express and Hindustan.

The Annual Report containing inter alia the financial statements (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, 2017.

General Shareholder Information

Annual General Meeting

Date and Time	August 3, 2017 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, 2017	on or before August 15, 2017
• Quarter ending 30th September, 2017	on or before November 15, 2017
• Quarter ending 31st December, 2017	on or before February 15, 2018
• Quarter ending 31st March, 2018	on or before May 30, 2018

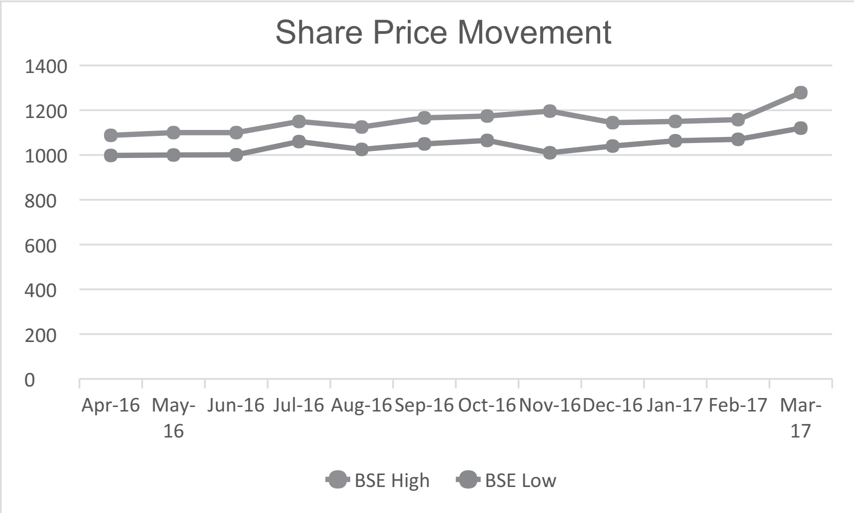
Financial Year	2017-18
Date of Book Closure	July 28, 2017 to August 7, 2017 (both days inclusive)
Dividend Payment Date	On or after August 14, 2017
Listing on Stock Exchanges	
• Equity Shares	: BSE Limited
Corporate identification no. (CIN)	L55101UP1971PLC003480
ISIN NO.:	INE750A01012
Stock Code:	509438

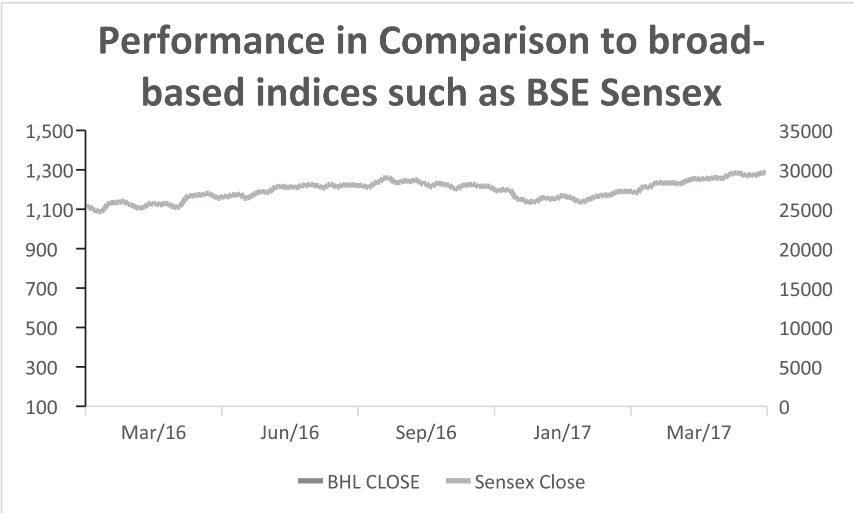
The Company has paid annual listing fees to BSE in respect of the financial year 2017-18.

Market Price Data:

High/Low market price of the Company's shares and performance in comparison to Sensex Indices on Bombay Stock Exchange Limited, Mumbai during the financial year 2016-17 as furnished below:-

Months	BSE High	BSE Low
April 2016	1087.75	998
May 2016	1100	1000
June 2016	1100	1001
July 2016	1149.75	1060
August 2016	1125	1025
September 2016	1165.9	1049.6
October 2016	1174	1065.05
November 2016	1196	1010
December 2016	1144.45	1040
January 2017	1150	1063.5
February 2017	1158	1070
March 2017	1278.5	1120





BHL Distribution of Shareholding as on March 31, 2017

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	8,13,175	62.55
Directors & their Relatives	10106	0.78
Resident Individuals & HUF	451868	34.76
Non-Resident Indians	3258	0.25
Clearing Member	679	0.05
Corporate Bodies	20914	1.61

Secretarial Audit

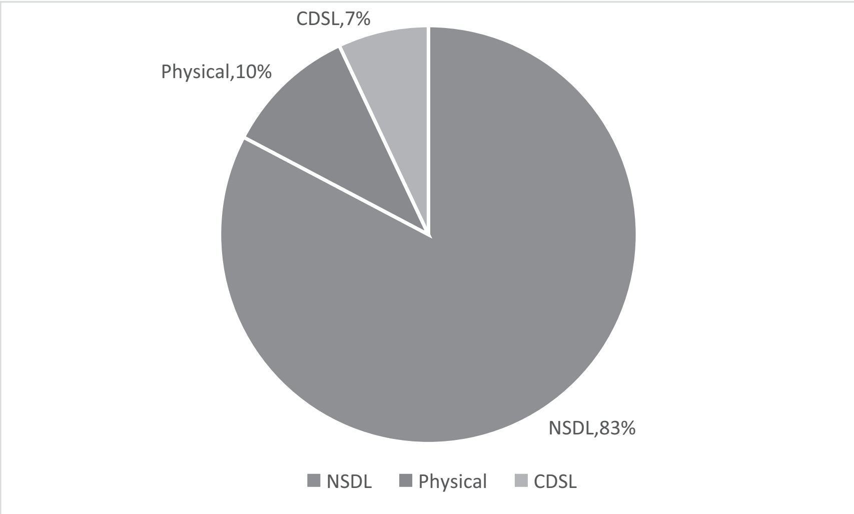
In terms of Section 204 of the Companies Act, 2013 the secretarial audit of the Company for the year 2016-17 has been carried out by the Secretarial Auditor appointed by the Company. The report of the Secretarial Auditor forms part of the Board's Report.

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 form and the total number of dematerialised shares held with NSDL and CDSL.

Dematerialisation of Shares & Liquidity

As of the end of March 31, 2017, shares comprising approximately 90% of the Company's Equity Share Capital have been dematerialised.

Status on Dematerialised Shares



Registrar & Share Transfer Agents -	The Indian Hotels Company Limited Mandlik House Mandlik Raod Mumbai 400 001. Phone: 022 - 66651369 Fax: 022 - 22027442 Email: investorrelations@tajhotels.com
Location of Hotels	The Gateway Hotel Ganges & Nadesar Palace, Varanasi & 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
Fax- 011-26876043

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 that all companies for making cash payments to the investors, companies whose securities are 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, 2017.

For **Benares Hotels Limited**

Anant Narain Singh
Chairman
(DIN : 00114728)

AUDITORS' CERTIFICATE

TO THE MEMBERS OF

BENARES HOTELS LIMITED

We have examined the compliance of conditions of Corporate Governance by BENARES HOTELS LIMITED ("the Company") for the year 31st March, 2017 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations in all material respects.

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

For **N Krishnaswamy & Company**
Chartered Accountants

N Krishnaswamy
Partner
(Regn No. 004797)

Place : Mumbai
Dated : May 8, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Benares Hotels Limited

1. Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Benares Hotels Limited ('the Company'), which comprise the balance sheet as at 31 March, 2017, 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").

2. Management's Responsibility for the Financial Statements

2.1 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 and presentation 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.

2.2 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.

3. Auditor's Responsibility

3.1 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.

3.2 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 Ind AS financial statements are free from material misstatement.

3.3 An audit involves performing procedures to obtain audit evidence about the amounts and 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

3.4 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

(a) Financial position of the Company as at 31 March, 2017; and its

(b) Financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date; and

5. Report on Other Legal and Regulatory Requirements

5.1 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 the paragraph 3 and 4 of the Order, to the extent applicable.

5.2 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 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 rules issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 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 financial statements- Refer Note 27 to the Ind AS financial statements.

ii. the Company did not enter into any long-term contracts including derivative contracts for which there were any material foreseeable loss;

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

iv. the Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company- Refer Note 36 to the Ind AS financial statements

For **N. Krishnaswamy & Co**
Chartered Accountants
(Registration No. 001555S)

N. Krishnaswamy
Partner (M. No. 004797)

Mumbai, May 8, 2017

Annexure- A to the Auditors' Report

The Annexure referred to in our report to the members of Benares Hotels Limited for the year ended 31 March 2017. We report that: -

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

(b) All the 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

(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) (a) The Physical verification of inventory has been conducted at reasonable intervals by the management.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same has been properly dealt with in the books of account.

(iii) The company has not taken or given any loan from or to any companies covered in the register under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The company has not accepted any deposits from the public under the provision of the Sec. 73 to 76 of the Act.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company

(vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:

Statute	Amt (₹ In Lakhs)	Pertaining to Period	Forums where pending
Income Tax Act, 1961	153.97*	FY 2008-09 and 2009-10	CIT-Appeals, Varanasi
Income Tax Act, 1961	12.79	FY 2007-08 and 2012-13	CIT- Appeals (Varanasi)
Service Tax (Finance Act, 1994)	27.82**	2008-09 to 2011-12	Addl. Commissioner, Central Excise Allahabad
Uttar Pradesh Trade Tax Act	26.27**	FY 2006-07 and 2007-08	1st Appellate Tribunal, UPVAT
UP Value Added Tax	2.92	FY 2009-10 and 2012-13	1st Appellate Tribunal, UPVAT
UP Luxury Tax Act	1.21	FY 2012-13 and FY 2013-14	Assessing Officer, UP Luxury Tax

* the case for both the years was decided by ITAT in favour of the company, however on appeal of the revenues, the High Court has referred the case back to CIT- A for reconsideration of the facts involved.

**net of amounts paid under protest.

(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 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 material 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 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. 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 Ind AS 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 and on behalf of
N. KRISHNASWAMY & CO.
Chartered Accountants
(Firm Registration No. 001555S)

N. Krishnaswamy
Partner (M. No. 004797)

Place : Mumbai
Dated : May 8, 2017

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 Benares Hotel Limited ("the Company") as of March 31, 2017 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, 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 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 qualified / adverse 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 31 March, 2017, 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 and on behalf of
N. KRISHNASWAMY & CO.
Chartered Accountants
(Firm Registration No. 001555S)

N. Krishnaswamy
Partner (M. No. 004797)

Place: Mumbai

Dated: May 8, 2017

Balance Sheet as at March 31, 2017

	Note	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
Assets				
Non-current assets				
Property, plant and equipment	3	**3,988.47**	4,215.43	4,259.83
Capital work-in-progress		**352.33**	265.45	83.59
Intangible assets	4	**116.48**	125.04	116.13
		4,457.28	4,605.92	4,459.55
Financial assets				
Investments		**-**	-	-
Other financial assets	6	**19.35**	19.15	24.37
Advance income tax (net)		**228.97**	145.59	38.03
Other non-current assets	7	**192.88**	59.09	20.00
		4,898.48	4,829.75	4,541.95
Current assets				
Inventories	8	**115.00**	117.16	115.28
Financial assets				
Trade receivables	9	**421.05**	365.99	240.06
Cash and cash equivalents	10	**175.91**	601.58	559.43
Bank balances other than cash and cash equivalents	11	**1,056.64**	527.57	36.27
Loans	5	**1,000.00**	500.00	700.00
Other financial assets	6	**88.62**	110.40	86.93
Other current assets	7	**119.80**	61.45	52.92
		2,977.02	2,284.15	1,790.89
Total		**7,875.49**	7,113.90	6,332.84
Equity and liabilities				
Equity				
Equity share capital	12	**130.00**	130.00	130.00
Other equity	13	**5,986.25**	5,634.11	5,103.49
Total equity		**6,116.25**	5,764.11	5,233.49
Non-current liabilities				
Provisions	14	**32.67**	26.69	21.39
Deferred tax liabilities (net)	15	**730.39**	569.80	303.41
Current Liabilities		**763.06**	596.49	324.80
Financial liabilities				
Trade payables	16	**495.79**	391.15	405.10
Other financial liabilities	17	**236.46**	169.96	218.06
Provisions	14	**42.50**	23.50	4.80
Other current liabilities	18	**221.42**	168.69	146.59
		996.17	753.30	774.55
Total		**7,875.49**	7,113.90	6,332.84
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 **N. Krishnaswamy & Co.**
Chartered Accountants
ICAI Firm Registration No. 001555S

N. Krishnaswamy
Partner
(Membership No.: 004797)

Date : May 8, 2017
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

Ravi Sharma
Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2017

	Note	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs
I. Income (Revenue)			
Revenue from operations	19	**4,956.92**	5,020.05
Other income	20	**156.70**	102.83
Total Income		**5,113.62**	5,122.88
II. Expenses			
Food and beverages consumed	21	**491.59**	501.28
Employee benefit expense and payment to contractors	22	**910.74**	941.19
Finance costs		-	-
Depreciation and amortisation expense		**464.85**	266.45
Other operating and general expenses	23	**2,173.10**	2,098.01
Total Expenses		**4,040.28**	3,806.93
III. Profit/(Loss) before exceptional items and tax		**1,073.34**	1,315.95
IV. Exceptional items		-	-
V. Profit/(Loss) before tax		**1,073.34**	1,315.95
VI. Tax expenses			
Current tax		**491.77**	199.33
Deferred tax		**(100.12)**	268.74
Total		**391.65**	468.07
Profit/ (Loss) after tax		**681.69**	847.88
VII. Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**(25.34)**	(6.69)
Less :-income tax expense		**(8.73)**	(2.35)
Other comprehensive income for the period, net of tax		**(16.61)**	(4.34)
Total comprehensive Income for the period		**665.08**	843.54
Earnings per share:			
Basic - (₹)		**52.44**	65.22
Diluted - (₹)		**52.44**	65.22
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 N. Krishnaswamy & Co.
Chartered Accountants
ICAI Firm Registration No. 001555S

N. Krishnaswamy
Partner
(Membership No.: 004797)

Date : May 8, 2017
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

Ravi Sharma
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2017

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs
Cash Flow From Operating Activities		
Net Profit Before Tax	**1,073.34**	1,315.95
Adjustments For :		
Depreciation and Amortisation	**464.85**	266.45
Provision for Doubtful Debts	**0.03**	(3.42)
(Gain)/ Loss on sale of assets	**(0.70)**	-
Interest (Net)	**(148.05)**	(95.16)
Provision for Employee Benefits	**5.98**	5.30
	322.11	173.17
Cash Operating Profit before working capital changes	**1,395.45**	1,489.12
Adjustments For :		
Trade Receivables	**(55.06)**	(125.93)
Inventories	**2.16**	(1.88)
Non Current- Other Financial Asset	**(0.20)**	5.22
Other non-current assets	**(179.53)**	(69.32)
Current-Other Financial Assets	**22.59**	(18.72)
Other current assets	**(58.35)**	(8.53)
Trade Payables	**104.64**	(13.95)
Current liabilities- Other Financial Liabilities	**66.50**	(48.10)
Other Current Liabilities & Provisions	**46.39**	34.11
	(50.86)	(247.10)
Cash Generated from Operating Activities	**1,344.59**	1,242.02
Direct Taxes Paid	**(260.00)**	(270.00)
Net Cash From Operating Activities (A)	**1,084.59**	972.02
Cash Flow From Investing Activities		
Purchase of Fixed Assets	**(319.51)**	(420.88)
Sale of Fixed Assets	**4.02**	4.83
Short Term Inter Corporate Deposits encashed/ (placed)	**(500.00)**	200.00
Interest Received	**147.24**	90.41
Bank Balances not considered as Cash and Cash Equivalents	**(529.07)**	(491.30)
Net Cash Used In Investing Activities (B)	**(1,197.32)**	(616.94)
Cash Flow From Financial Activities		
Dividend Paid (Including tax on dividend)	**(312.93)**	(312.93)
Net Cash Used In Financing Activities (C)	**(312.93)**	(312.93)
Net Increase/ (Decrease) in Cash and cash equivalents (A + B + C)	**(425.67)**	42.15
Cash and cash equivalents - Opening - 1st April, 2016	**601.58**	559.43
Cash and cash equivalents - Closing - 31st March, 2017	**175.91**	601.58

As per our Report of even date attached
For **N. Krishnaswamy & Co.**
Chartered Accountants
ICAI Firm Registration No. 001555S

N. Krishnaswamy
Partner
(Membership No.: 004797)

Date : May 8, 2017
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

Ravi Sharma
Chief Financial Officer

Statement of Changes in Equity as at March 31, 2017

₹ lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus			Grand Total
		Capital Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2015	130.00	0.86	2,167.22	2,935.41	5,233.49
Restated balance at the beginning of the reporting period (April 1, 2015)	**130.00**	**0.86**	**2,167.22**	**2,935.41**	**5,233.49**
Profit for the year ended March 31, 2016	-	-	-	847.88	847.88
Remeasurements of post employment benefit obligation, net of tax of ₹ 2.35 lakhs (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L)				(4.34)	(4.34)
Total Comprehensive Income for the year ended March 31, 2016	**-**	**-**	**-**	**843.54**	**843.54**
Dividends				(260.00)	(260.00)
Tax on Dividend				(52.93)	(52.93)
Balance as at March 31, 2016	**130.00**	**0.86**	**2,167.22**	**3,466.03**	**5,764.10**
Profit for the year ended March 31, 2017	-	-	-	681.69	681.69
Remeasurements of post employment benefit obligation, net of tax of ₹ 8.77 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**	**3,818.17**	**6,116.25**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 1. Corporate Information

Benares Hotels Limited ("BHL" or the "Company"), is a listed public limited company incorporated in 1971. The Company operates its hotels, viz. 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 issued on 8th May, 2017.

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.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2017 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2015.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 24. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

Refer Note 24 for the details of first-time adoption exemptions availed by the Company.

(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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

- 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 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 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 set up by the respective Regional Provident Fund Commissioner.

ii. Gratuity Fund

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

iii. Compensated Absences

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

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

Class of Assets	Estimated Useful Life
Buildings	60 to 80 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.

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 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 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:

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

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

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

iv) the ability to measure the development expenditure reliably.

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

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets are 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 assets is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized. For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(h) Impairment of assets:

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

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

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

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

(i) Foreign Currency Translation :

Initial Recognition

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Subsequent Recognition

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

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

(j) 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

(k) 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.

(l) 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.

(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.

Notes to Financial Statements for year ended March 31, 2017 (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.

(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) 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.

(p) 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, 2017 (Contd.)

(q) 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.

(r) Segment Reporting:

The Company's business consists of its hotel operations only and hence no separate information for segment-wise disclosures is given.

(s) 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.

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:

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

Notes to Financial Statements for year ended March 31, 2017 (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 (Refer Footnote (ii))							
At April 1, 2015	13.05	2,463.46	1,431.07	297.15	54.74	0.16	4,259.64
Additions	-	33.64	153.85	16.87	9.55	-	213.91
Adjustment	-	-	-	-	-	-	-
Transition							
Disposals	-	1.51	6.77	0.31	-	-	8.59
At March 31, 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
Adjustments							-
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**
Depreciation (Refer Footnote (i))							
Charge for the year	-	52.74	141.55	40.92	14.88	-	250.09
Disposals	-	0.02	0.51	0.03	-	-	0.56
At March 31, 2016	**-**	**52.72**	**141.04**	**40.89**	**14.88**	**-**	**249.53**
Charge for the year (Refer Footnote (ii))		187.00	182.80	61.21	14.23	0.01	445.25
Disposals	-	0.04	0.06	0.47		0.01	0.58
At March 31, 2017	**-**	**239.68**	**323.78**	**101.62**	**29.11**	**-**	**694.20**
Net Block							
At March 31, 2016	**13.05**	**2,442.87**	**1,437.11**	**272.83**	**49.41**	**0.16**	**4,215.43**
At March 31, 2017	**13.05**	**2,337.91**	**1,367.71**	**234.49**	**35.18**	**0.12**	**3,988.46**

Footnotes :

(i) 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. Also refer Note 24 (ii).

(ii) During the year, the company has charged accelerated depreciation amounting to ₹ 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, 2017 (Contd.)

Note 4 : Intangible Assets (Acquired)

	₹ lakhs
Cost (Refer Footnote (i)	
At April 1, 2015	116.13
Additions	25.29
Disposals	-
At March 31, 2016	**141.42**
Additions	11.03
Adjustments	-
Disposals	-
At March 31, 2017	**152.45**
Amortisation ((refer footnote (i))	
At April 1, 2015	-
Charge for the year	16.38
Disposals	-
At March 31, 2016	**16.38**
Charge for the year	19.59
Disposals	
At March 31, 2017	**35.97**
Net Block	
At March 31, 2016	**125.04**
At March 31, 2017	**116.48**

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. Also refer Note 24 (ii).

Note 5 : Loans

	March 31,2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
Current			
(Unsecured, considered good unless stated otherwise)			
Related Parties (Refer note 33)	**1,000.00**	500.00	700.00
Others	**-**	-	-
	1,000.00	500.00	700.00

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Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 6 : Other Financial Assets

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
A) Non Current			
Deposits with Public Bodies and Others at amortised costs			
Public Bodies and Others	**19.35**	19.15	24.37
	19.35	19.15	24.37
B) Current			
Deposit with public bodies and others			
Related Parties		-	-
Others	**1.60**	2.19	3.08
	1.60	2.19	3.08
Other advances			
Considered good	**3.18**	32.30	32.11
Interest receivable			
Related Parties	**6.03**	5.53	1.87
Bank Deposits	**13.10**	12.79	11.70
	19.13	18.32	13.57
On Current Account dues :			
Related Parties	**47.95**	36.14	30.32
Others	**16.76**	21.45	7.85
	64.71	57.59	38.17
	88.62	110.40	86.93

Note 7 : Other Assets

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
A) Non Current			
Capital Advances	**116.75**	11.41	-
Export incentive receivable	**50.16**	22.68	-
Deposits with Government Authoritites	**25.97**	25.00	20.00
	192.88	59.09	20.00
B) Current			
Prepaid Expenses	**53.56**	34.51	29.09
Indirect tax recoverable	**21.98**	13.63	19.24
Advance to Suppliers	**44.04**	13.13	3.81
Advance to Employees	**0.22**	0.18	0.78
	119.80	61.45	52.92

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 8 : Inventories (At lower of cost and net realisable value)

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
Food and Beverages	**45.65**	51.18	55.08
Stores and Operating Supplies	**69.35**	65.98	60.20
	115.00	117.16	115.28

Note 9 : Trade and other receivables

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
(Unsecured) (Refer Footnote)			
Outstanding over six months from the date they were due for payment:			
Considered good	**57.24**	59.99	18.07
Considered doubtful	**14.43**	14.40	17.82
	71.67	74.39	35.89
Others :			
Considered good	**363.81**	306.00	221.99
Considered doubtful	**-**	-	-
	363.81	306.00	221.99
Less : Provision for Debts doubtful of recovery			
Over Six Month	**14.43**	14.40	17.82
Others	**-**	-	-
	14.43	14.40	17.82
	421.05	365.99	240.06
Footnote:			
i) Provision for Doubtful Debts			
Opening Balance	**14.40**	17.82	17.82
Add: Provision during the year	**4.34**	2.22	-
	18.74	20.04	17.82
Less: Bad Debts written off against past provisions	**1.22**	5.64	-
Less: Reversal of provision no longer required	**3.09**	-	-
Closing Balance	**14.43**	14.40	17.82

Note 10 : Cash and Cash Equivalents

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
Cash on hand	**8.62**	4.63	3.32
Balances with bank in current account	**98.14**	56.30	222.72
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**69.15**	540.65	333.39
	175.91	601.58	559.43

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 11 : Bank Balances Other than Cash and Cash Equivalents	**March 31, 2017 ₹ lakhs**	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
Other Balances with banks			
Call and Short-term deposit accounts	**1,010.97**	487.00	-
Earmarked balances	**45.67**	40.57	36.27
	1,056.64	527.57	36.27

Note 12 : Share Capital

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
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	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	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	130.00
[Refer Footnote (i)]	**130.00**	130.00	130.00

Footnotes:

(i) Shares held by Holding Company along with its subsidiaries and associate Companies (Total- 6,98,088 Shares, i.e. 53.70%)

	No. of Shares March 31, 2017	No. of Shares March 31, 2016	No. of Shares April 1, 2015
Name of the Company			
Holding Company			
The Indian Hotels Co. Ltd	**293,000**	293000	293000
Subsidiaries of Holding Company			
TIFCO Holdings Limited	**350,825**	350825	350825
Piem Hotels Limited	**54,063**	54063	54063
Northern India Hotels Ltd.	**150**	150	150
Associate of Holding Company			
Oriental Hotels Limited	**50**	50	50

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

	No. of Shares March 31, 2017	No. of Shares March 31, 2016	No. of Shares April 1, 2015
The Indian Hotels Co. Ltd	**293,000**	293000	293000
% of Holding	**22.54%**	22.54%	22.54%
TIFCO Holdings Limited	**350,825**	350825	350825
% of Holding	**26.99%**	26.99%	26.99%

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 13 : Other Equity

		March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
a)	**Reserves & Surplus**			
	Capital Reserve	**0.86**	0.86	0.86
	General Reserve			
	Opening Balance	**2,167.22**	2,167.22	2,167.22
	Less : Final Dividend	**-**		
	Less : Tax on Dividend	**-**		
	Closing Balance	**2,167.22**	**2,167.22**	**2,167.22**
	Retained Earnings			
	Opening Balance	**3,466.03**	2,935.41	2,935.41
	Add: Current year profits	**665.08**	843.54	-
	Less : Final Dividend	**(260.00)**	(260.00)	-
	Less : Tax on Dividend	**(52.93)**	(52.93)	-
	Closing Retained Earnings	**3,818.17**	3,466.03	2,935.41
	Total	**5,986.25**	5,634.11	5,103.49

Note 14 : Provisions

		March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
A)	**Long term provisions**			
	Employee Benefit Obligation (Non-current)			
	Compensated absences	**32.67**	26.69	21.39
		32.67	26.69	21.39
B)	**Short term provisions**			
	Employee Benefit Obligation (Current)			
	Compensated absences	**5.47**	6.47	4.79
	Gratuity	**-**	-	-
	Post-employment medical benefits	**-**	-	-
	Gratuity Trust Payable	**37.03**	17.03	-
		42.50	23.50	4.79

Note 15 : Deferred Tax Liabilities (Net)

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
Deferred Tax Liabilities:			
Property, Plant and equipment & Intangible Assets	**842.41**	921.76	372.46
Total (A)	**842.41**	921.76	372.46
Deferred Tax Assets:			
Provision for Employee Benefits	**13.20**	11.48	9.06
OCI- Defined Benefit Obligations	**11.08**	2.35	-
MAT Credit Entitlement	**-**	269.44	-
Provision for doubtful debts	**4.99**	4.98	6.17
Others	**82.74**	63.70	53.81
Total (B)	**112.02**	351.95	69.04
Net Deferred Tax Liabilities (A-B)	**730.39**	569.80	303.41

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 16: Trade Payables

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
Micro and Small Enterprises	-	-	-
Vendor Payables	**197.82**	138.51	223.66
Accrued expenses and others	**297.97**	252.64	181.44
Total	**495.79**	391.15	405.10

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 33

Note 17: Other financial liabilities

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
Current financial liabilities			
Payables on Current Account dues :			
Related Parties	**1.28**	3.28	0.96
Others	**2.25**	1.82	2.19
	3.53	5.10	3.15
Deposits from others			
Unsecured	**34.25**	37.25	35.31
	34.25	37.25	35.31
Creditors for capital expenditure	**84.67**	10.50	74.68
Unclaimed dividend	**45.67**	40.57	36.27
Employee related liabilities	**61.16**	72.95	66.16
Others	**7.18**	3.59	2.48
Total	**236.46**	169.96	218.05

Note 18 : Other non financial Liabilities

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs	April 1, 2015 ₹ lakhs
Current			
Income received in advance	**0.60**	-	-
Advances collected from customers	**142.34**	101.85	79.79
Statutory dues	**78.48**	66.84	66.80
	221.42	168.69	146.59

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 19 : Revenue from Operations

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs
Room Income, Food, Restaurants and Banquet Income	**4,684.13**	4,739.32
Shop rentals	**65.45**	58.41
Membership fees	**0.87**	-
Others	**206.47**	222.32
Total	**4,956.92**	5,020.05

Note 20 : Other Income

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs
Interest Income from financial assets at amortised cost		
Inter-corporate deposits		
Deposits with banks	57.15	39.71
Deposits with Related Parties	90.90	55.45
Others	-	-
Total	**148.05**	**95.16**
Profit on sale of assets (Net)	**0.70**	**-**
Others	**7.95**	**7.67**
Total	**156.70**	**102.83**

Note 21 : Food and Beverages Consumed

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs
Opening Stock	**51.18**	55.08
Add : Purchases	**486.06**	497.38
	537.24	552.46
Less : Closing Stock	**45.65**	51.18
Food and Beverages Consumed	**491.59**	501.28

	March 31, 2017		March 31, 2016	
	₹ lakhs	%	₹ lakhs	%
Imported	**-**	**-**	-	-
Indigenous	**491.59**	**100.00**	501.28	100.00
Total	**491.59**	**100.00**	501.28	100.00

Note 22 : Employee Benefit Expense and Payment to Contractors

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs
Salaries, Wages, Bonus etc.	**478.46**	515.51
Company's Contribution to Provident and Other Funds	**34.63**	38.94
Reimbursement of Expenses on Personnel Deputed to the Company	**158.54**	163.27
Payment to Contractors	**84.26**	94.97
Staff Welfare Expenses	**154.85**	128.51
Total	**910.74**	941.20

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 23 : Other operating and general expenses

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs
(i) Operating expenses consist of the following :		
Linen and Room Supplies	**70.11**	54.64
Catering Supplies	**30.16**	30.55
Other Supplies	**8.36**	3.93
Fuel, Power and Light (Refer footnote (i))	**401.77**	402.65
Repairs to Buildings	**57.01**	50.41
Repairs to Machinery	**92.52**	87.43
Repairs to Others	**23.72**	13.79
Garden Expenses	**51.75**	46.05
Linen and Uniform Washing and Laundry Expenses	**66.70**	63.94
Payment to Orchestra Artistes and Security Charges	**47.84**	46.05
Guest Transportation	**52.31**	52.56
Travel Agents' Commission	**47.95**	31.60
Discount to Collecting Agents	**29.43**	29.54
Other Operating Expenses	**110.49**	105.51
Total	**1,090.12**	1,018.65

	March 31, 2017		March 31, 2016	
Linen, Catering and Other Supplies Consumed	**₹ lakhs**	**%**	₹ lakhs	%
Imported	**6.39**	**5.88**	6.65	7.46
Indigenous	**102.24**	**94.12**	82.47	92.54
Total	**108.63**	**100.00**	**89.12**	**100.00**

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs
(ii) General expenses consist of the following :		
Rent	19.50	28.73
Licence Fees	34.67	35.11
Rates and Taxes	98.29	96.90
Insurance	10.99	10.33
Advertising and Publicity	165.78	168.04
Management Fee Expenses	337.02	350.64
Reimbursable Fees Expenses- Corporate Services and CRS/ CIS	99.41	100.86
Printing and Stationery	19.51	17.50
Passage and Travelling	32.43	24.92
Provision for Doubtful Debts/ Bad debts written off (Refer Note 9)	4.91	2.22
Expenditure on Corporate Social Responsibility	**29.81**	25.09
Professional Fees	**28.96**	26.92
Outsourced Support Services	**18.24**	15.90
Exchange Loss (Net)	**0.15**	0.24
Loss on Sale of Fixed Assets (Net)	**-**	3.21
Payment made to Statutory Auditors (Refer Footnote (ii))	**4.10**	4.18
Directors' Fees and Commission	**47.90**	48.57
Other Expenses	**131.31**	120.00
	1,082.98	1,079.36
Total	**2,173.10**	**2,098.01**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(i) Expenditure recovered from other parties :

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs
Fuel, Power and Light	**14.65**	14.53
Total	**14.65**	14.53

(ii) Payment made to Statutory Auditors:

	March 31, 2017 ₹ lakhs	March 31, 2016 ₹ lakhs
As auditors	**2.50**	2.50
As tax auditors	**1.00**	1.30
For other services	**0.50**	0.25
For out-of pocket expenses	**-**	0.03
Service tax on above [Net of credit availed]	**0.10**	0.10
	4.10	4.18

Note 24 : Transition to Ind AS

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). . The exemptions and exceptions applied by the Company in accordance with Ind AS 101 *'First-time Adoption of Indian Accounting Standards'* along with the reconciliations of equity, total comprehensive income and cash flows in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Company has applied the following exemptions:

i. Business combinations exemption

The Company has elected not to apply Ind AS 103, Business Combinations, to business combinations occurred before the transition date.

ii. Property, plant and equipment, investment properties and intangible assets –Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment (para D7AA of Appendix D). This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment property covered by Ind AS 40 *'Investment Properties'*.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

iii. Cumulative translation differences exemption

The Company has elected to set all the cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

I. Reconciliations between Previous GAAP and Ind AS:

Equity Reconciliations	**Notes**	**As at March 31, 2016 ₹ lakhs**	**As at April 1, 2015 ₹ lakhs**
Equity under Previous GAAP		5436.20	4920.57
Adjustment on account of transition			
Accrued Incentives on Foreign Exchange Earnings	(a)	22.68	-
Proposed dividend (including tax on dividend) reversed	(b)	312.93	312.93
Tax adjustments	(c)	(7.71)	-
Equity under Ind AS		**5764.10**	**5233.49**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

II. Total Comprehensive income reconciliations

	Notes	March 31, 2016 ₹ lakhs
Profit after tax under Previous GAAP		**828.57**
Adjustments on account of transition		
Accrued Incentives on Foreign Exchange Earnings	(a)	22.68
Measurement of Defined benefits obligation grouped under OCI	(b)	6.68
Tax adjustments	(c)	(10.06)
Profit after tax under Ind AS		**847.88**
Other comprehensive income	(d)	(4.34)
Total comprehensive income as per Ind AS		**843.54**

Footnotes:

a. Under Ind AS, certain items of income and expense that are not recognised in profit or loss but shown un the statement of profit or loss as 'other comprehensive income' includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

b. Under Ind AS, the company has recognised the value of license to be received under the Services Exports from India Scheme (SEIS) on accrued basis which were earlier being accounted on utilisation basis in previous GAAP in earstwhile Served from India Scheme (SFIS).

c. Current and Deferred tax have been recognised on the adjustments made on transition to Ind AS.

d. Other Comprehensive Incomes represent the impact of remeasurements of post employment benefit obligation, net of tax of ₹ 2.35 lakhs (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L)

Note 25 : Tax Disclosures

i) Income Tax recognised in Profit or loss:

Particulars	Note for explanation	**March 31, 2017 ₹ lakhs**	March 31, 2016 ₹ lakhs
Current Tax			
In respect of the current year		**482.24**	346.46
In respect of earlier years Resulting from reversal of current tax for earlier years due to deduction claimed under Section 35 AD of Income Tax		**-**	(147.13)
Other demands and tax paid for earlier years		**9.53**	-
		491.77	199.33
Deferred Tax			
In respect of the current year			
Set off of carried forward losses (unabsorbed deduction u/s 35AD)		**-**	153.18
Other items		**(100.12)**	(36.58)
In respect of earlier year Resulting from timing difference in value of PPE due to claim of Income Tax deductions under Section 35AD for earlier year		**-**	421.57
MAT Credit		**-**	(269.43)
Total tax expense recognised in the current year relating to continuing operations		**391.65**	**468.07**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

ii) Reconciliation of tax expense with the effective tax:

Particulars	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Profit before tax from continuing operations (a)	**1073.34**	1315.95
Income tax rate as applicable (b)	**34.61%**	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**371.46**	455.14
<u>Permanent tax differences due to:</u>		
Effect of expenses that are not deductible in determining taxable profit	**10.66**	7.92
	382.15	463.06
Prior year taxes		
Income tax expense recognised in profit or loss (relating to continuing operations)	**9.53**	5.01
	391.65	468.07

iii) Income tax recognised in other comprehensive income:

Particulars	Note for explanation	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Deferred tax			
(a) Arising on income and expenses recognised in other comprehensive income:			
Remeasurement of defined benefit obligation		**(8.77)**	(2.35)
		(8.77)	**(2.35)**

iv) Reconciliation of Deferred Tax Asset and Deferred Tax Liability

March 31, 2017	**Opening Balance**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance**
	₹ Lakhs	**₹ Lakhs**	**₹ Lakhs**	**₹ Lakhs**
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**

*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, 2017 (Contd.)

March 31, 2016	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Property, Plant and equipment & Intangible Assets	372.46	549.30	-	921.76
Provision for Employee Benefits	(9.06)	(2.42)	-	(11.48)
MAT Credit Entitlement	-	(269.44)	-	(269.44)
Provisions for Defined benefit obligations	-	-	(2.35)	(2.35)
Others (Expenses disallowed to be allowed in future)	(59.98)	(8.71)	-	(68.69)
Total Deferred Tax Liability	**303.41**	**268.74**	**(2.35)**	**569.80**

Footnote:

a) MAT credit forms part of deferred tax as per definition of 'Deferred tax assets' under para 5 of Ind AS 12.

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 23 (ii)). The minimum future lease rentals payable in respect of non cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

Particulars	March 31, 2017 ₹ lakhs	April 1, 2016 ₹ lakhs
Not later than one year	**28.07**	27.22
Later than one year but not later than five years	**106.07**	106.95
Later than five years	**318.75**	345.95
Total	**452.89**	480.12

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 now the Hon'ble Allahabad High Court has referred the case back to CIT-A for reconsideration of the facts involved– ₹ 167.97 Lakhs (previous year - ₹ 127.97 Lakhs).

ii. In respect of other matters for which Company's appeals are pending with appellate authorities against the order of the assessing officer – ₹ 12.79 Lakhs (previous year – ₹ 28.90 Lakhs)

b) On account of other disputes in respect of:

i. Service Tax – ₹ 28.78 Lakhs (previous year – ₹ 19.08 Lakhs)

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

iii. Others – ₹ 1.21 (previous year – ₹ 3.45 Lakhs)

Note 28 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 547.25 Lakhs (Previous year – ₹ 39.65 Lakhs).

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 29 : Value of Imports

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Stores, Supplies and Spare Parts for Machinery	**6.39**	6.65
Value of Imports (CIF) Capital Imports	**35.92**	31.55

Note 30 : Expenditure in Foreign Currency

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Professional and Consultancy Fees	**16.24**	17.31
Other Expenditure in Foreign Currency	**48.98**	27.19

Note 31 : Earnings in Foreign Exchange

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Earnings in Foreign Exchange (As certified by the Management and verified by the Auditors)	**999.27**	1084.76

Note 32 : 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.

Note 33 : Related Party Disclosures

(a) As per Ind AS – 24, "Related Parties Disclosure" notified by the companies (Accounting Standards) Rules 2006 the following are the key categories of Related Parties:

i. Holding Company- The Indian Hotels Company Limited

ii. Associate & Joint Ventures of the Holding Company- 15 Entities

iii. Fellow Subsidiary Companies- 31 Entities

iv. Associate and joint venture of above fellow Subsidiaries- 12 Entities

v. Entity having Significant Influence- Tata Sons Limited

vi. Subsidiaries/ Joint venture of Tata Sons Limited- 247 Entities

vii. Post-employment benefit plan entity for the benefit of employees of company- Hotel Taj Ganges Employee Gratuity Trust

viii. Entities in which directors of the company are interested- 34 Entities

ix. Company Directors and Relatives- 61 persons

x. Company KMP and Relatives- 17 persons

xi. Holding Company Directors, KMP and their Relatives- 120 persons

xii. Entities controlled / jointly controlled by the KMP of Holding company- Business Jets India Pvt Ltd

(b) Details of related party transactions during the year ended March 31, 2017

(Note: Figures within brackets below each figure pertain to previous year)

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Particulars	Holding Company	Fellow Subsidiaries Companies/ Associates of Holding	Entity with Significant Influence or their subsidiaries/joint ventures	KMP	Directors/ Entities related to directors
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Interest received/accrued	-	**36.59**	**54.37**	**-**	**-**
		(0.30)	*(55.15)*		
	-				
Operating / Management fees	**330.18**	**-**	**-**	**-**	**-**
	(343.25)	-			
	-				
Fee Paid for Other Services	**219.33**	-	**20.75**	-	**-**
	(222.45)		*(18.58)*		
Deputed Staff Salaries / Innercircle reimbursements	**145.90**	**4.89**	**21.93**	-	-
	(153.62)	-	*(6.63)*		
	-				
Miscellaneous Expenses	**1.32**	-	-	-	-
	-				
	-				
License Fee paid	-	-	-	-	**27.42**
					(27.89)
	-	-		-	
Rooms/Other Operating	-	-	**10.01**	-	-
Incomes	-	-	*(9.44)*	-	-
Other Income Earned	-	-	**5.09**	-	-
	-	-	*(4.55)*	-	-
ICD Placed during the year	-	**500.00**		-	-
		-			
ICD Encashed during the year	-	-		-	-
		(200.00)			
Remuneration Paid / Payable	-	-		**60.46**	-
				(53.77)	
Balances outstanding at the end of the year					
Current Account Receivables	**44.33**	**3.04**	**0.58**		-
	(36.13)	-	-		
Current Account/ Trade Payables	-	**1.27**	**2.46**		-
		-	(3.28)		
	-				
ICD Receivable	-	**500.00**	**500.00**		-
	-	-	*(500.00)*		
Interest Receivable	-	**0.39**	**5.64**		-
	-	-	*(5.53)*		-

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(c) Statement of Material Transactions

Company Name	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Holding Company **The Indian Hotels Company Limited**	**As per note 33(b) above**	As per note 33(b) above
Fellow Subsidiary Company		
Roots Corporation Limited		
Interest Received/ Accrued	**36.59**	0.30
ICD placed during the year	**500.00**	-
ICD encashed during the year	**-**	200.00
Subsidiary of Entity having Significant Influence (Tata Sons Ltd)		
Taj Air Limited		
Interest Received/ Accrued	**54.37**	55.15
ICD placed during the year	**-**	500.00
ICD encashed during the year	**-**	-
Tata Consultancy Services		
Fee for Outsourced Support Services	**20.75**	18.58
Directors and Entities controlled by Director **License Fee paid for Leasehold Land and Building**		
Dr. Anant Narain Singh (Chairman-BHL)	**13.71**	13.94
Companies/ Trust Controlled by Dr Anant Narain Singh		
Maharaja Prabhu Narain Physical Cultural trust	**3.43**	3.49
Aditya Dairies Pvt Ltd	**6.86**	6.97
Ananta Electric Lamp Works Pvt Ltd	**3.49**	3.49

Note 34 : Employee Benefits

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

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Provident Fund	**31.16**	27.46

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

- **Funded :** Post Retirement Gratuity

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(c) Defined Benefit Plans (Gratuity)– As per Actuarial Valuation on March 31, 2017 :-

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

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Present Value of Funded Obligations	**163.94**	146.58
Fair Value of Plan Assets	**126.91**	128.22
Net (asset) / Liability	**37.03**	18.36
(ii) Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	**10.44**	10.80
Interest on Net Defined Benefit Liability	**1.24**	0.44
Total	**11.69**	11.25
(iii) Amount recorded in Other Comprehensive Income		
Changes in financial assumptions	**12.28**	(10.05)
Experience Adjustments	**12.69**	18.64
Actual return on plan assets less interest on plan assets	**0.37**	(1.90)
Total	**25.34**	6.69
(iv) Reconciliation of Net Liability/ Asset		
Opening Net Benefit Liability	**18.36**	5.63
Expense charged to profit and loss	**11.69**	11.25
Amount recognized outside profit and loss	**25.33**	6.68
Employer Contribution	**(18.36)**	(5.21)
Closing Net Defined Benefit Liability/ (Asset)	**37.03**	18.36
(v) Reconciliation of Defined Benefit Obligation		
Opening Defined Benefit Obligation	**146.58**	140.64
Current Service Cost	**10.45**	10.80
Interest on defined benefit obligation	**10.86**	10.61
Actuarial Losses / (Gain) arising from change in financial assumptions	**12.28**	(10.04)
Actuarial Losses / (Gain) arising on account of experience adjustments	**12.69**	18.64
Benefits Paid	**(28.91)**	(24.07)
Closing Defined Benefit Obligation	**163.94**	146.58
(vi) Reconciliation of Fair Value of Plan Assets		
Opening Fair Value of Plan Assets	**128.22**	135.00
Employer Contribution	**18.35**	5.21
Interest on plan assets	**9.61**	10.16
Re-measurements due to Actual return on plan assets less interest	**(0.37)**	1.90
Benefits Paid	**(28.91)**	(24.07)
Closing Fair Value of Plan Assets	**126.91**	128.22

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(vii) Description of Plan Assets

	March 31, 2017	March 31, 2016
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	7%	7%
Equity	-	-
Others	93%	93%
Grand Total	**100%**	100%

(viii) Actuarial Assumptions

	March 31, 2017	March 31, 2016
Discount rate (p.a.)	7.30%	7.85%
Salary Escalation Rate (p.a.)	Staff- 4.00%	4.00%
	Executive-5.00%	4.00%

Note 35 : 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.

a. Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2017 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Financial assets:				
Cash and cash equivalents	-	-	175.91	**175.91**
Trade Receivables	-	-	421.05	**421.05**
Bank Balances Other than Cash and Cash Equivalents	-	-	1056.64	**1056.64**
Loans & Advances	-	-	1000.00	**1000.00**
Other financial assets	-	-	107.96	**107.96**
Total	**-**	**-**	**2761.56**	**2761.56**
Financial liabilities:				
Trade Payables including capital creditors	-	-	495.79	**495.79**
Other financial liabilities	-	-	236.46	**236.46**
Total	**-**	**-**	**732.25**	**732.25**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

The carrying value of financial instruments by categories as of April 1, 2016 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	**Total carrying value**
	₹ lakhs	**₹ lakhs**	**₹ lakhs**	**₹ lakhs**
Financial assets:				
Cash and cash equivalents	-		601.58	**601.58**
Trade Receivables	-		365.99	**365.99**
Bank Balances Other than Cash and Cash Equivalents	-	-	527.57	**527.57**
Loans & Advances	-		500.00	**500.00**
Other financial assets	-		129.55	**129.55**
Total	**-**	**-**	**2124.69**	**2124.69**
Financial liabilities:				
Trade Payables including capital creditors	-		391.15	**391.15**
Other financial liabilities	-		169.96	**169.96**
Total	**-**	**-**	**561.11**	**561.11**

Footnote:

(a) Financial risk management:

The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The management assesses the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

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.

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.

BHL's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2017 and April 1, 2016.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, financial assets carried at fair value and interest-bearing deposits with corporates are neither past due nor impaired. Cash and cash equivalents with banks and interest-bearing deposits placed with corporates, which have high credit-rating assigned by international and domestic credit-rating agencies. Trade receivables and other financial assets that are past due but not impaired, there were no indications as of March 31, 2017, that defaults in payment obligations will occur except as described in note 9 on allowances for impairment of trade receivables. The Company does not hold any collateral for trade receivables and other financial assets. Trade receivables and other financial assets that are neither past due nor impaired relate to new and existing customers and counter parties with no significant defaults in past.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

ii. 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.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

March 31, 2017	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Trade and other payables	553.72	-	-	-	**553.72**
Other financial liabilities	178.53	-	-	-	**178.53**
Total	**732.25**	**-**	**-**	**-**	**732.25**

April 1, 2016	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Trade and other payables	391.15	-	-	-	**391.15**
Other financial liabilities	169.96	-	-	-	**169.96**
Total	**561.11**	**-**	**-**	**-**	**561.11**

Note 36 : Specified Bank Notes (SBN)

As required by MCA notification dated 30th March, 2017 and amendment to Schedule III of the Companies Act, 2013, the detail of Specified Bank Notes ("SBN") held and transacted during the period 08/11/2016 to 30/12/2016 is furnished as below.

	SBN's	Other Denominated Notes	Total
	₹ lakhs	**₹ lakhs**	**₹ lakhs**
Closing cash in hand as on 08.11.2016	9.72	3.32	**13.04**
(+) Permitted receipts	-	58.78	**58.78**
(-) Permitted payments	-	(9.64)	**(9.64)**
(-) Amount deposited in Banks	(9.72)	(45.18)	**(54.90)**
Closing cash in hand as on 30.12.2016	**-**	**7.28**	**7.28**

For the above purpose, 'SBN' means the bank notes of denominations of the old series of the value of five hundred rupees and one thousand rupees which ceased to be legal tender through the Ministry of Finance, Department of Economic Affairs Notification, dated 8th November, 2016.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 37 : Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Ind AS 33- Earning per share as follow:

Particulars	March 31, 2017	March 31, 2016
Profit after tax – (₹ Lakhs)	**681.69**	847.88
Number of Ordinary Shares	**13,00,000**	13,00,000
Weighted Average Number of Ordinary Shares	**13,00,000**	13,00,000
Face Value per Ordinary Share (₹)	**10**	10
Earnings Per Share – (₹) Basic and Diluted	**52.44**	65.22

Note 38 : Dividends

Dividends paid during fiscal 2017 include an amount of INR ₹ 260 Lakhs @ ₹ 20/- per equity share towards dividend for fiscal 2016. Dividends paid during fiscal 2016 include an amount of INR ₹ 260 Lakhs @ ₹ 20/- per equity share towards dividend for fiscal 2015.

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, 2017, the Board of Directors of Benares Hotels Limited have proposed a dividend of ₹ 195 Lakhs (₹ 15 per share) in respect of fiscal 2017. 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 INR ₹ 234.70 Lakhs, inclusive of corporate dividend tax of INR ₹ 39.70 Lakhs. Remittance of dividend within India is exempt from tax in the hands of shareholders.

Additional disclosure for Share Capital

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 plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

As per our Report of even date attached
For **N. Krishnaswamy & Co.**
Chartered Accountants
ICAI Firm Registration No. 001555S

N. Krishnaswamy
Partner
(Membership No.: 004797)

Date : May 8, 2017
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

Ravi Sharma
Chief Financial Officer

DIRECTORS AND CORPORATE INFORMATION

INDITRAVEL LIMITED

Board of Directors:
Mr. Faisal Momen
Mr. Nabakumar Shome
Mr. Himanshu Jain

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

Auditors:
M/s. Chandrashekhar Iyer & Co.
Chartered Accountants

Bankers:
State Bank of India
HDFC Bank Limited
Central Bank of India

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Thirty-Seventh Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2017:

FINANCIAL RESULTS

Pursuant to the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. As such financial statements for the year ended as at March 31, 2016 have been restated to conform to Ind AS.

The Company's financial performance, for the year ended March 31, 2017 is summarized below:

Figures in ₹

Particulars	2016-17	2015-16
Total Income	**7,854,926**	11,951,518
Profit / (Loss) before exceptional and extra-ordinary items & tax	**466,911**	(8,951,602)
Exceptional Items (Provision for diminution in value of investment)	**-**	(3,882,200)
Profit / (Loss) Before Tax	**466,911**	(12,833,802)
Current Tax (including tax on discontinued operations)	**-**	-
Deferred Tax	**(380,737)**	1,705,830
Minimum Alternate Tax Credit	**-**	-
Short Provision of Tax of earlier years (Net)	**(1,274,333)**	570,415
Profit / (Loss) After Tax from continuing operations	**(1,188,159)**	(10,557,557)
Profit / (Loss) from discontinuing operations	**(5,111,025)**	(22,738,403)
Tax credit of discontinuing operations	**-**	-
Profit / (Loss) for the year	**(6,299,184)**	(33,295,960)

REVIEW OF BUSINESS OPERATIONS AND STATE OF COMPANY'S AFFAIRS

The Profit / (Loss) after Tax of the Company stood at ₹ (0.63) crore [P.Y ₹ (3.33) 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 year 2016-17.

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 MADE

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. Himanshu Jain 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.

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, 2016, July 22, 2016, October 21, 2016 and January 18, 2017. 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.

At the AGM, the Members will be requested to ratify the re-appointment of M/s. Chandrashekhar Iyer & Co, Chartered Accountants (Firm Registration No. 114260W) as the Statutory Auditors to hold office from the conclusion of this AGM till the conclusion of the next AGM of the Company and authorize the Board of Directors to fix their remuneration.

SHARE CAPITAL

As on March 31, 2017, 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, 2017.

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. 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.

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 2016-17.

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, 2017 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 laid down internal financial controls for the Company which are adequate and are operating effectively; and

(vi) 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, 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, May 4, 2017

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

Annexure to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as at the financial year ended on March 31, 2017

[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:	**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:-

Sl. 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	N.A.	N.A.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME & 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. SHARE HOLDING 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				% 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	696012	696012	96.67	Nil	696012	696012	96.67	Nil
e) Banks / FIs									
f) Any Other									
Sub-total (A)(1):-	**Nil**	**696012**	**696012**	**96.67**	**Nil**	**696012**	**696012**	**96.67**	**Nil**

2. Foreign a) NRIs Individuals b) Other Individuals c) Bodies Corp. d) Banks / FIs 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**	**696012**	**696012**	**96.67**	**Nil**	**696012**	**696012**	**96.67**	**Nil**
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):-	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
2. Non-Institutions a) Bodies Corp.									
i) Indian	Nil	24000	24000	3.33	Nil	24000	24000	3.33	Nil
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**	**24000**	**24000**	**3.33**	**Nil**	**24000**	**24000**	**3.33**	**Nil**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**Nil**	**24000**	**24000**	**3.33**	**Nil**	**24000**	**24000**	**3.33**	**Nil**
C. Shares held by Custodian for GDRs & ADRs	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Grand Total (A+B+C)	**Nil**	**720012**	**720012**	**100**	**Nil**	**720012**	**720012**	**100**	**Nil**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's 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	240004	33.34	Nil	240004	33.34	Nil	Nil
2.	Tifco Holdings Limited	99005	13.75	Nil	99005	13.75	Nil	Nil
3.	Taj Trade and Transport Company Limited	72001	10.00	Nil	72001	10.00	Nil	Nil
4.	Piem Hotels Limited	189002	26.25	Nil	189002	26.25	Nil	Nil
5.	Taj Enterprises Limited	72000	10.00	Nil	72000	10.00	Nil	Nil
6.	Northern India Hotels Limited	24000	3.33	Nil	24000	3.33	Nil	Nil
	Total	**696012**	**96.67**	**Nil**	**696012**	**96.67**	**Nil**	**Nil**

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

Sl. No.	Particulars	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.	At the beginning of the year	696012	96.67	696012	96.67
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	Nil	Nil
3.	At the end of the year	696012	96.67	696012	96.67

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

Sl. No.	Lake Palace Hotels & Motels Pvt. Limited	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.	At the beginning of the year	24000	3.33	24000	3.33
2.	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
3.	At the end of the year (or on the date of separation, if separated during the year)	24000	3.33	24000	3.33

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. 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
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:

Sl. 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 (A)	**Nil**	**Nil**
	Ceiling as per the Act		

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 (B)		
Total Managerial Remuneration	**Nil**	**Nil**
Overall Ceiling as per the Act		

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

Sl. 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		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify		
5.	Others, please specify		
	Total	**N.A.**	**N.A.**

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			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

On behalf of the Board of Directors

Nabakumar Shome
Director
(DIN: 03605594)

Himanshu Jain
Director
(DIN: 06890639

Mumbai, May 4, 2017

Registered Office:
Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U74999MH1981PLC023924
Tel. No.: 022 66395515
Fax No.: 022 22027442
Email: investorrelations@tajholtels.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 2017, 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 misstatement and 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, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter :

The financial information of the company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules , 2006 (as amended) which were audited by other auditors who expressed an unmodified opinion dated April 25, 2016 and May 4 , 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

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 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 31st March 2017, 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

   iv. the Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 35 to the Ind AS financial statements.

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

(Chandrashekhar Iyer)
Proprietor
Membership No.47723

Mumbai,
Date : May 4, 2017

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 2017, 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 software 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. 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, custom duty, excise duty, and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of service tax , customs duty, excise duty were outstanding, as at March 31, 2017 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	₹ 1,041,995/-	Assessment Year 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	₹ 2,755,410/-	Assessment Year 2011-12	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income Tax	₹ 806,180/-	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 Chandrashekhar Iyer & Co
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Proprietor
Membership No.47723

Mumbai,
Date : May 4, 2017

Balance Sheet as at March 31, 2017

	Note	March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
Assets				
Non-current assets				
Property, plant and equipment	3	**4,878,640**	5,266,380	9,475,221
Capital work-in-progress	3	**-**	-	324,461
Investment Property		**2,608,067**	2,650,026	2,650,026
Intangible assets	4	**11,585**	14,533	3,618,989
		7,498,292	7,930,939	16,068,697
Financial assets				
Investments	5	**62,712,233**	62,712,233	66,594,433
Loans	6	**40,525,152**	41,712,193	44,969,954
Deferred Tax Assets (Net)	7	**1,247,121**	1,627,858	-
Total non-current assets		**111,982,798**	113,983,223	127,633,084
Current assets				
Financial assets				
Investments	8	**19,434,213**	18,538,343	93,669,910
Trade receivables	9	**-**	43,503	12,859,516
Cash and cash equivalents	10	**1,316,767**	1,022,559	43,075,885
Bank balances other than cash and cash equivalents	11	**4,630,584**	27,964,147	9,856,129
Loans	6	**48,313,765**	47,756,862	49,734,791
Other current assets	12	**227,096**	1,380	7,093
Total current assets		**73,922,425**	95,326,794	209,203,324
Total		**185,905,223**	209,310,017	336,836,408
Equity and liabilities				
Equity				
Equity share capital	13	**7,200,120**	7,200,120	7,200,120
Other equity	14	**170,637,359**	192,101,904	307,724,020
Total equity		**177,837,479**	199,302,024	314,924,140
Non-current liabilities				
Financial liabilities				
Provisions	15	**2,868,166**	2,051,379	3,393,760
Deferred tax liabilities (net)	7	**-**	-	77,972
Total non-current liabilities		**2,868,166**	2,051,379	3,471,732
Current Liabilities				
Financial liabilities				
Trade payables	16	**3,955,692**	4,966,327	12,984,407
Provisions	15	**80,360**	73,423	163,248
Other current liabilities	17	**1,163,526**	2,916,864	5,292,881
Total current liabilities		**5,199,578**	7,956,614	18,440,536
Total		**185,905,223**	209,310,017	336,836,408

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 Chandrashekhar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Proprietor
M. No. 47723
Firm Registration No. 114260W

For and on behalf of the Board

Faisal Momen	**Nabakumar Shome**	**Himanshu Jain**
Director	Director	Director
DIN : 00064878	DIN : 03605594	DIN : 06890639

Place : Mumbai
Dated : May 4, 2017

Statement of Profit and Loss for the year ended March 31, 2017

	Note	March 31, 2017 ₹	March 31, 2016 ₹
Income			
Revenue from operations		**-**	-
Other income	18	**7,854,926**	11,951,518
Total Income		**7,854,926**	11,951,518
Expenses			
Employee benefit expense	19	**5,268,829**	10,858,886
Depreciation and amortisation expense		**312,694**	297,489
Other operating and general expenses	20	**1,647,234**	10,247,206
Total Expenses		**7,228,757**	21,403,581
Profit/ (Loss) before exceptional items and tax		**626,169**	(9,452,063)
Exceptional items -Provision for diminution in value of investment		**-**	(3,882,200)
Profit/ (Loss) before tax		**626,169**	(13,334,263)
Tax expense			
Current tax			
Deferred tax		**380,737**	(1,705,830)
Short / (Excess) provision for the earlier years		**1,274,333**	(570,415)
Total		**1,655,070**	(2,276,245)
Profit/ (Loss) after tax for the year from continuing operations		**(1,028,901)**	(11,058,018)
Profit/ (Loss) from discontinuing operations	21	**(5,111,025)**	(22,738,403)
Tax credit of discontinuing operations		**-**	-
Profit/ (Loss) from discontinuing operations (after tax)		**(6,139,926)**	(33,796,421)
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**(159,258)**	500,461
		(159,258)	500,461
Total comprehensive Income for the period		**(6,299,184)**	(33,295,960)
Profit/ (Loss) for the period attributable to:			
Owners of the Company		**(6,139,926)**	(33,796,421)
Total Comprehensive Income for the period attributable to			
Owners of the Company		**(6,299,184)**	(33,295,960)
Earnings per share:			
Basic - (₹)		**(8.53)**	(46.94)
Diluted - (₹)		**(8.53)**	(46.94)
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 Chandrashekhar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Proprietor
M. No. 47723
Firm Registration No. 114260W

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Himanshu Jain
Director
DIN : 06890639

Place : Mumbai
Dated : May 4, 2017

Cash Flow Statement for the year ended March 31, 2017

	March 31, 2017 ₹	March 31, 2016 ₹
Cash Flow From Operating Activities		
Profit Before Tax	**(4,484,856)**	(36,072,666)
Adjustments For :		
Provision for Diminution in value of long term Investments	**-**	3,882,200
Depreciation and Amortisation	**432,647**	698,428
Provision for Doubtful Debts and Advances	**-**	7,407,181
Loss on sale of assets	**-**	1,098,092
Dividend Income	**(2,272,785)**	(3,360,253)
Interest Income	**(4,971,343)**	(8,415,946)
Sundry Credit balance written back	**(607,421)**	-
Asset written off	**-**	4,910,725
Provision for Contingencies	**-**	2,073,199
Provision for Employee Benefits	**709,633**	374,632
	(6,709,269)	8,668,258
Cash Operating Profit before working capital changes	**(11,194,125)**	(27,404,408)
Adjustments for (increase)/ decrease in operating assets:		
Trade Receivables	**43,503**	5,570,120
Short-term loans and advances	**(556,903)**	(1,177,625)
Loans and advances	**1,187,041**	3,130,554
Other Current Assets	**(225,716)**	-
	447,925	7,523,049
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**(1,010,635)**	(8,018,080)
Short term provisions	**6,937**	(89,825)
Long term provisions	**816,787**	(1,216,552)
Other Current Liabilities	**(1,753,338)**	(2,376,017)
	(1,940,249)	(11,700,474)
Cash Generated from Operating Activities	**(12,686,449)**	(31,581,833)
Direct Taxes (Paid)/ Refunded	**(1,034,922)**	(1,375,577)
Net Cash Generated From Operating Activities (A)	**(13,721,371)**	(32,957,410)
Cash Flow From Investing Activities		
Sale of Property, Plant and Equipment	**-**	1,269,225

Cash Flow Statement for the year ended March 31, 2017

	March 31, 2017 ₹	March 31, 2016 ₹
Purchase of current Investments	**(895,870)**	-
Sale of current Investments	**-**	75,131,567
Interest Received	**4,470,462**	8,777,213
Dividend Received	**2,272,785**	3,360,253
Bank Balances not considered as Cash and Cash Equivalents	**23,333,563**	(18,108,018)
Net Cash Generated/(Used) In Investing Activities (B)	**29,180,940**	70,430,240
Cash Flow From Financing Activities		
Long/ Short Term Deposits Refunded by companies	**-**	18,100,000
Long/ Short Term Deposits placed with companies	**-**	(15,300,000)
Dividend paid	**(15,165,361)**	(82,326,156)
Net Cash Generated/ (Used) In Financing Activities (C)	**(15,165,361)**	(79,526,156)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**294,208**	(42,053,326)
Cash and Cash Equivalents - Opening	**1,022,559**	43,075,885
Cash and Cash Equivalents - Closing	**1,316,767**	1,022,559

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 Chandrashekhar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Proprietor
M. No. 47723
Firm Registration No. 114260W

Place : Mumbai
Dated : May 4, 2017

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, 2017 (Contd.)

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.

2.1: 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.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2017 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2015.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 2.2 a,b & c This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

Refer Note 2.2 a,b & c for the details of first-time adoption exemptions availed by the Company.

(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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(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 incidentals 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.

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.

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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 :

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) 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(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.

(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.

Notes to Financial Statements for year ended March 31, 2017 (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 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

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. The Company has not funded its gratuity liability and is discharged as and when due.

(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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(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) 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.

(q) Financial Instruments:

Financial Assets:

<u>Classification</u>

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

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

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

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

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

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

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

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

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, 2017 (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. 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, 2017 (Contd.)

2.2 (a) FIRST-TIME ADOPTION OF Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2017 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed

(a) Deemed Cost: The Company has opted paragraph D7 AA and accordingly considered the carrying value of property, plant and equipments and Intangible assets as deemed cost as at the transition date.

(b) Investments in subsidiaries, joint ventures and associates: The Company has opted para D14 and D15 and accordingly considered the Previous GAAPcarrying amount of Investments as deemed cost as at the transition date.

B. Applicable Mandatory Exceptions

(a) Estimates: An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance withprevious GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

I. Reconciliation of Balance sheet as at April 1, 2015 (Transition Date)

II. A. Reconciliation of Balance sheet as at March 31, 2016

B. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

III. Reconciliation of Equity as at April 1, 2015 and as at March 31, 2016

IV. Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

2.2 (b) The following explains the material adjustments made while transition from previous accounting standards to IND AS

A. Proposed dividend: Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and tax on dividend amout of ₹ 51,995,523/- as at 1st April, 2015 and ₹ 15,165,361/- as at 31st March 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount.

B. Remeasurements of post employment benefit obligation: Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decrease by ₹ 500,461/-. There is no impact on the total equity as at 31st March, 2016.

C. Retained earnings: Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

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

E. The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2016 as compared with the previous GAAP.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

a) First time Adoption of Ind AS

b) Reconciliation of equity as previously reported under IGAAP to Ind AS

	March, 2016			March, 2015		
		₹			₹	
Assets	**IGAAP**	**INDAS Adjustments**	**INDAS Total**	**IGAAP**	**INDAS Adjustments**	**INDAS Total**
Non-current Assets						
Property, Plant and Equipment	5,266,380	-	5,266,380	9,475,221	-	9,475,221
Capital work-in-progress	-	-	-	324,461	-	324,461
Investment Property	2,650,026		2,650,026	2,650,026		2,650,026
Intangible Assets	14,533	-	14,533	3,618,989	-	3,618,989
	7,930,939	-	7,930,939	16,068,697	-	16,068,697
Non-current financial Assets						
Non-current Investments	62,712,233	-	62,712,233	66,594,433	-	66,594,433
Long-term Loans and Advances	41,712,193	-	41,712,193	44,969,954	-	44,969,954
Deferred Tax Assets (Net)	1,627,858	380,385	2,008,243	-	380,385	-
Advance Tax (Net)		(380,385)	(380,385)	-	(380,385)	-
	113,983,223	**-**	**113,983,223**	**127,633,084**	**-**	**127,633,084**
Current Assets						
Financial Assets						
Current Investments	18,538,343	-	18,538,343	93,669,910	-	93,669,910
Trade and other receivables	43,503	-	43,503	12,859,516	-	12,859,516
Cash and Cash Equivalents	28,986,706	-	28,986,706	52,932,014	-	52,932,014
Other current financial assets	47,756,862	-	47,756,862	49,734,791	-	49,734,791
Other Current Assets	1,380	-	1,380	7,093	-	7,093
	95,326,794	**-**	**95,326,794**	**209,203,324**	**-**	**209,203,324**
Total	**209,310,017**	**-**	**209,310,017**	**336,836,408**	**-**	**336,836,408**
Equity						
Equity Share capital	7,200,120	-	7,200,120	7,200,120	-	7,200,120
Other Equity	176,936,543	15,165,361	192,101,904	255,728,497	51,995,523	307,724,020
Equity attributable to equity holders of the parent	184,136,663	15,165,361	199,302,024	262,928,617	51,995,523	314,924,140
Non-controlling interests	-	-	-	-	-	-
Total Equity	**184,136,663**	**15,165,361**	**199,302,024**	**262,928,617**	**51,995,523**	**314,924,140**
Non-current Liabilities						
Financial Liabilities						
Long-term provisions	2,051,379	-	2,051,379	3,393,760	-	3,393,760
Deferred Tax Liabilities (net)		-	-	77,972	-	77,972
	2,051,379	**-**	**2,051,379**	**3,471,732**	**-**	**3,471,732**
Current Liabilities						
Financial Liabilities						
Trade Payables	4,966,327	-	4,966,327	12,984,407	-	12,984,407
Short-term Provisions	15,238,784	(15,165,361)	73,423	52,158,771	(51,995,523)	163,248
Other current liabilities	2,916,864	-	2,916,864	5,292,881	-	5,292,881
	23,121,975	**(15,165,361)**	**7,956,614**	**70,436,059**	**(51,995,523)**	**18,440,536**
Total	**209,310,017**	**-**	**209,310,017**	**336,836,408**	**-**	**336,836,408**

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS

Provision

Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.

Other Equity

In addition, as per Ind AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

c) Reconciliation statement of Profit and Loss as previously reported under IGAAP to Ind AS

	March, 2016 ₹			March, 2015 ₹		
Income	**IGAAP**	**INDAS Adjustments**	**INDAS Total**	**IGAAP**	**INDAS Adjustments**	**INDAS Total**
Revenue						
Rooms, Restaurants, Banquets and Other Income from Operations	-	-	-	393,049,521	-	393,049,521
Other Income	11,951,518	-	11,951,518	19,487,225	-	19,487,225
Total	**11,951,518**	**-**	**11,951,518**	**412,536,746**	**-**	**412,536,746**
Expenses	**IGAAP**	**INDAS Adjustments**	**INDAS Total**	**IGAAP**	**INDAS Adjustments**	**INDAS Total**
Operating Expenses	-	-	-	302,954,703	-	302,954,703
Employee Benefit Expense and Payment to Contractors	10,358,425	500,461	10,858,886	65,076,679	-	65,076,679
Finance Costs	-	-	-	-	-	-
Depreciation and Amortisation	297,489	-	297,489	1,728,030	-	1,728,030
Other Operating and General Expenses	10,247,206	-	10,247,206	38,551,655	-	38,551,655
Total	**20,903,120**	**500,461**	**21,403,581**	**408,311,067**	**-**	**408,311,067**
Profit/ (Loss) Before Tax and Exception items	(8,951,602)	(500,461)	(9,452,063)	4,225,679	-	4,225,679
Exceptional Items	(3,882,200)	-	(3,882,200)	(48,757,800)	-	(48,757,800)
Profit/ (Loss) Before Tax	**(12,833,802)**	**(500,461)**	**(13,334,263)**	**(44,532,121)**	**-**	**(44,532,121)**
Tax Expenses						
Current Tax	-	-	-	380,385	-	380,385
Deferred Tax	(1,705,830)	-	(1,705,830)	606,867	-	606,867
Minimum Alternative Tax Credit	-	-	-		-	-
Prior Years Tax Over/Under Provision Expenses	(570,415)	-	(570,415)	(380,385)	-	(380,385)
Total	**(2,276,245)**	**-**	**(2,276,245)**	**606,867**	**-**	**606,867**
Profit/ (Loss) for the period after tax and before share of associates and joint ventures	**(10,557,557)**	**(500,461)**	**(11,058,018)**	**(45,138,988)**	**-**	**(45,138,988)**
Add : Share of Profit / (Loss) of Associates	-	-	-	-	-	-
Add : Share of Profit / (Loss) of Joint ventures	-	-	-	-	-	-
Profit/(Loss) from discontinuing operations	(22,738,403)		(22,738,403)	216,909	-	216,909
Profit/ (Loss) After Tax and share of associates and joint ventures before Minority	**(33,295,960)**	**(500,461)**	**(33,796,421)**	**(44,922,079)**	**-**	**(44,922,079)**
Less: Minority Interest	-	-	-	-	-	-
NET PROFIT	**(33,295,960)**	**(500,461)**	**(33,796,421)**	**(44,922,079)**	**-**	**(44,922,079)**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

	IGAAP	INDAS Adjustments	INDAS Total	IGAAP	INDAS Adjustments	INDAS Total
Other Comprehensive income, net of tax						
Items that will not be reclassified subsequently to profit and loss						
Remeasurement of defined benefit obligation	-	500,461	500,461	-	-	-
	-	500,461	500,461	-	-	-
Total Comprehensive Income for the period	**(33,295,960)**	**-**	**(33,295,960)**	**(44,922,079)**	**-**	**(44,922,079)**
Profit/ (Loss) for the period attributable to:						
Owners of the Company	(33,295,960)	(500,461)	(33,796,421)	(44,922,079)	-	(44,922,079)
	(33,295,960)	**(500,461)**	**(33,796,421)**	**(44,922,079)**	**-**	**(44,922,079)**
Total Comprehensive Income for the period attributable to						
Owners of the Company	(33,295,960)	-	(33,295,960)	(44,922,079)	-	(44,922,079)
	(33,295,960)	**-**	**(33,295,960)**	**(44,922,079)**	**-**	**(44,922,079)**

Explanations for reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS

A) Employee benefit expenses

a) As per Ind AS 19 employee benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.

b) Adjustment reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings.

B) Deferred and contingent consideration pertaining to acquisition

'Adjustments reflect impact of discounting pertaining to deferred consideration and contingent consideration payable for business combinations.

C) Current Tax

Tax component on actuarial gains and losses which is transferred to other comprehensive income under Ind AS

Notes to Financial Statements for year ended March 31, 2017 (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 (Refer Footnote (i)							
At April 1, 2015	4,191,193	4,130,600	687,048	466,380	-	9,475,221	324,461
Additions	-	163,173	-	-	-	163,173	-
Adjustment	-	-	-	-	-	-	-
Disposals/ Transfer		2,895,478	627,804	460,463	-	3,983,745	324,461
At March 31, 2016	**4,191,193**	**1,398,295**	**59,244**	**5,917**	**-**	**5,654,649**	**-**
Additions	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Disposals/ Transfer	-	-	-	-	-	-	-
At March 31, 2017	**4,191,193**	**1,398,295**	**59,244**	**5,917**	**-**	**5,654,649**	**-**
Depreciation							
Charge for the year	77,994	479,003	58,622	41,481	-	657,100	-
Adjustments	-	-	-	-	-	-	-
Disposals		173,849	53,927	41,055	-	268,831	-
At March 31, 2016	**77,994**	**305,154**	**4,695**	**426**	**-**	**388,269**	
Charge for the year	77,994	304,625	4,695	426		387,740	
(Refer Footnote (iv))	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At March 31, 2017	**155,988**	**609,779**	**9,390**	**852**	**-**	**776,009**	
Net Block							
At March 31, 2016	**4,113,199**	**1,093,141**	**54,549**	**5,491**	**-**	**5,266,380**	**-**
At March 31, 2017	**4,035,205**	**788,516**	**49,854**	**5,065**	**-**	**4,878,640**	**-**

Footnotes :

(i) On transition to Ind AS, carrying value of all the property, plant and equipments under the previous GAAP is considered as the deemed cost under Ind AS.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

4: Intangible Assets (Acquired)

	Software (Refer Footnote (i))	Total
Cost (Refer Footnote (i)		₹
At April 1, 2015	3,618,989	3,618,989
Additions		-
Adjustments		-
Disposals	3,568,034	3,568,034
At March 31, 2016	**50,955**	**50,955**
Additions	-	-
Adjustments		-
Disposals	-	-
At March 31, 2016	**50,955**	**50,955**
Amortisation		
At April 1, 2015		-
Charge for the year	41,328	41,328
Adjustments		-
Disposals	4,906	4,906
At March 31, 2016	**36,422**	**36,422**
Charge for the year	2,948	2,948
Adjustments		-
Disposals	-	-
At March 31, 2017	**39,370**	**39,370**
Net Block		
At March 31, 2016	**14,533**	**14,533**
At March 31, 2017	**11,585**	**11,585**

Footnote:

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.

5: Investments

	March 31, 2017		March 31, 2016		April 1, 2015	
Non Current Investments	**Holdings As at**	₹	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	12,450	21,240,860
Taj Trade & Transport Compnay Ltd shares of Rs 10/- each fully paid-up	550,766	**28,311,373**	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	6,580,000	65,800,000
	7,143,216	**115,352,233**	7,143,216	115,352,233	7,143,216	115,352,233
Total Non-current Investments - Gross		**115,352,233**		115,352,233		115,352,233
Less : Provision for Diminution in value of Investments **		**(52,640,000)**		(52,640,000)		(48,757,800)
Total Non-current Investments - Net		**62,712,233**		62,712,233		66,594,433

Footnotes :

1) Aggregate of Unquoted Investments - Gross	**115,352,233**	115,352,233	115,352,233
2) Aggregate amount of impairment in value of investments	**(52,640,000)**	(52,640,000)	(48,757,800)

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, 2017 (Contd.)

6 : Loans

		March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
A)	**Non Current**			
	(Unsecured, considered good unless stated otherwise)	-	-	-
	Capital Advances	-	-	-
	Security Deposit to related parties	-	-	-
	Loans and advances to Employees			
	Security Deposit	106,000	268,000	3,409,721
		106,000	268,000	3,409,721
	Other loans and advances			
	Advance income tax paid (net of provision for tax)	40,038,767	41,063,808	41,179,848
	MAT Credit entitlement	380,385	380,385	380,385
		40,419,152	41,444,193	41,560,233
		40,525,152	**41,712,193**	**44,969,954**
B)	**Current**			
	(Unsecured, considered good unless stated otherwise)			
	Loans and Advances to Employees	-	64,557	74,434
	Related Parties	40,000,000	40,555,739	42,800,000
	Interest Receivable	336,395	494,218	855,485
	Others	7,977,370	6,642,348	6,004,872
		48,313,765	**47,756,862**	**49,734,791**

7: Deferred Tax Assets / (Liabilities) (Net)

	March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
Deferred Tax Assets:			
Provision for Employee Benefits	586,155	955,421	1,513,255
Others	1,324,473	1,398,968	983,039
Total (A)	**1,910,628**	**2,354,389**	**2,496,294**
Deferred Tax Liabilities:			
Property, Plant and equipment & Intangible Assets	663,507	726,531	2,574,266
Total (B)	**663,507**	**726,531**	**2,574,266**
Net Deferred Tax Assets /(Liabilities) (A-B)	**1,247,121**	**1,627,858**	**(77,972)**

8: Investments

	March 31, 2017		March 31, 2016		April 1, 2015	
Current Investments	**Holdings As at**	₹	Holdings As at	₹	Holdings As at	₹
Investments in Mutual Fund Units (Unquoted)						
Birla Sun Life Cash Plus	193,963	19,434,213	185,022	18,538,343	436,553	43,740,450
Kotak Mutual fund Liquid	-	-	-	-	463	566,062
ICICI Prudential Money Market	-	-	-	-	30,991	3,103,211
JP Morgan India Liquid Fund	-	-	-	-	519,190	5,206,394
Franklin Templeton Mutual fund	-	-	-	-	41,024	41,053,793
TOTAL		19,434,213		18,538,343		93,669,910
1. Aggregate amount of cost of quoted Investments		19,434,213		18,538,343		93,669,910
2. Aggregate market value of quoted Investments		19,434,213		18,538,343		93,669,910

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

9: Trade and other receivables

	March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
Exceeding six months from the date they were due for payment:			
Considered good	-	-	4,623,790
Considered doubtful	7,807,181	7,807,181	400,000
	7,807,181	**7,807,181**	**5,023,790**
Others :			
Considered good	-	43,503	8,235,726
	-	**43,503**	**8,235,726**
Less : Provision for Debts doubtful of recovery			
Exceeding Six Month	7,807,181	7,807,181	400,000
	7,807,181	7,807,181	400,000
	-	**43,503**	**12,859,516**

10: Cash and Cash Equivalents

	March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
Cash on hand	-	-	15,445
Cheques, Drafts on hands	341,860	200,000	1,168,958
Balances with bank in current account	974,907	822,559	3,418,407
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**-**	**-**	**38,473,075**
	1,316,767	**1,022,559**	**43,075,885**

11: Bank Balances Other than Cash and Cash Equivalents

	March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
Other Balances with banks			
Call and Short-term deposit accounts more than 3 months and less than 12 months	4,630,584	27,964,147	9,856,129
	4,630,584	**27,964,147**	**9,856,129**

12: Other Assets

	March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
Current			
Prepaid Expenses	227,096	1,380	7,093
	227,096	**1,380**	**7,093**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

13: Share Capital

		March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
1	**Authorised Share capital**			
	a) Equity Shares			
	750,000 (Previous Year 750,000) Equity Shares of ₹ 10 each	**7,500,000**	7,500,000	7,500,000
	b) Preference Shares			
	12,000,000 (Previous Year 12,000,000) 6% Cumulative Optionally Convertible Preference Shares of ₹ 10 each	**120,000,000**	120,000,000	120,000,000
	c) Unclassified Shares			
	17,250,000 (Previous Year 17,250,000) Unclassified Shares of ₹ 10 each	**172,500,000**	172,500,000	172,500,000
		300,000,000	300,000,000	300,000,000
2	**Issued, Subscribed and Paid up**			
	a) Equity Shares			
	720,012 (Previous Year 720,012) Equity Shares of ₹ 10 each fully paid	**7,200,120**	7,200,120	7,200,120
	Total	**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, 2017		March 31, 2016		April 1, 2015	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Equity share of Rs 10/-each fully paid						
The Indian Hotels Company Limited	**240,004**	**33.33%**	240,004	33.33%	240,004	33.33%
TIFCO Holding Lmited	**99,005**	**13.75%**	99,005	13.75%	99,005	13.75%
Taj Trade and Transport company Limited	**72,001**	**10.00%**	72,001	10.00%	72,001	10.00%
Piem Hotels Limited	**189,002**	**26.26%**	189,002	26.26%	189,002	26.26%
Taj Enterprises Limited	**72,000**	**10.00%**	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, 2017		March 31, 2016		April 1, 2015	
	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
Opening Balance	**720,012**	**7,200,120**	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	720,012	7,200,120

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

Name of the Company	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Shares held by Ultimate Holding Company						
The Indian Hotels Company Limited	**240,004**	**33.33%**	240,004	33.33%	240,004	33.33%
	240,004	**33.33%**	240,004	33.33%	240,004	33.33%

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Shares held by Subsidiary of Ultimate Holding Company						
Piem Hotels Limited	**189,002**	**26.26%**	189,002	26.26%	189,002	26.26%
Taj Trade and Transport Company Limited	**72,001**	**10.00%**	72,001	10.00%	72,001	10.00%
TIFCO Holding Lmited	**99,005**	**13.75%**	99,005	13.75%	99,005	13.75%
Taj Enterprises Limited	**72,000**	**10.00%**	72,000	10.00%	72,000	10.00%
Northen Indian Hotels Limited	**24,000**	**3.33%**	24,000	3.33%	24,000	3.33%
	456,008	**63.34%**	456,008	63.34%	456,008	63.34%

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

14: Statement of Changes in Equity

₹

Particulars	Equity Share Capital Subscribed	Other Equity				Total
		Reserves and Surplus				
		Capital Reserve	General Reserve	Other reserves	Retained Earnings	
Balance as at April 1, 2015	7,200,120	1,550,000	51,918,242	120,000,000	134,255,778	314,924,140
Profit for the year ended March 31, 2016					(33,796,421)	(33,796,421)
Other Comprehensive Income for the year ended March 31, 2016, net of taxes (excluding actuarial gain/ losses, given below)						-
Remeasurements of post employment benefit obligation, net of tax					500,461	500,461
Total Comprehensive Income for the year ended March 31, 2016	**-**	**-**	**-**	**-**	**(33,295,960)**	**(33,295,960)**
Add/ Less:						
Dividends					(68,401,140)	(68,401,140)
Tax on Dividend					(13,925,016)	(13,925,016)
						-
Balance as at March 31, 2016	**7,200,120**	**1,550,000**	**51,918,242**	**120,000,000**	**18,633,662**	**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**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

15: Provisions

	March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
A) Long term provisions			
Employee Benefit Obligation (Non-current)			
Leave Encashment	706,220	324,658	598,052
Gratuity	2,161,946	1,726,721	2,795,708
	2,868,166	2,051,379	3,393,760
B) Short term provisions			
Employee Benefit Obligation (Current)			
Leave Encashment	**70,694**	28,138	92,239
Gratuity	**9,666**	45,285	71,009
	80,360	73,423	163,248

16: Trade Payables

	March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
Micro and Small Enterprises			
Vendor Payables	129,638	1,039,853	5,082,044
Accrued expenses and others	3,826,054	3,926,474	7,902,363
	3,955,692	**4,966,327**	**12,984,407**

17: Other non financial Liabilities

	March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
Current			
Statutory dues	107,940	191,815	997,769
Related Parties	261,281	-	-
Others	794,305	2,725,049	4,295,112
	1,163,526	**2,916,864**	**5,292,881**

18: Other Income

	March 31, 2017 ₹	March 31, 2016 ₹
Interest Income from financial assets at amortised cost		
Interest Income		
Deposits with banks (Tax deducted at source ₹ 71,792/- (Previous Year ₹ 321,059/-)	**735,502**	3,210,598
Deposits with Related Parties	**4,235,841**	4,455,956
Others	**-**	749,392
Total	**4,971,343**	8,415,946
Dividend received on Investment carried at cost		
Dividend Income - Non-Current (Non Trade)	**1,376,915**	1,376,915
Dividend Income - Current Investment	**895,870**	1,983,338
Others	**610,798**	175,319
Total	**7,854,926**	11,951,518

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

19: Employee Benefit Expense and Payment to Contractors

	March 31, 2017 ₹	March 31, 2016 ₹
Salaries, Wages, Bonus etc.	**3,642,887**	2,951,866
Company's Contribution to Provident and Other Funds	**961,504**	604,807
Reimbursement of Expenses on Personnel Deputed to the Company	**475,661**	6,522,101
Staff Welfare Expenses	**188,777**	780,112
Total	**5,268,829**	10,858,886

20: Other expenses

	March 31, 2017 ₹	March 31, 2016 ₹
Other expenses consist of the following :		
Rent Rates and Taxes	**48,109**	1,120,558
Electricity	**-**	2,673
Repairs and Maintenance	**39,500**	175,575
Insurance	**85,282**	317,225
Credit Cards Charges	**-**	2,481
Legal and Professional Charges	**651,292**	3,276,309
Payment made to Statutory Auditors (Refer Footnote (i))	**115,000**	254,267
Provision for contingency expenses	**-**	2,073,199
Miscellaneous Expenses	**708,051**	1,608,324
Loss on Sale of Assets	**-**	718,726
Assets Written Off	**-**	697,869
Total	**1,647,234**	10,247,206

Footnotes:

(i) Payment made to Statutory Auditors:

	March 31, 2017 ₹	March 31, 2016 ₹
As auditors	**115,000**	172,500
As tax auditors	**-**	57,500
For out-of pocket expenses		24,267
	115,000	254,267

21: Profit/ (Loss) on Discontinued Operations

	March 31, 2017 ₹	March 31, 2016 ₹
Income from discontinued operation:		
Car Hire Income	**-**	857,581
Rental Income	**360,000**	360,000
	360,000	1,217,581
Expenses from discontinued operation:		
Salaries, Wages, Bonus etc.	**1,523,201**	1,141,559
Reimbursement of Expenses on Personnel Deputed to the Company	**3,787,411**	9,235,591
Car hire expenses	**-**	1,053,337
Repairs & Maintenance	**-**	66,715
Electricity	**40,460**	58,440
Depreciation	**119,953**	400,939
Loss on sale of Assets	**-**	379,366
Assets written off	**-**	4,212,856
Provision for Doutful Debts	**-**	7,407,181
	5,471,025	23,955,984
Total	**(5,111,025)**	(22,738,403)

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

22. Contingent Liabilities:

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

Particulars	**March 31, 2017**	March 31, 2016
	₹	₹
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. Current, Deferred Tax :

Income Tax relating to continuing Operations

Income Tax expenses recognised in the statement of Profit and loss a/c:

Particulars	**Year ended 31st March 2017**	Year ended 31st March 2016
Current Tax	₹	₹
In respect of the current year	-	-
In repect of earlier years	1,274,333	(570,415)
MAT Credit	-	-
	1,274,333	(570,415)
Deferred Tax		
In respect of the current year		
MAT credit	-	-
Other items	109,427	(1,702,116)
Deferred tax reclassfied from equity to profit and loss, if any		
Adjustment to deferred tax attributable to changes in tax rates and laws	271,310	(3,714)
	380,737	(1,705,830)
Total tax expense recognised in the current year relating to continuing operations	1,655,070	(2,276,245)

Reconciliation of tax expense with the effective tax	**Year ended 31st March 2017**	Year ended 31st March 2016
	₹	₹
Profit before tax from continuing operations (a)	(4,484,856)	(36,072,666)
Income tax rate as applicable (b)	25.75%	30.90%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)] - C	(1,154,850)	(11,146,454)
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	(585,242)	(1,038,318)
Permanent disallowances	1,864,415	10,516,028
Deductions under section 24 of Income tax act	(27,810)	(33,372)
Effect on deferred tax balances due to the change in income tax rate from 30.90% to 25.75% (effective)	284,224	(3,714)
D	1,535,587	9,440,624
Tax for current year	380,737	(1,705,830)
Prior year taxes as shown above	1,274,333	(570,415)
Income tax expense recognised in profit or loss (relating to continuing operations)	1,655,070	(2,276,245)

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Movement in Deferred Tax Asset and Liability during the year ended March 31, 2016 and March 31, 2017

Particulars	Closing Balance as on 31st March 2015	Credit /(charge) in statement of profit and loss a/c	Closing Balance as on 31st March 2016	Credit /(charge) in statement of profit and loss a/c	Closing Balance as on 31st March 2017
Deferred tax liabilities/ assets in relation to:					
Provision for Employee Benefits	1,513,255	(557,834)	955,421	(369,266)	586,155
Unabsorbed Depreciation	853,259	453,009	1,306,268	(59,045)	1,247,223
Others	129,780	(37,080)	92,700	(15,450)	77,250
Depreciation on Fixed Assets	(2,574,266)	1,847,735	(726,531)	63,024	(663,507)
Total	(77,972)	1,705,830	1,627,858	(380,737)	1,247,121
					-
Total Deferred Tax Assets /(Liabilities)	(77,972)	1,705,830	1,627,858	(380,737)	1,247,121

No deferred tax asset has been created in respect of carried forward business loss and capital loss as there is no probable certainty of having adequate taxable profit in the near future to realise such asset.

24. Particulars of earnings per share :

₹

Particulars	**March 31, 2017**	March 31, 2016
Net profit /(loss) for the year as per the statement of profit and loss	**(6,139,926)**	(33,796,421)
Profit / (loss) to equity share holders	**(6,139,926)**	(33,796,421)
Weighted average number of equity shares	**720,012**	720,012
Nominal value per share	**10**	10
Earnings per share – Basic & Diluted	**(8.53)**	(46.94)

25. Closure of Units :

a) The Company discontinued its printing, electroplating, other operations and Car Hire division with effect from March 2001 and December 2014 respectively. As at March 31, 2017, the Company carried the following assets and liabilities of discontinued operations:

Particulars	**March 31, 2017**		**March 31, 2016**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Divisions				
Printing	-	58,669	-	58,669
Others	6,649,270	253,000	6,763,223	275,000
Car Hire	100,000	843,014	584,109	712,178
Total	**6,749,270**	**1,154,683**	**7,347,332**	**1,045,847**

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

The Company has incurred Loss of ₹ 51,11,025/- (Previous Year Loss of ₹ 2,27,38,403/-) from discontinued business, which is included in the Profit and Loss Account, break-up of which is given as under:

Particulars	March 31, 2017			March 31, 2016		
	Revenue	Expenses	Profit/(Loss)	Revenue	Expenses	Profit/(Loss)
Divisions						
Printing	-	-	-	-	-	-
Others	**360,000**	**160,413**	**199,587**	360,000	203,149	156,851
Car Hire		**5,310,612**	**(5,310,612)**	857,581	23,752,835	(22,895,254)
Total	**360,000**	**5,471,025**	**(5,111,025)**	**1,217,581**	**23,955,984**	**(22,738,403)**

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. 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 2017 ₹	March 31 2016 ₹
(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	-	-

28. Employee Benefits

Applicable Disclosures as per IND AS 19 :

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

(A) <u>Defined contribution plans</u>

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 31,2017 ₹	March 31, 2016 ₹
Provident fund	**2,30,925**	2,10,743

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(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, 2017 : -

Principal Actuarial Assumptions as at 31st March 2017.

		March 31,2017	March 31, 2016
		₹	₹
(i)	**Amount to be recognised in Balance Sheet and movement in net liability**		
	Present Value of unfunded defined benefit obligation	2,171,612	1,772,006
	Net (Assets) / Liability	2,171,612	1,772,006
(ii)	**Expense recognised in Statement of Profit & Loss**		
	Current service cost	138,355	189,126
	Interest cost	140,649	227,044
	Total		
(iii)	**Expense recognised in Other Comprehensive Income Remeasurements due to:**		
	Changes in financial assumptions	160,334	(18,513)
	Experience adjustments	(1,076)	(481,948)
	Adjustment to recognise the effect of asset ceiling		
	Total	159,258	(500,461)
(iv)	**Reconciliation of Defined Benefit Obligation :**		
	Opening Defined Benefit Obligation	1,772,006	2,866,717
	Current service cost	138,355	189,126
	Interest cost	140,649	227,044
	Remeasurements due to actuarial loss/ (gain) arising from		
	Changes in financial assumptions	160,334	(18,513)
	Experience adjustments	(1,076)	(481,948)
	Benefits Paid	(38,656)	(1,010,420)
	Closing Defined Benefit Obligation	2,171,612	1,772,006
(v)	**Reconciliation of Fair Value of Plan Assets**		
	Contribution by Employer	38,656	1,010,420
	Benefits Paid	(38,656)	(1,010,420)
	Closing of Fair Value of Plan Assets	-	-
(vi)	**Acturial Assumptions**		
	Discount rate(p.a.)	7.30%	8.04%
	Salary Escalation rate (p.a.)	7%	7%
	Pension Escalation Rate (p.a.)	-	-
	Annual Increase in healthcare costs (p.a.)	-	-
	Mortality table(LIC)	-	-
(vii)	**Sensitivity Analysis**		

	March 31, 2017	
	Discount rate	Salary Escalation rate
	(%)	(%)
Impact of increase in 50 bps on DBO	-5.08%	5.48%
Impact of decrease in 50 bps on DBO	5.50%	-5.12%

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

	March 31,2017 ₹	March 31, 2016 ₹

(viii) 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

29. Related Party Disclosure IND AS – 24, 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 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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

Particulars	Holding Company		Subsidiaries of Holding Company	
	2016-17	2015-16	2016-17	2015-16
	₹	₹	₹	₹
Reimbursement of Deputed Staff Salary	**7,132,959**	15,757,692	**-**	-
ICD received back	**-**	-	**-**	-
Dividend received	**-**	-	**1,376,915**	1,376,915
Dividend Paid	**4,200,070**	22,800,380	**8,400,141**	43,320,760
Rental Income	**360,000**	360,000	**-**	-
Sale or services rendered		1,023,431	**-**	-
Due from Current Account	**(261,281)**	633,242	**-**	(86,603)

Particulars	Associates of Holding Company		Joint Ventures	
	2016-17	2015-16	2016-17	2015-16
Interest Accrued	-	-	**645,170**	1,727,753
Interest Received on ICD	-	-	**4,235,841**	4,455,956
Inter Corporate Deposits outstanding	-	-	**40,000,000**	40,000,000

E. Statement of material transactions:

Company name	March 31 2017	March 31 2016
	₹	₹
Holding Company		
The Indian Hotels Company Limited		
Rental Income	**360,000**	360,000
Dividend paid	**4,200,070**	22,800,380
Reimbursement of Deputed Staff Salary	**7,132,959**	15,757,692
Sales or Services	**-**	1,023,431
Current Account dues	**(261,281)**	633,242
Subsidiaries of Holding Company		
Piem Hotels Limited		
Dividend paid	**3,307,535**	17,955,190
Taj Trade & Transport Company Limited		
Dividend paid	**1,260,018**	6,840,095
Dividend Received	**1,376,915**	1,376,915
Current Account dues	**-**	(86,603)
TIFCO Holdings Limited		
Dividend paid	**1,732,588**	9,405,475
Taj Enterprises Limited		
Dividend paid	**1,260,000**	6,840,000
Northern India Hotels Limited		
Dividend paid	**840,000**	2,280,000
Joint Ventures		
Taj Safaris Limited		
Interest Income on Inter Corporate Deposits	**4,235,841**	4,455,956
Interest Accured	**645,170**	1,727,753
Inter Corporate Deposits outstanding	**40,000,000**	40,000,000

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

30. The details of provisions as required by the provisions of Accounting Standard 29 "Provisions, contingent Liabilities and Contingent Assets" are as under:

Nature of Provision	Leave Encashment & Gratuity ₹
Opening Balance	2,124,802
Additional provisioning	868,891
Amounts used during the year	45,167
Amounts reversed during the year	-
Closing Balance	**2,948,526**

31. 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.

32. The Company has investment in property amounting to ₹ 26,08.067/- (PY ₹ 26,50,026/-) where the right to title is executed through registered power of attorney.

33. Additional information :

Sr No.	Particulars	March 31, 2017 ₹	March 31, 2016 ₹
(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

34. Sale of Services:

	March 31, 2017 ₹	March 31, 2016 ₹
Car Hire and Other services	**NIL**	**857,581**

35. Disclosure on Specified Bank Notes (SBN's)

During the year, the company had specified Bank Notes or other denomination note as defined in the MCA Notifications G.S.R.308 (E) dated March 31, 2017 on the details of Specified Bank Notes(SBN's) held and transacted during the period from November 8, 2016 to December 30, 2016. The denomination wise SBN's and other notes as per notification is given below:-

Particulars	SBN's*	Other denomination Notes	Total
Closing Cash in hand as on November 8, 2016	-	-	-
Add: Permitted Receipt	-	-	-
Less: Permitted Payments	-	-	-
Less: Amount Deposited in Bank	-	-	-
Closing Cash in hand as on December 30, 2016	-	-	-

*For the purpose of this clause the terms Specified Bank Notes shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance, Department of Economic affairs no.SO 3407 (E) dated 8th November 2016.

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

Signature to Schedule 1 to 36

For Chandrashekhar Iyer & Co.
Chartered Accountants
Chandrashekhar Iyer
Proprietor
M. No. 47723
Firm Registration No. 114260W

For and behalf of the Board

Faisal Momen	**Nabakumar Shome**	**Himanshu Jain**
Director	Director	Director
DIN:00064878	DIN:03605594	DIN:06890639

Place: Mumbai
Date: May 4, 2017

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries													
Sr. No	Name of Subsidiary Company	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

			Shares held by the company on the year end				Profit/ loss for the year			
Sr. No.	Name of Associates/ Joint Ventures	Latest Audited Balance sheet date	No. of shares	Amount of Investment	Extent of Holding %	Networth attributable to shareholding as per latest audited Balance Sheet	Considered in Consolidation (to the extent of Group's effective shareholding)	Not Considered in Consolidation	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
				₹		₹	₹	₹		
	Associates									
	Indian									
1	TAJ ENTERPRISES LTD	31-Mar-17	12,450	21,240,860	24.90	9,896,754	314,951	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 on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Himanshu Jain
Director
DIN : 06890639

Mumbai, May 4,2017

DIRECTORS AND CORPORATE INFORMATION

KTC HOTELS LIMITED

Board of Directors
Mr. Prabhat Verma M
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 2017 and the Auditor's Report thereon.

FINANCIAL RESULTS

(Amount in ₹ lakhs)

Particulars	**2016-17**	**2015-16**
Total Income	50.72	38.29
Expenditure	1.46	1.67
Earnings before interest, tax and Depreciation and amortization	49.26	36.62
Less: Depreciation and Amortization Expenses	6.34	6.34
Less: Finance Costs	0.74	0.67
Profit/Loss Before Tax	42.18	29.61
Less: Tax Expense	0.61	7.57
Profit After Tax	41.57	22.04
Add: Profit Bought forward form last balance sheet	159.82	137.78
Less: Prior period Taxation	-	-
Less: Dividend/ Dividend Distribution Tax	-	-
Less: Transfer to General Reserve	-	-
Net Profit transferred to Balance sheet	201.39	159.82

FINANCIAL PERFORMANCE

The Company achieved a total revenue of ₹ 50.72 lakhs during the year compared to previous year ₹ 38.29 lakhs. The Company generated profit post tax of ₹ 41.57 Lakhs which is higher as compared to ₹ 22.04 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 2017, the issued, subscribed and paid-up share capital of the Company comprised of 6,04,000 Equity Shares of ₹10 each aggregating to ₹ 60,40,000/-. The Company has not issued any shares during the year under review.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain class of Companies. The Company has adopted the Ind AS for the financial year 2016-17 and the financials of the Company are prepared in accordance with the provisions of Ind AS as notified by the Ministry of Corporate Affairs.

DIRECTORS

As per the provisons of Section 152 of the Companies Act, 2013, Mr. Prabhat Verma Mukundsahay is liable to retire by rotation, and has offered himself for re-appointment. The Board commends item No. 3 for their approval as ordinary resolution for his re-appointment.

The other Directors on the Board are Mr. Visvanthan Mohan and Mr. Ashok Binnani.

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 5 (Five) times during the year 2016-17.

DETAILS OF MEETINGS HELD DURING THE FINANCIAL YEAR 2016-2017

QUARTER	BOARD MEETINGS	GENERAL MEETINGS
April to June	28.04.2016	Nil
July to September	22.07.2016 13.09.2016	AGM: 31.07.2016 EGM : 13.09.2016
October to December	21.10.2016	Nil
January to March	27.01.2017	Nil
TOTAL NUMBER OF MEETINGS HELD	**5**	**2**

DETAILS OF MEETINGS ATTENDED BY EACH DIRECTOR FOR THE FINANCIAL YEAR 2016-2017:

DIRECTORS	DIN	NUMBER OF BOARD MEETINGS ATTENDED	NUMBER OF GENERAL MEETING ATTENDED
Mr. Visvanthan Mohan	00215718	5	2
Mr. Ashok Binnani	03326335	3	1
Mr. Prabhat Verma Mukundsahay	06548864	5	2

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

With a view to conserve resources, no dividend has been recommended by the Directors.

AUDITORS

M/s. Varma & Varma, Chartered Accountants, Calicut, (having FRN : 004532S) were appointed as the Company's Statutory Auditors for a period of one year at the previous Annual General Meeting.

M/s. Varma & Varma, Chartered Accountants, Calicut, (having FRN : 004532S) have provided their consent to act as Statutory Auditors of the Company for a period of five years subject to ratification of the shareholders at the forthcoming Annual General Meeting and consent of the Auditors every year.

The Board recommends the appointment of M/s. Varma & Varma, Chartered Accountants, Calicut, (having FRN: 004532S) as Statutory Auditors of the Company. The members are requested to authorize the Board of Directors to fix their remuneration.

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 2017.

The Company is neither having Joint Venture or Associate Companies as on 31st March 2017.

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:

(i) Steps taken or impact on conservation of energy: Not applicable

(ii) Steps taken by the company for utilizing alternate sources of energy: Not applicable

(iii) 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 financials 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 advanced loan to Taj Air Limited after obtaining necessary approval from the members and the Board of Directors. 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 2016-17

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 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 Verma M
Director
(DIN : 06548864)

V. Mohan
Director
(DIN: 00215718)

Place : Cochin
Dare : April 28, 2017

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 31st March, 2017

[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	:	22/12/1984
3)	Name of the Company	:	KTC 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: investorrelations@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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Hotels	691	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. 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. 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				% 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**	**6,04,000**	**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):-	-	-	-	-	-	-	-	-	-

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	
2. Non-Institution	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-				-				
ii) Overseas	-	-	-	-	-	-	-	-	-
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)	**-**	**6,04,000**	**6,04,000**	**100**	**-**	**6,04,000**	**6,04,000**	**100**	**-**

(ii) Shareholding of Promoters

S. 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)	5,03,698	83.39	0	5,03,698	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	**6,04,000**	**100**	**0**	**6,04,000**	**100**	**0**	**0**

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

Sl. No.	Particulars	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	6,04,000	100	-	-
	Datewise Increase/Decrease in Promoters Shareholding during the year	-	-	-	-
	At the end of the Year	-	-	6,04,000	100

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

Sl. No.	Particulars	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

No.	Particulars	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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	7,44,883	-	7,44,883
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	7,44,883	-	7,44,883
Change in Indebtedness during the financial year				
• Addition	-	73,806	-	73,806
• Reduction	-	-	-	-
Net Change	-	73,806	-	73,806
Indebtedness at the end 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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		NIL	
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	Not Applicable	
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others specify…		
5.	**Total (A)**	-	-
	Ceiling as per the Act		

B. Remuneration to Other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total
		Mr. V Mohan	Mr. Prabhat Verma M	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

SI. 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 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 Verma M
Director
(DIN : 06548864)

V. Mohan
Director
(DIN: 00215718)

Place : Cochin
Dare : April 28, 2017

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; ₹ 36,47,501
   - (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 Verma M
Director
(DIN : 06548864)

V. Mohan
Director
(DIN: 00215718)

Place : Cochin
Dare : April 28, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of KTC HOTELS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of KTC Hotels Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, 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 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 financial position of the Company as at 31 March, 2017, 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 31st March 2017taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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 20.2 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.

      iv. the Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016

For Varma and Varma
Chartered Accountants
FRN:004532S

S.Raghunandan
Partner
M No. 23592

Place : Calicut
Date : April 28, 2017

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 2017, 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 given any security or given any guarantee for which the provisions of sections 185 and 186 of the Companies Act, 2013 are applicable. In our opinion and according to the information and explanations given to us, the loan given by the company are in compliance with the provisions of sections 185 and 186 of the Act.

(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) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records to the company as per the Companies (Cost Records and Audit) Rules, 2014 issued by the Central Government under section 148(1) of the Companies Act, 2013.

(a) As per the information and explanation given to us and according to our examination of the records of the company, the company has been generally regular in depositing applicable statutory dues during the year with the appropriate authorities.

According to the explanations given to us, there are no arrears of undisputed statutory dues outstanding for a period of more than six months from the date on which they become payable.

(b) According to information and explanations given to us, the following dues of income tax and service tax has not been deposited by the Company on account of disputes;

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 Year2007 – 08 and 2008 –09	Office of the Commissioner of Central Excise, Customs and Service Tax(Appeals), Cochin

*Out of the above, an amount of ₹ 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) Since the Company is not a Nidhi Company, the relative reporting requirements in this regard 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 177 and 188 of the Companies Act, 2013 wherever applicable and details have been disclosed in Note No. 20.7 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
FRN:004532S

S.Raghunandan
Partner
M No. 23592

Place : Calicut
Date : April 28, 2017

ANNEXURE TO 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, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design,implementation and maintenance of adequate internal financial controls that were operatingeffectively for ensuring the orderly and efficient conduct of its business, including adherence tocompany's policies, the safeguarding of its assets, the prevention and detection of frauds anderrors, 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 overfinancial reporting based on our audit. We conducted our audit in accordance withthe 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 prescribedunder section 143(10) of the Companies Act, 2013, to the extent applicable to an audit ofinternal financial controls, both applicable to an audit of Internal Financial Controls and, bothissued by the Institute of Chartered Accountants of India. Those Standards and the GuidanceNote require that we comply with ethical requirements and plan and perform the audit toobtain reasonable assurance about whether adequate internal financial controls over financialreporting 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 ofthe internal financial controls system over financial reporting and their operating effectiveness.Our audit of internal financial controls over financial reporting included obtaining anunderstanding of internal financial controls over financial reporting, assessing the risk that amaterial 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'sjudgement, including the assessment of the risks of material misstatement of the financialstatements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to providereasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accountingprinciples. A company's internal financial control over financial reporting includes those policiesand 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, includingthe possibility of collusion or improper management override of controls, material misstatementsdue to error or fraud may occur and not be detected. Also, projections of any evaluation of theinternal financial controls over financial reporting to future periods are subject to the risk that theinternal financial control over financial reporting may become inadequate because of changes inconditions, 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, 2017, 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
FRN:004532S

S.Raghunandan
Partner
M No. 23592

Place : Calicut
Date : April 28, 2017

Balance Sheet as at March 31, 2017

Particulars	Note	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	**3,12,42,249**	3,18,76,048	3,25,09,847
(b) Financial Assets				
Other financial assets	5	**16,913**	16,913	16,913
(c) Other non-current assets	6	**7,50,113**	6,35,883	6,35,883
(d) Income tax assets (Net)		**20,12,853**	18,82,487	17,21,205
Total non-current assets		**3,40,22,128**	3,44,11,331	3,48,83,848
(2) Current assets				
(a) Financial Assets				
(i) Trade receivables	7	**11,00,114**	2,20,66,787	2,00,31,443
(ii) Cash and cash equivalents	8(a)	**6,07,870**	19,896	2,20,010
(iii) Bank Balances other than Cash and Cash Equivalent	8(b)	**9,20,000**	9,08,786	6,55,850
(iv) Loans	4	**2,30,00,000**	6,807	-
(v) Other financial assets	5	**1,31,492**	35,605	27,868
(b) Other current assets		**-**	-	-
Total current assets		**257,59,476**	2,30,37,881	2,09,35,171
TOTAL		**5,97,81,604**	5,74,49,212	5,58,19,019
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	9	**60,40,000**	60,40,000	60,40,000
(b) Other Equity	10	**2,34,38,881**	1,92,81,755	1,70,77,655
Total equity		**2,94,78,881**	2,53,21,755	2,31,17,655
Liabilities				
(1) Non-current liabilities				
(a) Financial libilities				
Borrowings	11	**8,18,689**	7,44,883	6,77,791
(b) Deferred Tax Liabilities (Net)	12	**62,58,960**	7614,267	77,07,739
(c) Other non-current Liabilities	13	**2,25,28,051**	23109,369	2,36,90,689
Total non-current liabilities		**2,96,05,700**	3,14,68,519	3,20,76,219
(2) Current liabilities				
(a) Financial libilities				
Trade payables	14	**73,500**	68,363	37,921
(b) Other current liabilities	13	**6,23,523**	5,90,575	5,87,224
		6,97,023	6,58,938	6,25,145
TOTAL		**5,97,81,604**	5,74,49,212	5,58,19,019
Accounting Policies	1-2			
Additional Information	20			

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)

Prabhat Verma M
Director
(DIN:06548864)

S. Raghunandan
Partner
M.No:23592

Place: Cochin
Date: April 28, 2017

Place:Calicut
Date: April 28, 2017

Statement of Profit and Loss for the year ended March 31, 2017

	Particulars	Note	March 31, 2017 ₹	March 31, 2016 ₹
I	**Revenue**			
II	Revenue from operations	15	**36,47,501**	31,80,058
	Other income	16	**14,24,964**	6,48,735
III	**Total revenue (I + II)**		**50,72,465**	38,28,793
				-
IV	**Expenses**			
	Cost of material consumed		**-**	-
	Purchase of stock in trade		**-**	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		**-**	-
	Employee benefit expenses		**-**	-
	Finance cost	17	**73,804**	67,092
	Depreciation and Amortisation expenses	3	**6,33,800**	6,33,799
	Other expenses	18	**1,46,042**	1,66,274
	Total expenses (IV)		**8,53,646**	8,67,165
V	**Profit / (Loss) before exceptional items and tax (I- IV)**		**42,18,819**	29,61,628
VI	Exceptional items		**-**	-
VII	**Profit / (Loss) before tax (V-VI)**		**42,18,819**	29,61,628
VIII	Tax Expenses			
	(1) Current tax		**14,17,000**	8,51,000
	(2) Deferred tax		**(13,55,307)**	(93,472)
	Profit / (Loss) after tax		**41,57,126**	22,04,100
	Other Comprehensive income			
	Other Comprehensive income, net of tax		**-**	-
	Total Comprehensive Income for the period		**41,57,126**	22,04,100
	Earnings per equity share - Basic and diluted (₹)	19	**6.88**	3.65
	Weighted average number of equity shares (face value of ₹ 10 each)		**6,04,000**	6,04,000
	Accounting Policies	1-2		
	Additional Information	20		
	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)

Prabhat Verma M
Director
(DIN:06548864)

S. Raghunandan
Partner
M.No:23592

Place: Cochin
Date: April 28, 2017

Place:Calicut
Date: April 28, 2017

Statement of Changes in Equity for the year ended March 31, 2017

Figures in ₹

	Equity Share Capital Subscribed	Retained Earning	Foreign Currency Translation Reserve	TOTAL
At April 1, 2015	**60,40,000**	**55,24,541**	**-**	**1,15,64,541**
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	**60,40,000**	**1,70,77,655**	**-**	**2,31,17,655**
Profit for the year	-	22,04,100	-	22,04,100
Other Comprehensive Income for the year, net of taxes	-	-	-	-
Total Comprehensive Income for the year	**-**	**1,92,81,755**	**-**	**1,92,81,755**
Dividends	-	-	-	-
Tax on Dividend	-	-	-	-
Transfer to retained earnings	-	-	-	-
Issue of Share Capital	-	-	-	-
Change on account of acquisitions	-	-	-	-
Change in ownership interests in subsidiaries	-	-	-	-
Other Adjustments	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-
As at March, 2016	**6040,000**	**1,92,81,755**	**-**	**2,53,21,755**
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	**60,40,000**	**1,92,81,755**	**-**	**2,53,21,755**
Profit for the year	-	4,157,126	-	4,157,126
Other Comprehensive Income for the year, net of taxes	-	-	-	-
Total Comprehensive Income for the year	**-**	**2,34,38,881**	**-**	**2,34,38,881**
Dividends	-	-	-	-
Tax on Dividend	-	-	-	-
Transfer to retained earnings	-	-	-	-
Issue of Share Capital	-	-	-	-
Change on account of acquisitions	-	-	-	-
Change in ownership interests in subsidiaries	-	-	-	-
Other Adjustments	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-
As at March, 2017	**60,40,000**	**2,34,38,881**	**-**	**2,94,78,881**

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)

Prabhat Verma M
Director
(DIN:06548864)

S. Raghunandan
Partner
M.No:23592

Place: Cochin
Date: April 28, 2017

Place:Calicut
Date: April 28, 2017

Statement of Cash flow for the year ended 31, March 2017

Statement of Cash Flows	March 31, 2017 ₹	March 31, 2016 ₹
Cash flow from Operating Activities:-		
Net Profit before tax	**42,18,819**	29,61,628
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	**6,33,800**	6,33,800
Finance Costs	**73,804**	67,092
Interest Income	**(14,14,727)**	(67,415)
Excess provision written back	**(10,237)**	-
Imputed lease expenses		(5,81,320)
Total Adjustments	**(7,17,360)**	52,157
Cash Operating Profit Before Working Capital Changes	**35,01,459.00**	30,13,785
Changes in working capital (increase)/decrease in operating assets:		
Trade receivables	**2,09,66,673**	(22,04,363)
Loans and other financial assets and other assets	**(2,32,03,310)**	-
Trade payables	**5,137**	26,986
Other financial liabilities, other liabilities and provisions	**(5,38,133)**	-
Cash generated from operations	**7,31,826**	8,36,408
Income taxes paid	**(15,47,367)**	(8,51,000)
Net cash used in operating activities	**(815,541)**	(14,592)
Cash flow from investing activities:		
Expenditure on property, plant and equipment net of sale proceeds, including changes in retention money and capital creditors	**-**	-
Bank Balances other than Cash and Cash Equivalent	**(11,214)**	(2,52,937)
Interest income	**14,14,727**	67,415
Net cash flow from investing activities	**14,03,513**	(1,85,522)
Cash flow from financing activities:		
Deposit from holding company	**73,806**	67,092
Finance Costs	**(73,804)**	(67,092)
Net cash flow from financing activities	**2.00**	-
Net increase in cash and cash equivalents	**5,87,974**	(2,00,114)
Cash and cash equivalents at the beginning of the period	**19,896**	2,20,010
Cash and cash equivalents at the end of the period	**6,07,870**	19,896
Significant Accounting Policies - See Note No.1 & 2		

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)

Prabhat Verma M
Director
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S. Raghunandan
Partner
M.No:23592

Place: Cochin
Date: April 28, 2017

Place:Calicut
Date: April 28, 2017

Notes to Financial Statements for year ended March 31, 2017

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 2017.

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.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Further for the purpose of Indian GAAP, the company was considered as a Small and Medium size company as defined in the general instructions in respect of the accounting standards. These financial statements for the year ended March 31, 2017 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2015.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 20. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

Refer Note 20 for the details of first-time adoption exemptions availed by the Company and the details of standards issued but not effective.

(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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

b. Impairment testing

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

c. Income Taxes

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

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

d. Litigation

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

(e) Property, plant and equipment

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

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

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

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

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

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

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

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.

(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, 2017 (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 recognised 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.

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 Financial Statements for year ended March 31, 2017 (Contd.)

(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.

3. Property, Plant & Equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:

Amount in ₹

Description	Freehold Land	Buildings	Total
Cost as at April 1, 2016	42,52,675	3,99,71,450	4,42,24,125.00
Additions	-	-	-
Disposals	-	-	-
Cost as at March 31, 2017	**42,52,675.00**	**3,99,71,450.00**	**4,42,24,125.00**
Accumulated depreciation as at April 1,2016	-	12348,076.00	12348,076.00
Depreciation for the period	-	633,800.00	633,800.00
Disposals	-	-	-
Accumulated depreciation as at March 31,2016	**-**	**1,29,81,876.00**	**1,29,81,876.00**
Net carrying amount as at March 31, 2017	**42,52,675.00**	**2,69,89,574.00**	**3,12,42,249.00**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2016:

Amount in ₹

Description	Freehold Land	Buildings	Total
Cost as at April 1, 2015	42,52,675.00	3,99,71,449.00	4,42,24,124.00
Additions	-	-	-
Disposals	-	-	-
Additions	-	-	-
Cost as at March 31, 2016	**42,52,675.00**	**3,99,71,449.00**	**4,42,24,124.00**
Accumulated depreciation as at April 1,2015	-	1,17,14,277.00	1,17,14,277.00
Depreciation for the period	-	6,33,799.00	63,37,99.00
Disposals	-	-	-
Accumulated depreciation as at March 31,2016	**-**	**1,23,48,076.00**	**1,23,48,076.00**
Net carrying amount as at March 31, 2016	**42,52,675.00**	**2,76,23,373.00**	**3,18,76,048.00**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2015:

Amount in ₹

Description	Freehold Land	Buildings	Total
Cost as at April 1, 2014	42,52,675.00	3,99,71,449.00	4,42,24,124.00
Additions	-	-	-
Disposals	-	-	-
Cost as at March 31, 2015	**42,52,675.00**	**3,99,71,449.00**	**4,42,24,124.00**
Translation Adjustment	-	-	-
Translation Adjustment	-	-	-
Accumulated depreciation as at April 1,2014	-	1,10,80,478.00	1,10,80,478.00
Depreciation for the period	-	6,33,799.00	6,33,799.00
Disposals	-	-	-
Accumulated depreciation as at March 31,2015	**-**	**1,17,14,277.00**	**1,17,14,277.00**
Net carrying amount as at March 31, 2015	**42,52,675.00**	**2,8257,172.00**	**3,25,09,847.00**

4. Loans

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
(Unsecured, considered good unless stated otherwise)			
Short term loans and advances			
with public bodies and others	**2,30,00,000**	6,807	-
	2,30,00,000	6,807	-

5. Other financial assets

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
Non-current			
Security Deposits	**16,913**	16,913	16,913
	16,913	16,913	16,913
Less : Provision for Doubtful advances	**-**	-	-
	16,913	16,913	16,913
Current			
Interest Receivable - Others	**1,31,492**	35,605	27,868
	1,31,492	35,605	27,868
Total	**1,48,405**	52,518	44,781

6: Other assets

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
Non current			
Deposits with Government Authoritites	**7,50,113**	6,35,883	6,35,883
	7,50,113	6,35,883	6,35,883

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

7. Trade receivables
(Unsecured)

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
Outstanding over six months :			
Considered good	**11,00,114**	2,20,66,787	2,00,31,443
Considered doubtful	**-**	-	-
	11,00,114	2,20,66,787	2,00,31,443
Less : Provision for doubtful trade receivables	**-**	-	
	11,00,114	2,20,66,787	2,00,31,443

8(a). Cash and Cash Equivalent

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
Balance with Banks			
Cash and cash equivalents	**-**	-	-
Current Accounts	**6,07,870**	19,896	2,20,010
	6,07,870	19,896	2,20,010

8(b). Bank Balances other than Cash and Cash Equivalent

Call and short term deposit accounts	**9,20,000**	9,08,786	6,55,850
	9,20,000	9,08,786	6,55,850

9. Share Capital

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
Equity Share Capital			
Authorised			
15,00,000 (15,00,000) equity shares of ₹ 10/- each	**1,50,00,000**	1,50,00,000	1,50,00,000
		-	-
	1,50,00,000	1,50,00,000	1,50,00,000
Issued, Subscribed and Paid Up			
6,04,000 (6,04,000) equity shares of ₹ 10/- each	**6,040,000**	6,040,000	6,040,000
		-	-
	6,040,000	6,040,000	6,040,000

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

10. Other Equity

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
Other Equity			
General Reserve	**33,00,000**	33,00,000	33,00,000
Retained Earning			
Surplus/Deficit in the Profit And Loss b/f	**1,50,57,045**	28,02,750	12,99,831
Retained Earnings (Pre-Acq)	**9,24,710**	9,24,710	9,24,710
Ope reserves adjustments		-	-
Ind AS Transition Reserve	**-**	1,00,50,195	1,00,50,195
Surplus/Deficit in the Profit And Loss b/f	**1,59,81,755**	1,37,77,655	1,22,74,736
Current Year profits	**41,57,126**	22,04,100	15,02,919
Closing retained earning	**2,01,38,881**	1,59,81,755	1,37,77,655
Total Reserves and Surplus	**2,34,38,881**	1,92,81,755	1,70,77,655
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	**2,34,38,881**	1,92,81,755	1,70,77,655

11. Borrowings

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
Non Current			
From related parties			
Secured	**-**	-	-
Unsecured	**8,18,689**	7,44,883	6,77,791
Total	**8,18,689**	7,44,883	6,77,791

12. Deferred Tax Liabilities (Net)

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
Deferred Tax Liabilities:			
Depreciation on fixed assets	**62,58,960**	76,14,267	77,07,739
Total (A)	**62,58,960**	76,14,267	77,07,739
Deferred Tax Assets:			
Provision for doubtful debts	**-**	-	-
Others	**-**	-	-
Total (B)	**-**	-	-
Net Deferred Tax Liabilities (A-B)	**62,58,960**	76,14,267	77,07,739

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

13. Other Liabilities

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
Non Current			
Advances	-	-	-
Others	**2,25,28,051**	2,31,09,369	2,36,90,689
	2,25,28,051	2,31,09,369	2,36,90,689
Current			
Income Received in Advance	**5,81,325**	5,81,325	5,81,325
Statutory dues	**42,198**	9,250	5,899
	6,23,523	5,90,575	5,87,224

14. Trade payables

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
Trade payables			
Micro and Small Enterprises	-	-	-
Vendor Payables	**73,500**	68,363	37,921
	73,500	68,363	37,921

15. Revenue from operations

	March 31, 2017 ₹	March 31, 2016 ₹
Income from Operations	**36,47,501**	31,80,058
Income from Operation is derived from the following services:		
Management & Operating Fees	**36,47,501**	31,80,058
Others Operating Income	-	-
	36,47,501	31,80,058

16. Other income

	March 31, 2017 ₹	March 31, 2016 ₹
Interest Income - Intercorporate Deposits	**13,61,097**	-
Interest Income - Others	**53,630**	6,48,735
Excess provision written back	**10,237**	-
Total	**14,24,964**	6,48,735

17. Finance costs

	March 31, 2017 ₹	March 31, 2016 ₹
Interest expense		
Interest Expense on deposit	**73,804**	67,092
Total	**73,804**	67,092

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

18. Expenses

	March 31, 2017	March 31, 2016
	₹	₹
Rates and taxes	**4,346**	116
Other expenses	**61,196**	106,045
Auditors Remuneration		
i. Statutory Audit Fees	**80,500**	60,113
ii. Other services	**-**	-
iii. Reiumbursement of expenses	**-**	-
	1,46,042	1,66,274

19. Earnings per equity share

	March 31, 2017	March 31, 2016
	₹	₹
Profit for the period	**41,57,126**	2,204,100
Amount available for equity shareholders	**41,57,126**	2,204,100
Weighted average number of equity shares	**6,04,000**	6,04,000
Earning per share basic and diluted (₹)	**6.88**	3.65
Face value per equity share (₹)	**10**	10

Additional Information

20.1 Transition to Ind AS

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013 (previous GAAP or Indian GAAP). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards' along with the reconciliations of equity, total comprehensive income and cash flows in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Company has applied the following exemptions:

i. Property, plant and equipment, investment properties and intangible assets –Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS's, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment (para D7AA of Appendix D). This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment property covered by Ind AS 40 'Investment Properties'.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Reconciliations between Previous GAAP and Ind AS are separately annexed

There is no change in the cash and Cash equivalents considered for cash flow statements from the previous GAAP.

Standards issued but not yet effective:

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated 17th March 2017 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 from 1st April 2017.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

During current year, there are no share based payments transactions and hence Ind AS 102 is not applicable to the company.

Further, amendment to Ind AS 7 pertains to additional disclosure requirement such as "An entity shall 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 Company has not opted for early adoption of the above amendments and these will not haveany material impact on the financial statements of the Company when adopted.

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

Particulars	**March 31, 2017** ₹	**March 31, 2016** ₹
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 20.2.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

20.2.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.

20.3 Capital Commitments

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

20.4 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.

20.5 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, 2017**	**March 31, 2016**
Profit/ (Loss) after tax	41,57,126	22,04,100
Number of Equity Shares: Weighted average number of equity share considered in calculation of EPS	6,04,000	6,04,000
Considered in calculation of diluted EPS	6,04,000	6,04,000
Face value per equity share	10	10
Earnings per share: Basic	6.88	3.65
Diluted	6.88	3.65

20.6 Other regulatory matters

The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

20.7 Related Party Disclosures

Related Parties and Nature of Relationship:			
(a) Key Management Personnel	Nil		
(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, 2017 ₹**	March 31, 2016 ₹
Related Party Transactions			
Indian Hotels Company Ltd. (Holding Company)	License fee	36,47,501	31,80,058
	Deposit	-	3,50,00,000
	Receivables	11,00,114	2,20,66,787
	Expenses Reimbursed	5,44,030	5,81,431

20.8 Income Tax Expense

A) Income Tax recognized in Profit or loss:

Particulars	**March 31, 2017 ₹**
Current Tax	
In respect of the current year	14,17,000
In respect of earlier years	Nil
MAT Credit	Nil
	14,17,000
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	(13,55,307)
	(13,55,307)
Total tax expense recognised in the current year relating to continuing operations	61,693

B) Reconciliation of tax expense with the effective tax

Particulars	**March 31, 2017 ₹**
Profit before tax from continuing operations (a)	42,18,819
Income tax rate as applicable (b)	30.9%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	13,03,615
Permanent tax differences due to:	
Effect of income that is exempt from taxation (like dividend income)	
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	

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Particulars	March 31, 2017 ₹
Effect on deferred tax balances due to the change in income tax rate from 30.9% to 25.75% (effective [insert date]) (*)	Nil
Prior year taxes as shown above	Nil
Income tax expense recognised in profit or loss (relating to continuing operations)	14,17,000

The reduction in corporate Income Tax Rate for companies with Turnover over Rs 50 cr or less for the year 2017-18 from 30.90%% to 25.75% was substantively enacted on 26 Feb 17 with effect from Apr 1 17. As a result, the relevant deferred tax balances have been remeasured.

c) Tax Working for Financial Year 2015/16 -Net Deferred Tax Liability as at March 31, 2017

Particulars	March 2017 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	62,58,960	(12,51,794)	-	-	(1,03,513)	(13,55,307)
Others (Please specify)	-	-	-	-	-	-
Total (A)	**62,58,960**	**(12,51,794)**	**-**	**-**	**(1,03,513)**	**(13,55,307)**

Reconciliations between Previous GAAP and Ind AS:

Income	**IGAAP**	**INDAS Adjustments**	**INDAS Total**
Revenue			
Revenue from Operations	31,80,058	-	**31,80,058**
Other Income	67,415	5,81,320	**6,48,735**
Total	32,47,473	5,81,320	**38,28,793**
Expenses			
Food and Beverages Consumed	-	-	**-**
Employee Benefit Expense and Payment to Contractors	-	-	**-**
Finance Costs	-	67,092	**67,092**
Depreciation and Amortisation	6,33,799	-	**6,33,799**
Other Operating and General Expenses	1,66,274	-	**166,274**
Total	8,00,073	67,092	**8,67,165**
Profit / (Loss) before exceptional items and tax	24,47,400	5,14,228	**29,61,628**
Exceptional Items	-	-	**-**
Profit/ (Loss) Before Tax	24,47,400	5,14,228	**29,61,628**
Tax Expenses			
Current Tax	85,10,000	-	**8,51,000**
Current Tax	85,10,000	-	**8,51,000**
Prior Years Tax Over/Under Provision Expenses	-	-	**-**
Deferred Tax	(93,472)	-	**(93,472)**
Deferred Tax	(93,472)	-	**(93,472)**
Minimum Alternative Tax Credit	-	-	**-**
Total	7,57,528	-	**7,57,528**
Profit/ (Loss) after tax	16,89,872	5,14,228	**22,04,100**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Reconciliations between Previous GAAP and Ind AS:

	March 31, 2016			April 01, 2015		
	IGAAP	INDAS Adjustments	INDAS Total	IGAAP	INDAS Adjustments	INDAS Total
Assets						
Non-current Assets						
Property, Plant and Equipment	3,18,76,048	-	**3,18,76,048**	3,25,09,847	-	**3,25,09,847**
Capital work-in-progress	-	-	**-**	-	-	**-**
Intangible Assets	-	-	**-**	-	-	**-**
Intangible assets under development	-	-	**-**	-	-	**-**
	3,18,76,048	-	**3,18,76,048**	3,25,09,847	-	**3,25,09,847**
Investment Property	-	-	**-**	-	-	**-**
Goodwill on consolidation	-	-	**-**	-	-	**-**
Financial Assets						
Investments	-	-	**-**	-	-	**-**
Loans	-	-	**-**	-	-	**-**
Other financial assets	16,913	-	**16,913**	16,913	-	**16,913**
Deferred Tax Assets (Net)	-	-	**-**	-	-	**-**
Advance Income Tax (Net)	18,82,487	-	**18,82,487**	17,21,205	-	**17,21,205**
Other non current assets	6,35,883	-	**6,35,883**	6,35,883	-	**6,35,883**
	3,44,11,331	-	**3,44,11,331**	3,48,83,848	-	**3,48,83,848**
Current Assets						
Inventories	-	-	**-**	-	-	**-**
Financial Assets						
Investments	-	-	**-**	-	-	**-**
Trade Receivables	2,20,66,787	-	**2,20,66,787**	2,00,31,443	-	**2,00,31,443**
Cash and Cash Equivalents	19,896	-	**19,896**	2,20,010	-	**2,20,010**
Bank Balances other than Cash and Cash Equivalent	9,08,786	-	**9,08,786**	6,55,850	-	**6,55,850**
Loans	6,807	-	**6,807**	-	-	**-**
Other financial assets	35,605	-	**35,605**	27,868	-	**27,868**
Other current assets	-	-	**-**	-	-	**-**
Assets classified as held for sale	-	-	**-**	-	-	**-**
	2,30,37,881	-	**23037,881**	20935,171	-	**20935,171**
Total	**5,74,49,212**	**-**	**5,74,49,212**	**5,58,19,019**	**-**	**5,58,19,019**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

	March 31, 2016			April 01, 2015		
	IGAAP	INDAS Adjustments	INDAS Total	IGAAP	INDAS Adjustments	INDAS Total
Equity and Liabilities						
Equity						
Equity Share capital	60,40,000	-	**6040,000**	60,40,000	-	**6040,000**
Other Equity	87,17,332	1,05,64,423	**1,92,81,755**	70,27,460	1,00,50,195	**1,70,77,655**
Total Equity	1,47,57,332	1,05,64,423	**2,53,21,755**	1,30,67,460	1,00,50,195	**2,31,17,655**
Non-current Liabilities						
Financial Liabilities						
Borrowings	3,50,00,000	(3,42,55,117)	**7,44,883**	3,50,00,000	(3,43,22,209)	**6,77,791**
Other financial Liabilities	-	-	**-**	-	-	**-**
Provisions	-	-	**-**	-	-	**-**
Deferred Tax Liabilities (net)	76,14,267	-	**76,14,267**	77,07,739	-	**77,07,739**
Other non-current Liabilities	-	23109,369	**23109,369**	-	2,36,90,689	**2,3690,689**
	4,26,14,267	(1,11,45,748)	**3,14,68,519**	4,27,07,739	(1,06,31,520)	**3,20,76,219**
Current Liabilities						
Financial Liabilities						
Borrowings	-	-	**-**	-	-	**-**
Trade Payables						
-Micro and Small Enterprises	-	-	**-**	-	-	**-**
-Others	68,363	-	**68,363**	37,921	-	**37,921**
Other financial Liabilities	-	-	**-**	-	-	**-**
Provisions	-	-	**-**	-	-	**-**
Provision for tax (net)	-	-	**-**	-	-	**-**
Other current liabilities	9,250	5,81,325	**5,90,575**	5,899	5,81,325	**5,87,224**
Liabilities directly associated with assets classified as held for sale	-	-	**-**	-	-	**-**
	77,613	5,81,325	**6,58,938**	43,820	5,81,325	**6,25,145**
Total	**5,74,49,212**	**-**	**5,74,49,212**	**5,58,19,019**	**-**	**5,58,19,019**

20.9 Previous years figures

The Company has regrouped/reclassified the previous year's figures to conform to the current year's presentation.

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

As per our report attached

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

V. Mohan
Director
(DIN:00215718)

Prabhat Verma M
Director
(DIN:06548864)

S. Raghunandan
Partner
M.No:23592

Place: Cochin
Date: April 28, 2017

Place:Calicut
Date: April 28, 2017

DIRECTORS AND CORPORATE INFORMATION

NORTHERN INDIA HOTELS LIMITED

Board of Directors

Mr. Farhat Jamal Chairman
Mr. Rajesh R. Nagpal
Mr. Sudhir L. Nagpal
Mr. Taljindar Singh

Bankers

Indian Overseas Bank

Auditors

O. P. Dadu & Co.

Registered Office

The Gateway Hotel,
Fatehabad Road,
Taj Ganj, Agra 282001.
CIN: L55101UP1971C003838

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 Fifth Annual Report of the Company for the Financial Year ended March 31, 2017.

1. Financial Performance

The summarized standalone results of your Company are given in the table below.

₹ in Lacs

Particulars	Standalone	
	31/03/2017	**31/03/2016**
Total Income	323.94	353.42
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	303.74	331.34
Finance Charges	-	-
Depreciation	1.10	1.08
Provision for Income Tax (including for earlier years)	95.42	99.69
Net Profit/(Loss) After Tax	208.32	231.65
Profit/(Loss) brought forward from previous year	2192.85	1961.20
Amount transferred consequent to Scheme of Merger	-	-
Profit/(Loss) carried to Balance Sheet	2401.17	2192.85

*previous year figures have been regrouped/rearranged wherever necessary.

2. Working Results

The Income for the year was Rs. 323.94 lacs compared to Rs. 353.42 lacs for the previous year and profit after expenditure, depreciation and provision for taxes was Rs. 208.32 as compared to Rs. 231.65 lacs for the previous year which has been transferred to the Balance Sheet.

3. Statutory Auditors

M/s. O.P. Dadu & Co., Chartered Accontants have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

4. Directors:

During the year under report, there was no change in the directorship of your Company.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sudhir Nagpal, 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 had 5 (five) Board Meetings during the financial year under report.

6. Particulars of loans, guarantees or investments under section 186:-

During the year under review, the Company had approved/renewed the Short term Inter Corporate Deposit of Rs. 4 crores under Section 186 of the Companies Act, 2013.

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 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:

(a) Not less than Rs. 106.00 lacs for the year, if employed throughout the financial year,

or

(b) Not less than Rs. 8.00 lacs 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 has not any Subsidiary Company/Joint Venture Company.

17. Referral of Company to Dissemination Board of BSE

Consequent to the derecognition of Delhi Stock Exchange (DSE) by SEBI, 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. The Exit Offer was opened from March 16, 2017 to March 22, 2017.

Post closure of the Exit offer, Company has made an application to BSE for final approval and removal of the Company from the Dissemination Board of BSE. As on date, approval from BSE is awaited.

Further, in terms of the SEBI Circular, the exit offer shall remain open up to a period of one year from the completion of the offer i.e till March 21, 2018.

In case you are interested to tender your equity shares in the Exit Offer, you may contact the Company at its email id: investorrelations@tajhotels.com.

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 2016-17.

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, 2017 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.

19. 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.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 8.05.2017

Mr. Sudhir Nagpal
Director
(DIN: 00044762)

Mr. Farhat Jamal
Director
(DIN: 01875688)

Annexure 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March, 2017

[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	18/08/1971
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 (It was listed at DSE, as consequent to the dereocognition of DSE by SEBI, the Company has opted referring to the Dissemination Board of BSE)
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:-

Sl. 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 -

S. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	PIEM Hotels Limited	U55101MH1968PLC013960	Holding	93.14	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									
(b) Central Govt									
(c) State Govt (s)									
(d) Bodies Corp.	407567	Nil	407567	93.14	407567	Nil	407567	93.14	Nil
(e) Banks / FI									
(f) Any Other….									
Sub-total (A) (1):-	407567	Nil	407567	93.14	407567	Nil	407567	93.14	Nil
(2) Foreign									

(i) Category-wise Share Holding									
(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)	**407567**	**Nil**	**407567**	**93.14**	**407567**	**Nil**	**407567**	**93.14**	**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.	Nil	2000	2000	0.46	Nil	2000	2000	0.46	Nil
(i) Indian									
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	28033	28033	6.14	Nil	28033	28033	6.14	Nil
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
(c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding									
(B)=(B)(1)+(B)(2)	**Nil**	**2000**	**2000**	**0.46**	**Nil**	**2000**	**2000**	**0.46**	**Nil**
C. Shares held by	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Custodian for									
GDRs & ADRs									
Grand Total (A+B+C)	**407567**	**30033**	**437600**	**100**	**407567**	**30033**	**437600**	**100**	**Nil**

(ii) Shareholding of Promoters

Sl 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.	Piem Hotels Limited	407567	93.14	Nil	407567	93.14	Nil	Nil

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

Sl. No.	Particulars	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	407567	93.14	407567	93.14
	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	407567	93.14	407567	93.14

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

Sl. 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	Bhushan Sachdev				
	At the beginning of the year	2400	0.55	2400	0.55
	At the end of the year	2400	0.55	2400	0.55
2	Shellka Woolen 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
3	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
4	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

5	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
6	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
7	Tirath Raj Vaid				
	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	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
9	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
10	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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. 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 2016-17.

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

SN.	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	
	Fee for attending board committee meetings	-	-	1,000	1,000	
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	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

Sudhir Nagpal	Farhat Jamal
Director	Director
(DIN : 00044762)	(DIN : 01875688)

Place: Mumbai
Date: 8.05.2017

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, 2017, 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, 2017, 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. our p 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

      iv) The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 21.10 to the standalone Ind AS financial statements.

FOR O.P.DADU & CO.
CHARTERED ACCOUNTANTS
FRN. 001201N

(O.P.DADU)
PARTNER
M.NO. 010871

Place : New Delhi
Date : May 8, 2017

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 31.03.2017 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
Firm Registration No. 001201N

Place : New Delhi
Date : May 8, 2017

O. P. Dadu
Partner (010871)

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 2017 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, 2016, 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
Firm Registration No. 001201N

Place : New Delhi
Date : May 8, 2017

O. P. Dadu
Partner (010871)

Balance Sheet as at March 31, 2017

₹ Lakhs

	Note	March 31, 2017	March 31, 2016	April 1, 2015
Assets				
Non-current Assets				
Property, Plant and Equipment	3	**30.41**	31.36	32.31
Intangible Assets	4	**0.23**	0.38	0.51
		30.64	31.74	32.82
Financial Assets				
Investments	5	**10.43**	10.43	10.43
Other financial assets	7	**0.59**	0.59	0.59
Current Tax (Net)		**5.66**	5.42	11.53
Other Non-current Assets	8	**7.88**	8.54	9.20
		55.20	56.72	64.57
Current Assets				
Financial Assets				
Trade and Other Receivables	9	**51.89**	30.34	11.67
Cash and Cash Equivalents	10	**20.03**	63.17	85.92
Bank Balances other than Cash and Cash Equivalents	11	**922.68**	1,692.06	1,859.06
Loans	6	**1,400.00**	400.00	-
Other financial assets	7	**14.60**	9.87	
Other Current Assets	8	**1.10**	0.67	0.66
		2,410.30	2,196.11	1,957.31
Total Assets		**2,465.50**	2,252.83	2,021.88
Equity and Liabilities				
Equity				
Equity Share capital	12	**44.15**	44.15	44.15
Other Equity	13	**2,401.17**	2,192.85	1,961.20
Total Equity		**2,445.32**	2,237.00	2,005.35
Liabilities				
Non-current Liabilities				
Deferred Tax Liabilities (Net)	14	**8.24**	8.68	9.00
		8.24	8.68	9.00
Current Liabilities				
Financial Liabilities				
Other financial Liabilities	15	**4.28**	1.43	1.42
Other current liabilities	16	**7.66**	5.72	6.11
		11.94	7.15	7.53
Total Equity and Liabilities		**2,465.50**	2,252.83	2,021.88
Summary of Significant Accounting Policies	2			
The accompanying notes form an integral part of the Financial Statements	1 - 21			

As per our Report of even date

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner (010871)

New Delhi Date : May 8, 2017

For and on behalf of the Board

Sudhir L.Nagpal
Jt. Managing Director
DIN : 00044762

Rajesh R. Nagpal
Jt. Managing Director
DIN : 00032123

Mumbai, May 8, 2017

Statement of Profit and Loss for the year ended March 31, 2017

	Note	Year Ended March 31, 2017 (₹ Lakhs)	Year Ended March 31, 2016 (₹ Lakhs)
Income			
Revenue from Operations			
Income from Hotel Operations	17	**138.36**	150.82
Other Income	18	**185.58**	202.60
Total		**323.94**	353.42
Expenses			
Depreciation and Amortisation	3 & 4	**1.10**	1.08
Other Operating and General Expenses	19	**19.10**	21.00
Total		**20.20**	22.08
Profit/ (Loss) Before Tax and Exceptional items		**303.74**	331.34
Exceptional Items	20	**-**	-
Profit/ (Loss) Before Tax		**303.74**	331.34
Tax Expenses			
Current Tax		**96.00**	100.00
Deferred Tax		**(0.44)**	(0.32)
Short/ (Excess) Provision of Tax/ Deferred Tax of Earlier Years (net)		**(0.14)**	0.01
Total		**95.42**	99.69
Profit/ (Loss) for the period after tax		**208.32**	231.65
Other Comprehensive income, net of tax		**-**	-
Other Comprehensive income for the period, net of tax		**-**	-
Total Comprehensive Income for the period		**208.32**	231.65
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)		**48**	53
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 21		

As per our Report of even date

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner (010871)

New Delhi Date : May 8, 2017

For and on behalf of the Board

Sudhir L.Nagpal
Jt. Managing Director
DIN : 00044762

Rajesh R. Nagpal
Jt. Managing Director
DIN : 00032123

Mumbai, May 8, 2017

Statement of Changes in Equity as at March 31, 2017

₹ Lakh

Particulars	Equity Share Capital Subscribed	Retained Earning	RESERVES AND SURPLUS Retained Earning General Reserve	RESERVES AND SURPLUS Retained Earning Profit & Loss B/fd	Other reserves	Grand Total
Balance as at April 1, 2015	44.15	1,961.20	-	1,961.20	-	2,005.35
Change on account of amalgamation	-	-	-	-	-	-
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	**44.15**	**1,961.20**	**-**	**1,961.20**	**-**	**2,005.35**
Profit for the year	-	231.65	-	231.65	-	231.65
Other Comprehensive Income for the year, net of taxes	-	-	-	-	-	-
Total Comprehensive Income for the year	**-**	**231.65**	**-**	**231.65**	**-**	**231.65**
Transfer to retained earnings	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-
Change in ownership interests in subsidiaries	-	-	-	-	-	-
Profit on transfer of Shares to Subsidiary	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Balance as at March 31, 2016	**44.15**	**2,192.85**	**-**	**2,192.85**	**-**	**2,237.00**
Profit for the year	-	208.32	-	208.32	-	208.32
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	**-**	**208.32**	**-**	**208.32**	**-**	**208.32**
Dividends	-	-	-	-		-
Tax on Dividend	-	-	-	-		-
Balance as at March 31, 2017	**44.15**	**2,401.17**	**-**	**2,401.17**	**-**	**2,445.32**

As per our Report of even date

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner (010871)

New Delhi Date : May 8, 2017

For and on behalf of the Board

Sudhir L.Nagpal
Jt. Managing Director
DIN : 00044762

Rajesh R. Nagpal
Jt. Managing Director
DIN : 00032123

Mumbai, May 8, 2017

Statement of Cash Flows for the year ended March 31, 2017

₹ Lakh

	March 31, 2017	March 31, 2016
Cash Flow From Operating Activities		
Profit Before Tax	**303.74**	331.34
Adjustments For :		
Depreciation and Amortisation	**1.10**	1.08
Dividend Income	**(5.48)**	(24.09)
Interest Income	**(180.10)**	(178.51)
	(184.48)	(201.52)
Cash Operating Profit before working capital changes	**119.26**	129.82
Adjustments for (increase)/ decrease in operating assets:		
Trade and Other Receivables	**(21.55)**	(18.67)
Other Current Assets	**(0.43)**	(0.01)
Other Non-Current Assets	**0.66**	0.66
	(21.32)	(18.02)
Adjustments for increase/ (decrease) in operating liabilities:		
Other Current Liabilities	**1.94**	(0.39)
Other Financial Liabilities	**2.85**	0.01
	4.79	(0.38)
Cash Generated from Operating Activities	**102.73**	111.42
Direct Taxes (Paid)/ Refunded	**(96.10)**	(93.90)
Net Cash From Operating Activities (A)	**6.63**	17.52
Cash Flow From Investing Activities		
Interest Received	**180.10**	178.51
Dividend Received	**5.48**	24.09
ICD's Given	**(1,000.00)**	(400.00)
Other Financial Assets	**(4.73)**	(9.87)
Proceeds from maturity of short-term deposits with banks	**769.38**	167.00
Net Cash Used In Investing Activities (B)	**(49.77)**	(40.27)
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(43.14)**	(22.75)
Cash and Cash Equivalents - Opening	**63.17**	85.92
Cash and Cash Equivalents - Closing (Refer Note 10)	**20.03**	63.17

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

As per our Report of even date

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner (010871)

New Delhi Date : May 8, 2017

For and on behalf of the Board

Sudhir L.Nagpal
Jt. Managing Director
DIN : 00044762

Rajesh R. Nagpal
Jt. Managing Director
DIN : 00032123

Mumbai, May 8, 2017

Notes to Financial Statements for year ended March 31, 2017

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 May 8, 2017.

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.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2017 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2015.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 21.1. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

(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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

- **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 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

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 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

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

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

(h) Income Taxes:

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

(i) Current tax:

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

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

(ii) Deferred tax :

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

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

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

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

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

Contingent assets are not recognized in the financial statements.

(j) Borrowing Costs:

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

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

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

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

(l) Cash Flow Statement:

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

(m) Earnings Per Share:

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

(n) Financial Instruments:

Financial Assets:

Classification

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Initial Recognition and measurement:

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

Debt instruments at amortised cost

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

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

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

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

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

Equity investments

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

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

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

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

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

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

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

Impairment of financial assets

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

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

b) Trade receivables.

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Derecognition

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

Offsetting of financial instruments

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

Equity instruments

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

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

₹ Lakhs

	Freehold Land	Buildings (Refer Footnote (i))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Gross Block at Cost							
At April 1, 2015	3.80	28.50	0.01	-	-	-	32.31
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At March 31, 2016	**3.80**	**28.50**	**0.01**	**-**	**-**	**-**	**32.31**
Additions							-
Disposals							-
At March 31, 2017	**3.80**	**28.50**	**0.01**	**-**	**-**	**-**	**32.31**
Depreciation							
Charge for the year	-	0.95	-	-	-	-	0.95
Disposals	-	-	-	-	-	-	-
At March 31, 2016	**-**	**0.95**	**-**	**-**	**-**	**-**	**0.95**
Charge for the year		0.95					0.95
Disposals							-
At March 31, 2017	**-**	**1.90**	**-**	**-**	**-**	**-**	**1.90**
Net Block							
At March 31, 2016	3.80	27.55	0.01	-	-	-	31.36
At March 31, 2017	3.80	26.60	0.01	-	-	-	30.41

Footnotes : i) Gross block including freehold land admeasuring 14744.60 Sq.yd Aggregating to ₹ 1.93/-Lakh pending conveyance.

4 : Intangible Assets (Acquired)

₹ Lakhs

	Website Development Cost	Software and Licenses	Service and Operating Rights	Total	Intangible assets under development
Gross Block at Cost					
At April 1, 2015	-	0.51	-	0.51	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2016	**-**	**0.51**	**-**	**0.51**	**-**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2017	**-**	**0.51**	**-**	**0.51**	**-**
Amortisation					
At April 1, 2015	-	-	-	-	-
Charge for the year	-	0.13	-	0.13	-
Disposals	-	-	-	-	-
At March 31, 2016	**-**	**0.13**	**-**	**0.13**	**-**
Charge for the year	-	0.15	-	0.15	-
Disposals	-	-	-	-	-
At March 31, 2017	**-**	**0.28**	**-**	**0.28**	**-**
Net Block					
At March 31, 2016	**-**	**0.38**	**-**	**0.38**	**-**
At March 31, 2017	**-**	**0.23**	**-**	**0.23**	**-**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

5 : Investments

	Face Value	March 31, 2017 Holdings As at	March 31, 2017 ₹ Lakh	March 31, 2016 Holdings As at	March 31, 2016 ₹ Lakh	April 01, 2015 Holdings As at	April 01, 2015 ₹ Lakh
Non Current							
Trade Investments							
Fully Paid Quoted Equity Investments :							
Investments in Fellow Subsidiary							
Beneras Hotels Limited	10	**150**	**0.02**	150	0.02	150	0.02
			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	4,000	0.09
Inditravel Limited	10	**24,000**	**2.40**	24,000	2.40	24,000	2.40
Taj Trade and Transport Company Limited	10	**49,998**	**7.91**	49,998	7.91	49,998	7.91
			10.40		10.40		10.40
Total Trade Investment			**10.42**		10.42		10.42
Non-trade Investments							
Investment in Equity Instruments							
Fully Paid Unquoted Equity Instruments							
Sarswat Co-operative Bank Ltd.	10	**1,000**	**0.10**	1,000	0.10	1,000	0.10
			0.10		0.10		0.10
Total Non-current Investments - Gross			**10.52**		10.52		10.52
Less : Provision for Diminution in value of Investments			**0.09**		0.09		0.09
Total Non-current Investments - Net			**10.43**		**10.43**		**10.43**
Aggregate amount of quoted investments							
Cost			**0.02**		0.02		0.02
Market Value			**1.88**		1.49		1.90
Aggregate amount of unquoted investments							
Cost	2		**10.50**		10.50		10.50

6 : Loans

₹ Lakhs

	March 31, 2017	March 31, 2016	April 01, 2015
A) Current			
Short-term Loans			
(Unsecured, considered good unless stated otherwise)			
ICD to Related Parties	**1,400.00**	-	-
Others	**-**	400.00	-
	1,400.00	400.00	-

7 : Other Financial Assets

A) Non Current			
Deposits with Public Bodies and Others at amortised costs			
Public Bodies and Others	**0.59**	0.59	0.59
Less: Provision for Deposits doubtful of recovery	**-**	-	-
	0.59	0.59	0.59
B) Current			
Interest receivable			
Related Parties	**14.60**	-	-
Others	**-**	9.87	-
	14.60	9.87	-

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

8 : Other Assets

₹ Lakhs

	March 31, 2017	March 31, 2016	April 01, 2015
A) Non Current			
Prepaid Expenses	**7.88**	8.54	9.20
	7.88	**8.54**	**9.20**
B) Current			
Prepaid Expenses	**0.66**	0.67	0.66
Indirect tax recoverable	**0.44**	-	-
	1.10	**0.67**	**0.66**

9 : Trade and other receivables

₹ Lakh

	March 31, 2017	March 31, 2016	April 01, 2015
(Unsecured) (Refer Footnote)			
Considered good	**51.89**	30.34	11.67
Less : Provision for Debts doubtful of recovery	**-**	-	-
	51.89	30.34	11.67

10 : Cash and Cash Equivalents

₹ Lakhs

	March 31, 2017	March 31, 2016	April 01, 2015
Cash in hand	**0.21**	0.19	0.27
Balance with Bank in Current Account	**19.82**	62.90	65.85
	20.03	63.15	85.92

11 : Bank Balances Other than Cash and Cash Equivalents

₹ Lakhs

	March 31, 2017	March 31, 2016	April 01, 2015
Other Balances with banks			
Call and Short-term deposit accounts	**922.68**	1,692.06	1,859.06
	922.68	1,692.06	1,859.06
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	**-**	-	-
	922.68	1,692.06	1,859.06

12 : Share Capital

₹ Lakhs

	March 31, 2017	March 31, 2016	April 01, 2015
Authorised Share Capital			
Equity Shares			
5,50,000 (Previous year - 5,50,000) Equity Shares of ₹ 10 each	**55**	55	55
Preference Shares			
5,000 (Previous year - 5,000) Preference Shares of ₹ 100/- each	**5**	5	5
	60	60	60
Issued Share Capital			
4,37,600 (Previous year - 4,37,600) Equity Shares of ₹ 10 each	**45**	45	45
	45	45	45
Subscribed and Paid Up			
4,37,600 (Previous year - 4,37,600) Equity Shares of ₹ 10 each	**43.76**	43.76	43.76
Add 11450 Shares Forfeited	**0.39**	0.39	0.39
	44.15	44.15	44.15

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Footnotes :

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

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2017		March 31, 2016	
	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 yeara	**-**	**-**	-	-
As at the end of the year	**437,600**	**4,376,000**	437,600	4,376,000

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

	March 31, 2017		March 31, 2016	
	No. of shares	% **Holding**	No. of shares	% **Holding**
Equity share of ₹ 10 each fully paid				
PIEM Hotels Limited	**407567**	**93.14%**	407567	93.14%

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

	March 31, 2017		March 31, 2016	
	No. of shares	% **Holding**	No. of shares	% **Holding**
Equity share of ₹ 10 each fully paid				
PIEM Hotels Limited	**407567**	**93.14%**	407567	93.14%

13 : Other Equity

₹ **Lakhs**

	March 31, 2017	March 31, 2016	April 01, 2015
Reserves & Surplus			
Retained Earning			
Surplus/Deficit in the Profit And Loss b/f	**2,192.85**	1,961.20	1,728.72
Add: Current Year profits	**208.32**	231.65	232.48
Closing retained earning	**2,401.17**	2,192.85	1,961.20
Other Comprehensive Income	**-**	-	-
Total	**2,401.17**	2,192.85	1,961.20

14 : Deferred Tax Liabilities (net)

₹ **Lakhs**

	March 31, 2017	March 31, 2016	April 01, 2015
Deferred Tax Liabilities:			
Property, Plant & Equipment	**8.24**	8.68	9.00
Total (A)	**8.24**	8.68	9.00
Deferred Tax Assets:			
Total (B)	**-**	-	-
Net Deferred Tax Liabilities (A-B)	**8.24**	8.68	9.00

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

15 : Other financial liabilities

₹ Lakhs

	March 31, 2017	March 31, 2016	April 01, 2015
B) Current financial liabilities			
Payables on Current Account dues :			
Related Parties	**3.25**	0.55	0.39
Others	**-**	-	-
	3.25	0.55	0.39
Employee related liabilities	**-**	-	0.28
Others	**1.03**	0.88	0.75
	4.28	1.43	1.42

16 : Other Current Liabilities

₹ Lakhs

	March 31, 2017	March 31, 2016	April 01, 2015
Statutory dues	**7.66**	5.72	6.11
	7.66	5.72	6.11

17 : Revenue from Operations

₹ Lakhs

	March 31, 2017	March 31, 2016
Income from Hotel Operations	**138.36**	150.82
Total	**138.36**	150.82

18 : Other Income

₹ Lakhs

	March 31, 2017	March 31, 2016
Interest Income		
Inter-corporate deposits		
Related Parties	**65.53**	-
Others	**38.57**	43.52
	104.10	43.52
Deposits with banks	**76.00**	134.99
Total	**180.10**	178.51
Dividend Income on investments held at the end of period/ year		
From others	**5.48**	24.09
Total	**185.58**	202.60

19 : Other Operating and General Expenses

₹ Lakhs

	March 31, 2017	March 31, 2016
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	**0.32**	0.12
Passage and Travelling	**0.03**	-
Telephone Expenses	**0.36**	0.36
Professional Fees	**0.14**	0.46
Payment made to Statutory Auditors (Refer Footnote (i))	**1.34**	1.05
Directors' Fees and Commission	**-**	0.03
Service Charges	**11.58**	17.06
Other Expenses	**3.89**	1.10
Total	**19.10**	21.00

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

		₹ Lakhs
	March 31, 2017	March 31, 2016
(i) Payment made to Statutory Auditors:		
As auditors	**0.92**	0.69
As tax auditors	**0.09**	0.05
For other services (Taxation Matters)	**0.14**	0.14
For out-of pocket expenses	**0.19**	0.17
	1.34	1.05

20 : Exceptional Items

		₹ Lakhs
	March 31, 2017	March 31, 2016
Exceptional Items comprises the following :		
Total	-	-

21. Notes on Account

21.1 Explanation on Transition to Ind AS

These are the company's financial statements prepared in accordance with IndAS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the period ended 31St March 2017, the comparative information presented in these financial statements for the period ended 31st March 2016 and in the preparation of an opening IndAS statement of financial position at 1 April 2015 (the Company's date of transition).

In preparing its opening IndAS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with IGAAP (previous GAAP). An explanation of how the transition from previous GAAP to IndAS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

21.2 Reconciliations between Previous GAAP and Ind AS

Equity Reconciliations	**Notes**	**March 31, 2016**	**April 1, 2015**
Equity under Previous GAAP		2237.67	2005.35
Adjustment on account of transition			
Leasehold Land	(1)	0.67	NIL
Equity under Ind AS		2237.00	2005.35

(1) Under IGAAP, the leasehold land was shown as Fixed Assets, whereas under Ind AS, same has been amortized over the remaining period of lease.

Total Comprehensive income reconciliations	Notes	**March 31, 2016**
Profit after tax under Previous GAAP		232.32
Adjustments on account of transition		
Other expenses	(2)	0.67
Profit after tax under Ind AS		231.65
Other comprehensive income		NIL
Total comprehensive income as per Ind AS		231.65

(2) Under IGAAP, the leasehold land was shown as Fixed Assets, where as under Ind AS, same has been amortized over the remaining period of lease.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

21.3 Additional information to the financial statements

21.3.1 Contingent Liabilities

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

S. No.	Particulars	March 31, 2017	March 31, 2016
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.

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

S. No.	Particulars	March 31, 2017	March 31, 2016
(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.

21.5 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	April 1, 2015
The Indian Hotels Company Limited	India	-	-	-

(b) Holding Company

Name	Country	Holding as at		
		March 31, 2017	March 31, 2016	April 1, 2015
The Indian Hotels Company Limited	India	93.14 %	93.14 %	93.14 %

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(a) Details of transactions made during the year:

(1) PIEM Hotels Limited

S. No.	Particulars	March 31, 2017	March 31, 2016
1.	Operating/License Fees Income	**138.36**	150.83
2.	Reimbursement of Services	**11.58**	17.06
3.	Interest on ICD	**65.53**	-

(2) PIEM Hotels Limited

S. No.	Particulars	March 31, 2017	March 31, 2016	April 1, 2015
1.	Balance at the year end (Payable)	**3.25**	0.55	0.39
2.	Balance at the year end (Receivable)	**51.89**	30.34	11.67
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.

21.6 Earnings Per Share

Particulars	March 31, 2017	March 31, 2016
Profit/ (Loss) after tax Rs /Lakhs	208.32	231.65
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	48	53
Diluted	48	53

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, 2017

Particulars	FVPL	FVOCI	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 Financial Statements for year ended March 31, 2017 (Contd.)

(b) As of 31st March, 2016

Particulars	FVPL	FVOCI	Amortised cost	Total
Financial assets:				
Investments				
Equity Investment				
Subsidiaries, JVs and Associates	-	-	10.33	10.33
External Companies	-	-	0.10	0.10
Loans	-	-	400.00	400.00
Other Financial Assets	-	-	10.46	10.46
Trade Receivables	-	-	30.34	30.34
Cash and cash equivalents	-	-	63.17	63.17
Bank Balance Other than Cash & Cash Equivalent	-	-	1692.06	1692.06
Total - Financial Assets	-	-	2206.46	2206.46
Financial liabilities:				
Other Financial Liabilities	-	-	1.43	1.43
Total - Financial Liabilities	-	-	1.43	1.43

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, 2017	March 31, 2016
Audit Fees (As statutory auditors)	0.92	0.69
Tax Audit Fees	0.09	0.05
Taxation Matters	0.14	0.14
Reimbursement of Expenses	0.19	0.17
Total	1.34	1.05

21.10 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E), dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on November 08, 2016	NIL	0.05	0.05
(+) Permitted Receipts	NIL	0.20	0.20
(-) Permitted Payments	NIL	-	-
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on December 30, 2016	NIL	0.25	0.25

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

21.11 Events occurring after the reporting period

There are no events which qualify for events happening after the reporting period.

21.12 Offsetting financial assets and financial liabilities

There are no financial liabilities and assets that are off set during the financial years 31.03.2017 and 31.03.2016.

21.13 Previous year's figures

The Company has regrouped/reclassified the previous year's figures to conform to the current year's presentation.

As per our Report of even date

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner (010871)

New Delhi May 8, 2017

For and on behalf of the Board

Sudhir L. Nagpal	**Rajesh R. Nagpal**
Jt. Managing Director	Jt. Managing Director
DIN : 00044762	DIN : 00032123

Mumbai, May 8, 2017

DIRECTORS AND CORPORATE INFORMATION

PIEM HOTELS LIMITED

Board of Directors

Mr. Rakesh Sarna	Chairman & Managing Director
Mr. Rajesh R. Nagpal	Joint Managing Director
Mr. Sudhir L. Nagpal	Joint Managing Director
Mr. Rajkumar M. Nagpal	Executive Director
Mr. G. Anantharaman	
Mr. K. B. Dadiseth	(resigned w.e.f. 7th April, 2017)
Mr. Anil P. Goel	(resigned w.e.f. 15th October, 2016)
Ms. Ninotchka Malkani Nagpal	
Mr. Sanjay Ubale	
Ms. Beryl Fernandes Nagpal	
Mr. Farhat Jamal	
Mr. Rohit Khosla	
Ms. Farzana Sam Billimoria	Company Secretary

Bankers

HDFC Bank
Standard Chartered Bank
Bank of Baroda

Auditors

Price Waterhouse LLP, Chartered Accountants
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 49th Annual Report together with the audited statement of accounts for the year ended 31st March, 2017.

Pursuant to the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from 1st April, 2016. Accordingly, the Financial Statement for the year ended 31st March, 2016 have been restated to conform to the IND AS and the Notes to Accounts provide further explanation on the transition to IND AS.

FINANCIAL HIGHLIGHTS

₹ In lakhs

	Standalone	
Financial Results	**2016-17**	2015-16
Total Income	**36,522.11**	35,244.43
Expenditure	**34,489.40**	30,637.10
Profit before Tax and Exceptional Items	**2,032.71**	4,607.33
Exceptional item	**-**	-
Profit before Tax	**2,032.71**	4,607.33
Less : Provision for taxes	**413.99**	1,407.16
Profit after Tax	**1,618.72**	3,200.17
Add: Balance Brought Forward from the previous year	**34,387.48**	34,794.24
Amount available for appropriation	**36,006.20**	37,994.41
Appropriations :		
General Reserve	**-**	-
Dividend (2014-15)	**-**	(1,524.00)
- Tax on Dividend (2014-15)	**-**	(304.72)
Dividend *	**(1,524.00)**	(1,524.00)
-Tax on Dividend	**(78.20)**	(310.26)
Employment Benefit Obligation (OCI)	**42.88**	56.05
Balance carried to Balance Sheet	**34,446.88**	34,387.48

*Interim Dividend of 400% was declared and paid in March 2017 for 2016-17. For the previous year, an Interim Dividend of 400% was declared & paid.

BUSINESS REVIEW

During the year, the Taj Swarna, a new luxury hotel, commenced operations at Amritsar with an inventory of 157 keys. With this addition, the inventory of the Company increased to 1079 keys.

Your Company earned a total income of ₹ 36,522.11 lakhs, which is 4% more than the previous year's income of ₹ 35,244.43 lakhs.

Room income was ₹ 15,889.05 lakhs which is 6% more than the previous year's income of ₹ 14,971.38 lakhs. F&B income was ₹ 17,005.28 lakhs which is 2% less than the previous year's income of ₹ 17,418.61 lakhs. Profit for the year has decreased by 56% to ₹ 2,032.71 lakhs, compared to ₹ 4,607.33 lakhs in the previous year. The decrease in profit is mainly on account of pre-opening costs incurred on the opening of the Taj Swarna, Amritsar, which commenced in January 2017.

DIVIDEND

Taking into account the Company's performance during the year, an Interim Dividend of 400% i.e. ₹ 40/- per Equity Share (Previous Year ₹ 40/- per Equity Share) on 38,10,000 Equity Shares was declared and paid in March, 2017. No final dividend has been recommended for the year ended March 31, 2017.

SUBSIDIARIES AND ASSOCIATES

Your Company has one domestic and two international subsidiaries and six associates. Two companies have been treated as Associates this year pursuant to IND AS. Pursuant to the provisions of Section 129 of the Companies Act, 2013 (the Act) as 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 in the notes 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 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, 2017. 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 2016-17

Particulars	**Amount (In ₹ Cr)**
Total Revenue	**3.23**
Expenditure	0.20
Profit Before Tax	**3.03**
Income Tax	0.95
Profit After Tax	**2.08**

Key Highlights

- NIHL's revenues arise solely from license income on the lease of the land and structure at The Gateway Hotel, Agra.
- Additionally, NIHL earns income from interest on investments in Inter-corporate deposits and bonds.
- Pursuant to SEBI circular SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016, Piem Hotels Limited (the Company), being the promoter of NIHL, has provided an Exit Option to the minority shareholders of NIHL, based on the estimated Fair Value of Equity Shares of NIHL, as valued by the independent Merchant Banker. The liability of the Company to acquire the shares of those NIHL shareholders who have not offered their shares under the Exit Offer would remain up to a period of one year from the completion of offer, at the same price determined by the independent Merchant Banker.

Piem International Hong Kong Limited (PIHK) - Financial Year 2016-17

Particulars	**Amount (In USD '000)**
Revenue	**2,653**
Expenditure	237
Profit Before Tax	**2,416**
Income Tax	-
Profit After Tax	**2,416**

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.
- PIHK paid a dividend of ₹ 11.67 crores to Piem Hotels Limited, during the year.

BAHC 5 PTE Limited (BAHC 5) - Financial Year 2016-17

Particulars	**Amount (In USD '000)**
Revenue	**44,302**
Expenditure	15,979
Profit Before Tax	**28,323**
Income Tax	-
Profit After Tax	**28,323**

- 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 loan liability written back.
- The principal activity of BAHC 5 is to retain ownership of aircraft.

FINANCIAL PERFORMANCE OF ASSOCIATES

₹ in lakhs

Particulars	**Taj Enterprises Ltd.***	**Taida Trading & Industries Ltd.***	**Inditravel Ltd.***	**Taj Trade and Transport Company Ltd.**	**Benares Hotels Ltd.**	**Oriental Hotels Ltd.**
Total Revenue	**0.41**	**-**	**0.78**	**14.59**	**51.13**	**344.60**
Expenditure	0.07	0.51	1.23	13.95	40.40	342.62
Profit/ (Loss) Before Tax	**0.34**	**(0.51)**	**(0.45)**	**0.64**	**10.73**	**1.98**
Income Tax	0.09	0.31	0.16	-	3.91	0.45
Profit/ (Loss) After Tax	**0.25**	**(0.82)**	**(0.61)**	**0.64**	**6.82**	**1.53**

* The associate companies have ceased operations under a restructuring programme and are in 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 31st March 2017.

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

Mr. Anil P. Goel, Non-Executive Director and Mr. K. B. Dadiseth, Independent Director, resigned as Directors from the Company and consequently from all the Committees, effective 15th October, 2016 and 7th April, 2017, respectively. The Board wishes to place on record its appreciation of the services rendered by them to the Company during their tenure as Directors.

The Board of Directors re-appointed Mr. Rajkumar Nagpal as the Executive Director of the Company for a period of three years with effect from 1st October, 2016. Members are requested to accord their approval to the revised terms of re-appointment and remuneration to Mr. Rajkumar Nagpal, Mr. Sudhir Nagpal and Mr. Rajesh Nagpal respectively.

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. N. M. Nagpal and Mr. Rajesh Nagpal 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, four Board Meetings were convened and held on 6th May, 2016, 22nd July, 2016, 28th October, 2016 and 25th January, 2017 respectively 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

Mr. Farhat Jamal was appointed as a Member of the Audit Committee of the Company during the year. However, in view of the resignations of Mr. K. B. Dadiseth and Mr. Anil P. Goel, the Audit Committee currently comprises Mr. G. Anantharaman (Independent Director) – Chairman and Mr. Farhat Jamal.

The role and terms of reference of 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. During the year, three Audit Committee Meetings were convened and held on 6th May, 2016, 22nd July, 2016 and 25th January, 2017.

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, one NRC Meeting was convened and held on 6th May, 2016.

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

- 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.
- 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.
- 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.
- 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 opinion that the Director possesses requisite qualification for the practice of the profession.
- 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

- 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.
- 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.
- 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.
- 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.
- 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 met twice during the year on 6th May, 2016 and 22nd July, 2016. The CSR Committee comprises three Directors, of which one is an Independent Director, as detailed below:

(i) Mr. G. Anantharaman (Independent Director) - Chairman

(ii) Mr. Rajesh Nagpal

(iii) Mr. Sudhir Nagpal

The details on the number of meetings of the Board and Committees held during the Financial Year 2016/17, including the number of meetings attended by each director are provided in Annexure – C.

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 Earth Check Certification for all its units, of which the units at Mumbai and Bangalore are Gold Level Certified and the rest, are Silver Level Certified.

The total Foreign Exchange Inflow was ₹ 11,624.74 Lakhs and Outflow was ₹ 692.04 Lakhs during the year under review.

LOANS, GUARANTEES OR INVESTMENTS

The Company is exempt from the provisions of Section 186 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 the 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.

STATUTORY AUDITORS

The Members are informed that the Joint Statutory Auditors viz. M/s Price Waterhouse LLP, Chartered Accountants, (Registration No. 012754N/N500016) and M/s PKF Sridhar & Santhanam LLP, Chartered Accountants, (Registration No. 003990S/S200018) hold office till the conclusion of the 49th Annual General Meeting of the Company. M/s Price Waterhouse LLP, Chartered Accountants, (Registration No. 012754N/ N500016) have expressed their unwillingness to be re-appointed and it is now proposed to have a single Auditor. Accordingly, it is proposed to appoint only M/s PKF Sridhar & Santhanam LLP, Chartered Accountants, (Registration No. 003990S/S200018) as the Statutory Auditors of the Company from the conclusion of the 49th Annual General Meeting of the Company for a term of five consecutive years and authorize the Board of Directors to fix their remuneration. The Board commends this for approval of the Members of the Company, based on the recommendation of the Audit Committee.

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 – D.

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 of sexual harassment at workplace.

During the Financial Year 2016-17, the Company had received three 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 financial 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 2016-17.

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 31st March, 2017:

(a) 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;

(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 31st March, 2017 and of the profit of the Company for the year ended 31st March, 2017;

(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 financial statements and 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. Sudhir Nagpal	**Mr. Rajesh Nagpal**
Jt. Managing Director	**Jt. Managing Director**
(DIN: 00044762)	**(DIN:00032123)**

Mumbai, May 11, 2017

ANNEXURE – A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017

[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
v)	Address of the registered office and contact details:	Vivanta by Taj- President, 90, Cuffe Parade, Mumbai- 400005
vi)	Whether listed company:	No

vii) 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	43.50
2	Restaurants and mobile food service activities	561	46.56

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	L55101UP1971PLC003838	Subsidiary	93.41	2 (87)
4	Piem International (H. K.) Limited 42/F, Central Plaza, 18 Harbour Road, Wanchai, Hongkong	Foreign Company	Subsidiary	100	2 (87)

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

**Subsidiary of Piem International (H. K) Ltd

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Name of the Shareholder	No. of Shares held at the beginning of the year (i.e 01.04.2016)			No. of Shares held at the end of the year (i.e 31.03.2017)			% 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 / FI	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-
Sub-total (A)(1):-	**35,03,600**	**35,03,600**	**91.96**	**35,03,600**	**35,03,600**	**91.96**	**-**

(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)	**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 / FI	-	-	-	-	-	-	-
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 VentureCapital 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**	**-**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**3,06,400**	**3,06,400**	**8.04**	**3,06,400**	**3,06,400**	**8.04**	**-**
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**	**-**

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 01.04.2016)			Shareholding at the end of the year (i.e 31.03.2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encum-bered 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**

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

Sr. No.	Name of the Share Holder	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.)	-	-	-	-
	At the end of the year	246,088	6.46	246,088	6.46
2	**Sudhir 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	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 Fernandes 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				
Total (i+ii+iii)				
Change in Indebtedness during the financial year Addition Reduction	N.A.			
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:

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 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	 48.66 20.87 -	 50.97 71.89 -	 23.11 21.17 -	 122.74 113.93 -
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	**69.53**	**122.86**	**44.28**	**236.67**

Note: Mr. Rakesh Sarna, Managing Director, does 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	Total Amount
1.	Fees for attending Board / Committee meetings - 2016-17	1.50	3.30	4.80
2.	Commission for 2015-16	12.90	17.33	30.23
3.	Others, please specify	NIL	NIL	NIL
	Total	**14.40**	**20.63**	**35.03**

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 - 2016-17	0.90	1.50	1.20	3.60
2	Commission for 2015-16	2.54	5.71	1.52	9.77
3	Other, please specify	NIL	NIL	NIL	NIL

Note- Mr. Anil P. Goel, Mr. Farhat Jamal and Mr. Rohit Khosla 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) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the 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. Sudhir Nagpal
Jt. Managing Director
(DIN: 00044762)

Mr. Rajesh Nagpal
Jt. Managing Director
(DIN: 00032123)

Mumbai, May 11, 2017

Annexure B

THE ANNUAL REPORT ON CSR ACTIVITIES FOR 2016-17

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 –

   The Company has formulated its CSR Policy, which imbibes the values and traditions of giving back to the society. The Company focuses on the theme of "Building Sustainable Livelihoods" where inter alia, vocational skills & training are imparted to underprivileged youngsters, so that they become employable, and find livelihoods. The Company also actively contributes towards ensuring environmental sustainability by focusing on green spaces and enhancing green cover. The company, with a focus on welfare of the community, has been donating food to the hungry and needy

2. The Composition of the CSR Committee is as under:

   (i) Mr. G. I. Anantharaman (Independent Director) - Chairman

   (ii) Mr. Rajesh Nagpal

   (iii) Mr. Sudhir Nagpal

3. Average net profit of the Company for last three financial years: INR 5,067.56 lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) INR 101.35 lakhs

5. Details of CSR spent during the financial year.

   (a) Total amount to be spent for the financial year; INR 101.35 lakhs

   (b) Amount unspent, if any;NIL

   (c) 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)	Supporting Taj Tata Strive skill certification centres Strive for less privileged and marginalized youth	Maharashtra Uttar Pradesh	86.06	86.06	86.06	Direct + implementing agency
2)	Environment Sustainability & Upkeep of Public Facilities & Properties - Sch VII (iv)	Maintenance of public gardens, waste management awareness, program on responsible neighbour	Maharashtra Uttar Pradesh Karnataka	11.33	11.33	11.33	Direct

3)	Eradicating Extreme Hunger & Poverty - Sch VII (i)	Distribution of food to local charities	Maharashtra	3.96	3.96	3.96	Direct
4)	Donations to CSR partners/projects - Rule 4(2) of CSR Rules, 2014						
	TOTAL			**101.35**	**101.35**	**101.35**	

*Give details of implementing agency: - Taj Tata Strive skill building centre [Partnership between Taj group of hotels and Tata community initiative trust]

In addition to above Piem Hotels Limited supported 13 small scale vendors from marginalized communities including SC / ST and OBCs through responsible sourcing of goods and services worth INR 220.47 lakhs

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 as the company has utilized its CSR budget fully 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. Sudhir Nagpal	Mr. Rajesh Nagpal	Mr. G. Anantharaman
DIN: 00044762	DIN: 00032123	DIN: 02229822

Annexure C

Details on the number of Board and Committee meetings convened during the Financial Year 2016-17, including the number of meetings attended by each director

Names of Directors	No. of Board Meetings attended	No. of Audit Committee Meetings attended	No. of NRC Committee Meetings attended	No. of CSR Committee Meetings attended
Mr. Rakesh Sarna	3	NA	1	NA
Mr. Anil P. Goel	2	2	NA	2
Mr. R. M. Nagpal	3	NA	NA	NA
Mr. Rajesh R. Nagpal	4	NA	NA	2
Mr. Sudhir L. Nagpal	4	NA	NA	2
Mr. K. B. Dadiseth	2	2	1	NA
Ms. N. M. Nagpal	4	NA	1	NA
Ms. Beryl F. Nagpal	4	NA	NA	NA
Mr. Sanjay Ubale	3	NA	NA	NA
Mr. G. Anantharaman	4	3	1	2
Mr. Rohit Khosla	3	NA	NA	NA
Mr. Farhat Jamal	4	-	NA	NA

Annexure D

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDING 31st MARCH, 2017

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

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/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 the Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2017, 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 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 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: 25th April, 2017

INDEPENDENT AUDITOR'S 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, 2017 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, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with

the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 6, 2016 and May 6, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

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

    (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, 2017 on its financial position in its Ind AS financial statements – Refer Note 23 & 29;

        ii. The Company has long-term contracts as at March 31, 2017 for which there were no material foreseeable losses. The Company didn't have any derivate contracts as at March 31, 2017

        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, 2017.

        iv. Based on the information and explanations provided to us, the Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, as stated in notes 34 to the Ind AS financial statements amounts aggregating to Rs. 228,500 as represented to us by the Management have been received from transactions which are not permitted.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N /N500016

Pankaj Khandelia
Partner
Membership Number 102022
Mumbai
May 11, 2017

For PKF Sridhar and Santhanam LLP
Chartered Accountants
Firm Registration Number: 003990S / S200018

Mythily S.
Partner
Membership Number 205742
Mumbai
May 11, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(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, 2017

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, 2017 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, 2017, 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 Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N /N500016

Pankaj Khandelia
Partner
Membership Number 102022
Mumbai
May 11, 2017

For PKF Sridhar and Santhanam LLP
Chartered Accountants
Firm Registration Number: 003990S / S200018

Mythily S.
Partner
Membership Number 205742
Mumbai
May 11, 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 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, 2017

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 Rs.4.32 lacs, where registration has not been effected after purchase. However a settlement reached in a tripartite agreement with the vendors and a claimant has been duly recorded in Court, where the company's rights are adequately safeguarded.

ii. The physical verification of inventory have 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 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 and value added tax as at March 31, 2017 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	3.57	Financial year 2006-07	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 U.P Sales Tax Act	Sales Tax	1.10	Financial year 2012-13	Commissioner of Sales Tax, Agra
The Finance Act,1994	Service Tax	95.24	Financial year 2006-07 to 2011-12	Commissioner of Central Excise and Customs and Service tax, Agra
The Finance Act,1994	Service Tax	7.71	Financial year 2015-16	Commissioner of Central Excise and Customs and Service 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	94.47	April 1,2002 – March 31, 2003	Joint Commissioner of Sales Tax Appeal, Mumbai
The Bombay Sales Tax Act,1959	Sales tax	120.35	April 1,2001 - March 31,2002	Joint Commissioner of Sales Tax Appeal, Mumbai
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	9.99	April 1,2007 -March 31,2008	Joint Commissioner of Sales Tax Appeal, Mumbai
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	118.50	April 1,2008 -March 31,2009	Joint Commissioner of Sales Tax Appeal, Mumbai
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	35.53	April 1,2009 -March 31,2010	Joint Commissioner of Sales Tax Appeal, Mumbai
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	62.51	April 1,2010 -March 31,2011	Joint Commissioner of Sales Tax Appeal, Mumbai
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	230.98	April 1,2006 -March 31,2007	Joint Commissioner of Sales Tax Appeal, Mumbai
The Finance Act,1994	Service Tax	648.00	Apr 1, 2004 - Mar 31, 2005	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	15.77	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

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 under Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N /N500016

Pankaj Khandelia
Partner
Membership Number 102022
Mumbai
May 11, 2017

For PKF Sridhar and Santhanam LLP
Chartered Accountants
Firm Registration Number: 003990S / S200018

Mythily S.
Partner
Membership Number 205742
Mumbai
May 11, 2017

Balance Sheet as at March 31, 2017

₹ in lakhs

	Notes	March 31, 2017	March 31, 2016	April 1, 2015
Assets				
Non-current assets				
Property, Plant and Equipment	3	**43,142.01**	28,306.42	22,522.31
Capital work-in-progress	3	**209.86**	12,860.48	9,086.70
Intangible assets	4	**327.54**	297.51	161.28
		43,679.41	41,464.41	31,770.29
Financial Assets				
Investments	5(a)	**17,747.98**	15,486.68	16,451.89
Other financial non current assets	5(b)	**342.33**	421.81	711.23
Advance income tax (net)		**353.38**	280.22	391.59
Other non current assets	7	**1,962.75**	1,870.12	1,915.01
Total non-current assets		**64,085.85**	59,523.24	51,240.01
Current Assets				
Inventories	8	**1,022.20**	872.27	798.28
Financial Assets				
Investments	5(a)	**-**	166.24	4,115.59
Trade Receivables	5(c)	**1,077.30**	1,391.50	1,084.99
Cash and Cash Equivalents	5(d)	**765.97**	1,185.64	1,005.31
Bank balances other than cash and cash equivalents	5(d)	**897.89**	348.45	59.94
Other financial assets	5(b)	**511.57**	327.63	5,483.96
Other Current assets	6	**673.91**	741.55	507.43
Total current assets		**4,948.84**	5,033.28	13,055.50
Total Assets		**69,034.69**	64,556.52	64,295.51
Equity and Liabilities				
Equity				
Equity share capital	9(a)	**381.00**	381.00	381.00
Other equity	9(b)	**58,018.38**	55,697.68	57,069.65
Total Equity		**58,399.38**	56,078.68	57,450.65
Liabilities				
Non-current Liabilities				
Financial Liabilities				
Other financial Liabilities	10(a)	**-**	239.13	13.27
Provisions	11	**536.78**	424.13	321.06
Deferred Tax Liabilities (net)	12	**1,718.58**	1,447.73	1,494.90
Total non-current liabilities		**2,255.36**	2,110.99	1,829.23
Current Liabilities				
Financial Liabilities				
Borrowings	10(c)	**1,400.00**	-	-
Trade Payables	10(b)	**3,627.40**	2,350.30	1,648.29
Other financial Liabilities	10(a)	**1,580.09**	2,456.57	1,715.89
Provisions	11	**758.40**	608.41	725.75
Other current liabilities	13	**1,014.06**	951.57	925.70
Total current liabilities		**8,379.95**	6,366.85	5,015.63
Total liabilities		**10,635.31**	8,477.84	6,844.86
Total equity and liability		**69,034.69**	64,556.52	64,295.51
Summary of significant accounting policies	1			
Critical Estimates and Judgements	2			

The above balance sheet should be read in conjection with the accompanying notes.

For PFK Sridhar & Santhanam LLP	For Price Waterhouse	For and on behalf of the Board	
Chartered Accountants	**Chartered Accountants LLP**		
Firm Registration No. 003990S / S200018	Firm Registration No. 012754N / N500016	**Rakesh Sarna** Chairman & Managing Director DIN No. 01875340	**Sudhir L. Nagpal** (Jt. Managing Director) DIN No. 00044762
Mythily S. Partner (205742) Mumbai, 11th May, 2017	**Pankaj Khandelia** Partner (102022)	**Rajesh R. Nagpal** (Jt. Managing Director) DIN No. 00032123	**Farzana Sam Billimoria** Company Secretary

Statement of Profit and Loss for the year ended March 31, 2017

₹ in lakhs

	Notes	**March 31, 2017**	March 31, 2016
Income			
Revenue			
Revenue from Operations	14	**34,608.50**	33,880.09
Other Income	15	**1,913.61**	1,364.34
Total Income		**36,522.11**	35,244.43
Expenses			
Food and Beverages Consumed	16	**4,181.45**	3,988.45
Employee Benefit Expense and Payment to Contractors	17	**9,270.08**	8,511.46
Finance Costs	18	**21.97**	-
Depreciation and Amortisation expenses	3 & 4	**3,117.70**	1,969.99
Other Operating and General expenses	19	**17,898.20**	16,167.20
Total expenses		**34,489.40**	30,637.10
Profit Before Exceptional items and Tax		**2,032.71**	4,607.33
Exceptional Items		**-**	-
Profit Before Tax		**2,032.71**	4,607.33
Tax Expenses	20		
Current Tax		**438.00**	1,484.00
Deferred Tax		**248.14**	(76.84)
Short/ (Excess) Provision of Tax / Deferred Tax of Earlier Years (Net)		**(272.15)**	-
Total tax expenses		**413.99**	1,407.16
Profit for the year		**1,618.72**	3,200.17
Other Comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined benefit obligation		**65.58**	85.72
Change in fair value of equity instruments designated irrevocably as FVTOCI		**2,261.30**	(965.21)
Less :-income tax expense		**22.70**	29.67
Other Comprehensive income for the period, net of tax		**2,304.18**	(909.16)
Total Comprehensive Income for the year		**3,922.90**	2,291.01
Earnings per share - ₹ (Basic and Diluted)		**42.49**	83.99
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 conjection with the accompanying notes.

For PFK Sridhar & Santhanam LLP	**For Price Waterhouse**	**For and on behalf of the Board**	
Chartered Accountants	**Chartered Accountants LLP**		
Firm Registration No. 003990S / S200018	Firm Registration No. 012754N / N500016	**Rakesh Sarna** Chairman & Managing Director DIN No. 01875340	**Sudhir L. Nagpal** (Jt. Managing Director) DIN No. 00044762
Mythily S. Partner (205742) Mumbai, 11th May, 2017	**Pankaj Khandelia** Partner (102022)	**Rajesh R. Nagpal** (Jt. Managing Director) DIN No. 00032123	**Farzana Sam Billimoria** Company Secretary

Cash Flow Statement for the year ended March 31, 2017

	March 31, 2017	₹ in lakhs March 31, 2016
Cash Flow From Operating Activities		
Profit Before Tax	**2,032.71**	4,607.33
Adjustments For :		
Depreciation and Amortisation	**3,117.70**	1,969.99
Loss on sale of assets	**61.68**	7.26
Dividend Income	**(1,277.77)**	(429.78)
Interest Income	**(157.10)**	(466.76)
Interest Expense	**21.97**	-
Provision for Employee Benefits (OCI Adjustments)	**65.58**	85.72
	1,832.06	1,166.43
Cash Operating Profit before working capital changes	**3,864.77**	5,773.76
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**(149.93)**	(73.99)
Trade Receivables	**314.20**	(306.51)
Bank balances other than cash and cash equivalents	**(549.43)**	(288.51)
Other current financial assets	**(157.97)**	5,048.78
Other Current assets	**67.64**	(234.12)
Other financial non current assets	**79.48**	289.42
Other non current assets	**(92.62)**	44.88
	-	-
	(488.63)	4,479.95
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**1,277.09**	702.02
Other Current Liabilities	**62.50**	25.87
Other financial Liabilities	**(891.08)**	740.69
Other financial non current Liabilities	**(126.48)**	328.93
Other Liabilities	**149.99**	(117.33)
	472.02	1,680.18
Cash Generated from Operating Activities	**3,848.17**	11,933.89
Direct Taxes (Paid)/ Refunded	**(239.02)**	(1,372.64)
Net Cash From Operating Activities (A)	**3,609.15**	10,561.25
Cash Flow From Investing Activities		
Purchase of Fixed Assets	**(5,369.19)**	(11,719.34)
Sale of Fixed Assets	**18.38**	47.97
Purchase of current Investments	**-**	-
Sale of current Investments	**166.24**	3,949.34
Interest Received	**131.11**	574.31
Dividend Received	**1,277.77**	429.78
Net Cash Used In Investing Activities (B)	**(3,775.69)**	(6,717.94)
Cash Flow From Financing Activities		
Interest Paid	**(50.93)**	-
Borrowings	**1,400.00**	-
Dividend & Tax paid	**(1,602.19)**	(3,662.98)
Net Cash Generated/ (Used) In Financing Activities (C)	**(253.12)**	(3,662.98)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(419.66)**	180.33
Cash and Cash Equivalents - Opening (Refer Note 5(d))	**1,185.64**	1,005.31
Cash and Cash Equivalents - Closing (Refer Note 5(d))	**765.97**	1,185.64

Summary of Significant Accounting Policies 1
Critical Estimates and Judgements 2
The above Statement of cash flow should be read in conjection with the accompanying notes.

For PFK Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Mythily S.
Partner (205742)
Mumbai, 11th May, 2017

For Price Waterhouse
Chartered Accountants LLP
Firm Registration No.
012754N / N500016

Pankaj Khandelia
Partner (102022)

For and on behalf of the Board

Rakesh Sarna
Chairman & Managing Director
DIN No. 01875340

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Farzana Sam Billimoria
Company Secretary

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Statement of Changes in Equity as at 31 March 2017

₹ in lakhs

	Equity Share Capital Subscribed	RESERVES AND SURPLUS						TOTAL
		Capital Reserve	Securities Premium Account	Retained Earning	Retained Earning		Other reserves	
					General Reserve	Profit & Loss B/fd		
Balance at the beginning of the reporting period (April 1, 2015)	**381.00**	**375.61**	**2,011.00**	**47,628.28**	**12,834.04**	**34,794.24**	**7,054.76**	**57,450.65**
Profit for the year	-	-	-	3,200.17	-	3,200.17	-	3,200.17
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses, given below	-	-	-	-	-	-	(965.21)	(965.21)
Acturial Gains/Losses (Not Reclass to P&L)				56.05		56.05		56.05
Total Comprehensive Income for the year 2015/16	**-**	**-**	**-**	**3,256.22**	**-**	**3,256.22**	**(965.21)**	**2,291.01**
Dividends	-	-	-	(3,048.00)	-	(3,048.00)	-	(3,048.00)
Tax on Dividend	-	-	-	(614.98)	-	(614.98)	-	(614.98)
Balance at the end of the reporting period (March 31, 2016)	**381.00**	**375.61**	**2,011.00**	**47,221.52**	**12,834.04**	**34,387.48**	**6,089.55**	**56,078.68**
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
Acturial Gains/Losses (Not Reclass to P&L)	-	-	-	42.88	-	42.88	-	42.88
Total Comprehensive Income for the year	**-**	**-**	**-**	**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	**381.00**	**375.61**	**2,011.00**	**47,280.92**	**12,834.04**	**34,446.88**	**8,350.85**	**58,399.38**
Summary of significant accounting policies	1							
Critical Estimates and Judgements	2							

The above statement of changes in equity should be read in conjection with the accompanying notes.

For PFK Sridhar & Santhanam LLP	For Price Waterhouse	For and on behalf of the Board	
Chartered Accountants	**Chartered Accountants LLP**		
Firm Registration No. 003990S / S200018	Firm Registration No. 012754N / N500016	**Rakesh Sarna** Chairman & Managing Director DIN No. 01875340	**Sudhir L. Nagpal** (Jt. Managing Director) DIN No. 00044762
Mythily S. Partner (205742) Mumbai, 11th May, 2017	**Pankaj Khandelia** Partner (102022)	**Rajesh R. Nagpal** (Jt. Managing Director) DIN No. 00032123	**Farzana Sam Billimoria** Company Secretary

Notes to Financial Statements for year ended March 31, 2017

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 B y 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 2017.

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.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provision of the Act. These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind-AS. The date of transition to Ind AS is April 1, 2015. Note 35 details the information on Ind AS adoption by the company. These financial statements are presented in INR in lacs.

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated 17th March 2017, 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 from 1st April 2017. During current year, there are no share based payments transactions occurred and hence Ind AS 102 is not applicable to the company.

Further, amendment to Ind AS 7 pertains to additional disclosure requirement such as "An entity shall 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 Company has not opted for early adoption of the above amendments and will not have any material impact on the financial statements of the Company when adopted.

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

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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
  - 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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 seperate 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.

Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or carrying amount as per Indian GAAP on that date. 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.

- 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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

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. Remeasurments 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 month 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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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);
- 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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

Transition to Ind AS

The net carrying amounts of tangible assets as on 01.04.2015 is taken as deemed cost for adoption for Ind AS.

Depreciation on fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on group's technical evaluation, taking into the account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties, maintenance support, etc.

• Plant and machinery	10 to 20 years
• Electrical installations and equipment	20 years
• Hotel Wooden Furniture	15 years
• End User devices -Computers, Laptops, etc.	6 years
• Minor Additions to Furniture & Fittings/Plant & Machinery	4 years
• Improvements to Buildings	15 years
• Operating Supplies on opening of a new hotel	2 to 3 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values are not more than 5% of the original cost of the assets. The asset's residual value and useful lives are reviewed, and adjustment if appropriate, at the end of the each reporting period.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as of April 1, 2015, (transition date) measured as per the Indian GAAP and use that carrying value as its deemed cost as of the transition date.

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

Transition to Ind AS

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 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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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 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 on a straight-line basis 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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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 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 Schedule 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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

- Impairment of financial assets

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

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

  (b) Contract assets and trade receivables under Ind-AS 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:

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

- 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. 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 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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

- 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

₹ in lakhs

	Freehold Land Refer Footnote (i)	Buildings Refer Footnote (ii)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total	Capital Work in Progress
Gross Block at Cost								
At April 1, 2015	1,971.78	11,110.03	7,405.99	1,799.42	145.80	89.29	22,522.31	9,086.70
Additions	-	3,102.78	3,026.71	1,271.66	265.68	88.39	7,755.22	3,773.78
Disposals	-	(0.46)	59.31	0.42	0.69	-	59.96	
At March 31, 2016	**1,971.78**	**14,213.27**	**10,373.39**	**3,070.66**	**410.79**	**177.68**	**30,217.57**	**12,860.48**
Additions	-	8,569.97	6,420.34	2,571.51	389.64	-	17,951.46	(12,650.62)
Disposals	-	36.75	28.46	14.28	5.79	0.25	85.53	
At March 31, 2017	**1,971.78**	**22,746.49**	**16,765.27**	**5,627.89**	**794.64**	**177.43**	**48,083.50**	**209.86**
Depreciation (Refer Footnote iii)								
At April 1, 2015	-	-	-	-	-	-	-	-
Charge for the year	-	650.45	843.40	317.28	67.31	40.98	1,919.42	-
Disposals	-	-	7.22	0.03	1.02	-	8.27	-
At March 31, 2016	**-**	**650.45**	**836.18**	**317.25**	**66.29**	**40.98**	**1,911.15**	**-**
Charge for the year	-	1,203.60	1,258.94	450.86	97.11	29.58	3,040.09	-
Disposals	-	0.76	(3.38)	8.95	3.42	-	9.75	-
At March 31, 2017	**-**	**1,853.29**	**2,098.50**	**759.16**	**159.98**	**70.56**	**4,941.49**	**-**
Net Block								
At March 31, 2016	**1,971.78**	**13,562.82**	**9,537.21**	**2,753.41**	**344.50**	**136.70**	**28,306.42**	**12,860.48**
At March 31, 2017	**1,971.78**	**20,893.20**	**14,666.77**	**4,868.73**	**634.66**	**106.87**	**43,142.01**	**209.86**

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 - ₹ 1,849.13 lakhs (previous year - ₹ 1,849.13 lakhs)

(b) Cost of shares of Co-operative Societies in case of Residential Buildings

(iii) In the current year, Amritsar Project amouting to ₹ 16,940.93 lakhs has been capitalised and depreciation of ₹ 247.48 lakhs has been charged to Statement of Profit & Loss. In the previous year, Amritsar Project expenses amounting to ₹ 34.40 lakhs has been capitalised and depreciation on the same ₹ 4.55 lakhs have been debited to Capital Work in Progress Account (including CWIP balance of ₹ 12,830.03 from the previous year)

(iv) On transition to INDAS, carrying value of all PPE under the previous gap is considered as deemed cost under INDAS. Also refer note no 35

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 4 : Intangible Asset

₹ in lakhs

	Website Development Cost	Software (Refer Footnote)	Total	Intangible assets under development
Gross Block at Cost				
At April 1, 2015	4.38	156.90	161.28	
Additions	-	194.89	194.89	
Disposals	-	3.54	3.54	
At March 31, 2016	**4.38**	**348.25**	**352.63**	**-**
Additions	-	111.92	111.92	
Disposals	-	2.54	2.54	
At March 31, 2017	**4.38**	**457.63**	**462.01**	**-**
Amortisation				
At April 1, 2015	-	-	-	
Charge for the year	1.82	53.30	55.12	
Disposals	-	-	-	
At March 31, 2016	**1.82**	**53.30**	**55.12**	**-**
Charge for the year	1.71	75.90	77.61	
Adjustments		(2.00)	(2.00)	
Disposals	-	0.26	0.26	
At March 31, 2017	**3.53**	**130.94**	**134.47**	**-**
Net Block				
At March 31, 2016	**2.56**	**294.95**	**297.51**	**-**
At March 31, 2017	**0.85**	**326.69**	**327.54**	**-**

Footnote :

Software includes Customer Reservation System and other licensed software.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 5 (a) : Non-Current Investments

₹ in lakhs

		Face Value	March 31, 2017 Holdings As at		March 31, 2016 Holdings As at		April 1, 2015 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	800,000	2,825.34
				2,825.34		2,825.34		2,825.34
Investments in Associates (At cost)								
Taida Trading and Industries Limited*	₹	100	**34,400**	**34.42**	**34,400**	34.42	34,400.00	34.42
Taj Enterprises Limited	₹	100	**10,548**	**10.58**	**10,548**	10.58	10,548.00	10.58
TAL Hotels and Resorts Limited	₹	1	**280,108**	**132.69**	**280,108**	132.69	280,108	132.69
Taj Karnataka Hotels and Resorts Ltd.	₹	10	**300,000**	**30.00**	**300,000**	30.00	300,000	30.00
Roots Corporation Limited	₹	10	**6,535,948**	**5,000.00**	**6,535,948**	5,000.00	6,535,948	5,000.00
Inditravel Limited	₹	10	**189,002**	**18.91**	**189,002**	18.91	189,002	18.91
Taj Trade and Transport Company Limited	₹	10	**886,500**	**140.38**	**886,500**	140.38	886,500	140.38
				5,366.98		5,366.98		5,366.98
Investment in Other Companies (Refer footnote)								
Damania Airways Ltd. *	₹	10	**500**	**-**	**500**	-	500	-
Smile and Care Products Pvt. Ltd.*	₹	10	**49,800**	**-**	**49,800**	-	49,800	-
MPOWER Information Systems Pvt Ltd.*	₹	10	**30,000**	**-**	**30,000**	-	30,000	-
				-		-		-
Fully Paid quoted Equity Instruments								
Investments in Subsidiary Companies (At cost)								
Northern India Hotels Limited **	₹	10	**407,567**	**562.95**	**407,567**	562.95	407,567	562.95
				562.95		562.95		562.95
Investment in Associates (At cost)								
Beneras Hotels Limited	₹	10	**54,063**	**5.41**	**54,063**	5.41	54,063	5.41
Oriental Hotels Company Limited	₹	1	**3,657,170**	**596.81**	**3,657,170**	596.81	3,657,170	596.81
				602.22		602.22		602.22
Investment in Other Companies (Fair Value Through OCI)								
Tulip Star Hotels Limited	₹	10	**35,800**	**18.63**	**35,800**	27.62	35,800	28.64
Timex Group India Limited	₹	1	**1,000**	**0.50**	**1,000**	0.30	1,000	0.19
Titan Industries Limited	₹	1	**1,806,000**	**8,331.08**	**1,806,000**	6,118.72	1,806,000	7,079.52
Crest Ventures Limited (Formerly known as Sharyans Resources Limited)	₹	10	**42,000**	**74.70**	**42,000**	16.97	42,000	20.47
				8,424.91		6,163.61		7,128.82
Total Non-current Investments - Gross				**17,782.40**		15,521.10		16,486.31
Less : Provision for Diminution in value of Investments				**34.42**		34.42		34.42
Total Non-current Investments - Net				**17,747.98**		15,486.68		16,451.89

Footnotes :

(i) Aggregate amount of Quoted Investments	**: Market Value**	**10,396.42**	**: Market Value**	7,459.11	: Market Value	8,544.49
(ii) Aggregate amount of Unquoted Investments	**: Cost**	**8,192.32**	**: Cost**	8,192.32	: Cost	8,192.32
(iii) Aggregate amount of impairment in value of investments		**34.42**		34.42		34.42

* Provision for diminution is created for these investments

** The Market value of quoted investments does not include investment in Northern India Hotels Limited, as market quotation is not avaliable.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 5 (a) : Current Investments

₹ in lakhs

	Face Value	March 31, 2017		March 31, 2016		April 1, 2015	
		Units	**Amount**	Units	Amount	Units	Amount
Investments in Mutual Fund Units (Unquoted)							
J M High Liquidity Fund - Super Instituional Paln - Daily Dividend	10	-	-	-	-	4,820,799	502.82
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Investment	1001	-	-	-	-	150,069	1,501.77
Taurus Liquid Fund - Super Institutional Daily Dividend Reinvestment	1000	-	-	-	-	140,999	1,410.36
Kotak Floater Short Term - Daily Dividend	1012	-	-	-	-	69,259	700.64
Birla Sun Life Cash Plus - Daily Dividend-Regular Paln - Reinvestment	100	-	-	165,921	166.24	-	-
Total Current Investments		**-**	**-**	**165,921**	**166.24**	**5,181,126**	**4,115.59**

Footnotes :

(i) Aggregate amount of Investments	: Cost	-	: Cost	166.24	4,115.59
	: NAV	-	: NAV	166.24	4,115.59

Note 5 (b) : Other Financial Assets

₹ in lakhs

		March 31, 2017	March 31, 2016	April 1, 2015
A)	**Non Current**			
	Deposits with Public Bodies and Others at amortised costs			
	Related parties	**-**	-	-
	Public Bodies and Others	**333.34**	339.71	366.46
		333.34	339.71	366.46
	Less : Provision for Doubtful advances			-
		333.34	339.71	366.46
	Deposits with Bank	**8.99**	-	287.91
	Interest Receivable			
	Others	**-**	82.10	56.86
		-	82.10	56.86
		342.33	421.81	711.23

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

		March 31, 2017	March 31, 2016	₹ in lakhs April 1, 2015
B)	**Current**			
	Loans and Advances			
	(Unsecured, considered good unless stated otherwise)			
	Related Parties	**-**	-	5,147.00
	Others	**1.78**	1.91	-
		1.78	1.91	5,147.00
	Deposit with public bodies and others	**96.99**	108.28	103.03
	Other advances			
	Considered good	**228.80**	189.97	82.45
	Considered doubtful	**4.17**	3.93	3.93
		232.97	193.90	86.38
	Less: Provision for Advances doubtful of recovery	**4.17**	3.93	3.93
		228.80	189.97	82.45
	Interest receivable			
	Others	**30.18**	4.21	111.76
	Total	**30.18**	4.21	111.76
	On Current Account dues :			
	Related Parties	**119.01**	4.32	0.66
	Others	**34.81**	18.94	39.06
		153.82	23.26	39.72
		511.57	327.63	5,483.96

Note 5 (c). Trade receivables

	March 31, 2017	March 31, 2016	₹ in lakhs April 1, 2015
(Unsecured) (Refer Footnote)			
Considered good	**35.37**	62.04	34.86
Considered doubtful	**86.83**	48.93	17.19
	122.20	110.97	52.05
Others :			
Considered good	**1,041.93**	1,329.45	1,050.13
Considered doubtful	**-**	-	-
	1,041.93	1,329.45	1,050.13
	1,164.13	1,440.42	1,102.18
Less : Provision for Debts doubtful of recovery			
Others	**86.83**	48.92	17.19
	86.83	48.92	17.19
	1,077.30	1,391.50	1,084.99

Footnote:

i) Provision for Doubtful Debts:

	March 31, 2017	March 31, 2016	April 1, 2015
Opening Balance	**48.92**	17.19	19.85
Add : Provision during the year	**49.73**	34.36	-
	98.65	51.55	19.85
Less : Bad debts written off against past provisions	**9.28**	2.63	-
Less : Reversal of provision no longer required	**2.54**	-	2.66
Closing Balance	**86.83**	48.92	17.19

ii) For impairment of assets refer note 22

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 5 (d). Cash and bank balances

	March 31, 2017	March 31, 2016	April 1, 2015
Cash and cash equivalents			
Cash on hand	**36.95**	42.84	35.78
Cheques, Drafts on hands	**51.91**	87.48	39.43
Balances with bank in current account	**677.11**	1,055.32	530.10
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**-**	-	400.00
	765.97	**1,185.64**	**1,005.31**

Note 5 (d) : Bank Balances Other than Cash and Cash Equivalents

	March 31, 2017	March 31, 2016	April 1, 2015
Call and Short-term deposit accounts	**-**	-	-
Unclaimed Dividend Account	**0.40**	-	3.01
Margin money deposits	**442.48**	348.45	344.84
Earmarked balances - (refer note no 32)	**464.00**	-	-
	906.88	348.45	347.85
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	**8.99**	-	287.91
	897.89	**348.45**	**59.94**

Note 6 : Other Current assets

	March 31, 2017	March 31, 2016	April 1, 2015
Prepaid Expenses	**325.07**	292.42	245.31
Indirect tax recoverable	**220.15**	301.49	161.62
Advance to Suppliers	**91.62**	100.13	60.30
Advance to Employees	**37.07**	47.51	40.20
	673.91	**741.55**	**507.43**

Note 7 : Other non current assets

₹ in lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Capital Advances	**167.38**	175.53	484.65
Prepaid Expenses	**1,115.76**	1,136.11	1,155.79
Advance to Employees	**17.81**	45.50	38.77
Deposits for tax and other statutory dues	**329.44**	361.39	235.80
Export Incentive Receivable	**332.36**	151.59	-
	1,962.75	1,870.12	1,915.01

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 8 : Inventories (At lower of cost and net realisable value)

	March 31, 2017	March 31, 2016	April 1, 2015
Food and Beverages	**748.90**	666.40	611.94
Stores and Operating Supplies	**273.30**	205.87	186.34
	1,022.20	872.27	798.28

Footnote

i) The cost of inventories recognised as an expense includes Nil (previous year: Nil) in respect of write-down of inventories to net realisable value, and has been reduced by Nil (previous year: Nil) in respect of reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales prices in certain markets.

Note 9 (a). Share Capital

₹ in lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
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	**475.00**	**475.00**
Preference Shares			
18,000 (Previous year - 18,000) 9.5% First Redeemable Cumulative Preference			
Shares of Rs. 100/- each	**18.00**	18.00	18.00
	18.00	**18.00**	**18.00**
Preference Shares			
7,000 (Previous year - 7,000) 3% First Redeemable Cumulative Preference Share			
of Rs. 100/- each	**7.00**	7.00	7.00
	7.00	**7.00**	**7.00**
	500.00	**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	**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
(Refer Footnote (v))	**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, 2017, the amount of per share dividend recognised as distribution to equity shareholders was ₹ Nil (Previous year ₹ Nil).

(iii) Interim Dividend ₹ 40/- per share (PY ₹ 40/- per share) is paid in respect of Equity Shares in Current Year.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(iv) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**₹ Lakhs**	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	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	3,810,000	381.00

(v) Share held by Holding Company and Subsidiary of Holding Company

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**% of Holding**	No. of shares	% of Holding	No. of shares	% of Holding
Holding Company						
The Indian Hotels Company Limited (IHCL)	**986,760**	**26%**	986,760	26%	986,760	26%
Subsidiary of Holding Company (Wholly owned)						
TIFCO Holding Company Limited (TIFCO)	**978,010**	**26%**	978,010	26%	978,010	26%

(vi) Details of share held by other shareholders holding more than 5% the aggregate shares in the Company

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**% of Holding**	No. of shares	% of Holding	No. of shares	% of Holding
Mr. Rajesh R. Nagpal	**499,429**	**13%**	499,429	13%	499,429	13%
Mr. Sudhir L. Nagpal	**389,398**	**10%**	389,398	10%	389,398	10%
New Vernon Private Limited	**259,000**	**7%**	259,000	7%	259,000	7%
Mr. Rajkumar M. Nagpal	**246,088**	**6%**	246,088	6%	246,088	6%
Mrs. Subhadra R. Nagpal	**199,418**	**5%**	199,418	5%	199,418	5%

(viii) Aggregate number of shares alloted as fully paid pursuant to contracts without payment being received in cash, bonus shares and shares bought back for period of 5 years immediately preceeding Balance sheet date NIL (previous year NIL)

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 9 (b). Other Equity

₹ in lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Reserves & Surplus			
Capital Reserve			
Opening and Closing Balance	**375.61**	375.61	375.61
Capital Redemption Reserve			
Opening and Closing Balance	**77.00**	77.00	77.00
Securities Premium Account			
Opening and Closing Balance	**2,011.00**	2,011.00	2,011.00
General Reserve			
Opening and Closing Balance	**12,834.04**	12,834.04	12,834.04
Retained Earning			
Opening Balance	**34,387.48**	34,794.24	31,931.30
Add: Current Year profits	**1,618.72**	3,200.17	3,182.94
Less : Appropriations			
Final Dividend	**-**	(1,524.00)	-
Tax on Final Dividend	**-**	(304.72)	-
Interim Dividend	**(1,524.00)**	(1,524.00)	-
Tax on Interim Dividend	**(78.20)**	(310.26)	-
Transfer to General Reserve	**-**	-	(320.00)
Add: Remeasurment of post employment benefit obligation (net of taxes)	**42.88**	56.05	-
Closing retained earning	**34,446.88**	**34,387.48**	**34,794.24**
Reserves and Surplus	**49,744.53**	**49,685.13**	**50,091.89**
Other Comprehensive Income			
OCI - Equity Instruments (Not reclassified to P&L)			
Opening Balance	**6,012.55**	6,977.76	6,977.76
Less: Change in fair value of equity instruments designated irrevocably as FVTOCI	**2,261.30**	(965.21)	-
Closing Balance	**8,273.85**	6,012.55	6,977.76
Total	**58,018.38**	**55,697.68**	**57,069.65**

Note 10 (a) : Other financial liabilities

₹ in lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
A) Non Current financial liabilities			
Creditors for Capital goods and services	**-**	239.13	13.27
	-	**239.13**	**13.27**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 10 (a) : Other financial liabilities

₹ in lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
B) Current financial liabilities			
Payables on Current Account dues :			
Related Parties	**-**	94.27	65.84
Others	**18.93**	13.33	10.12
	18.93	107.60	75.96
Deposits from others			
Secured	**-**	-	-
Unsecured	**80.45**	73.13	65.16
	80.45	73.13	65.16
Interest accrued but not due on borrowings at amortised costs	**14.60**	-	-
Creditors for capital expenditure	**769.29**	1,346.18	657.02
Unclaimed dividend	**0.40**	-	3.01
Employee related liabilities	**648.51**	862.90	865.69
Others	**47.91**	66.76	49.05
	1,580.09	2,456.57	1,715.89

Footnote :

A sum of Nil (Previous year Nil) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.

Note 10 (b): Trade Payables

₹ in lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Trade Payables			
Micro and Small Enterprises (Refer Footnote (i) and (ii))	**61.87**	23.67	20.63
Vendor Payables	**2,577.98**	1,629.20	946.14
Accrued expenses and others	**987.55**	697.43	681.52
	3,627.40	2,350.30	1,648.29

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

₹ in lakhs

			March 31, 2017		March 31, 2016	April 1, 2015
B) Current borrowings						
Borrowings from Related Parties	10%	Payble on Demand	**1,414.60**	**1,414.60**		-
Total Short term borrowings				**1,414.60**	-	-
Less : Interest accurred (included in note10 (a))				**14.60**		
Total Borrowings				**1,400.00**	**-**	**-**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 11 : Provisions

₹ in lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
A) Long term provisions			
Employee Benefit Obligation (Non-current)			
Leave obligations	**536.78**	424.13	321.06
	536.78	**424.13**	**321.06**
B) Short term provisions			
Employee Benefit Obligation (Current)	**88.63**	62.77	48.99
Leave obligations	**35.60**	42.64	261.65
Gratuity	**124.23**	**105.41**	**310.64**
Provision for Contingencies	**561.50**	503.00	415.11
Dividend Tax Payable	**72.67**	-	-
	634.17	**503.00**	**415.11**
Total Short term provisions	**758.40**	**608.41**	**725.75**

Note 12: Deferred Tax Liabilities (Net)

₹ in lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Deferred Tax Liabilities:			
Property. Plant and equipment & Intangible Assets	**2,109.01**	1,948.77	1,751.70
Total (A)	**2,109.01**	**1,948.77**	**1,751.70**
Deferred Tax Assets:			
Provision for Compensated Absences	**144.30**	167.35	127.16
Liabilities / Provisions that are deducted for tax purposes when paid	**214.64**	311.91	122.33
Provisions - Others	**31.49**	21.78	7.31
Total (B)	**390.43**	**501.04**	**256.80**
Net Deferred Tax Liabilities (A-B)	**1,718.58**	**1,447.73**	**1,494.90**

Footnote:

Refer note 20 for detailed disclosures

Note 13 : Other non financial Liabilities

₹ in lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
A) Current			
Income received in advance	**31.02**	17.38	22.99
Advances collected from customers	**410.62**	393.26	465.17
Statutory dues	**572.42**	540.93	437.54
	1,014.06	951.57	925.54

Note 14 : Revenue from Operations

₹ in lakhs

	March 31, 2017	March 31, 2016
Room Income, Food, Restaurants and Banquet Income	**32,894.33**	32,389.99
Others	**1,714.17**	1,490.10
Total Revenue	**34,608.50**	33,880.09

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 15 : Other Income

₹ in lakhs

	March 31, 2017	March 31, 2016
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	**-**	394.04
Deposits with banks	**62.87**	40.34
Others	**16.80**	14.89
	79.67	449.27
Interest on Income Tax Refunds	**77.43**	17.49
Total	**157.10**	466.76
Dividend Income on non-current investments held at the end of the year		
From related parties	**1,259.22**	212.53
From others	**18.55**	217.25
Exchange Gain (Net)	**1.01**	-
Others	**477.73**	467.80
Total	**1,913.61**	1,364.34

Note 16 : Food and Beverages Consumed

₹ in lakhs

	March 31, 2017	March 31, 2016
Opening Stock	**666.40**	611.94
Add : Purchases	**4,263.95**	4,042.91
	4,930.35	4.654.85
Less : Closing Stock	**748.90**	666.40
Food and Beverages Consumed	**4,181.45**	3,988.45

Note 17 : Employee Benefit Expense and Payment to Contractors

₹ in lakhs

	March 31, 2017	March 31, 2016
Salaries, Wages, Bonus etc.	**5251.83**	5,044.74
Company's Contribution to Provident and Other Funds	**341.36**	346.57
Reimbursement of Expenses on Personnel Deputed to the Company	**1768.39**	1,501.39
Payment to Contractors	**698.04**	579.97
Staff Welfare Expenses	**1,210.46**	1,038.79
Total	**9,270.08**	8,511.46

Note 18 : Finance costs

₹ in lakhs

	March 31, 2017	March 31, 2016
Interest Expense at effective interest rate on borrowings	**65.53**	-
	65.53	-
Less : Interest Capitalised (Refer Footnote)	**43.56**	-
Total	**21.97**	-

Footnote:

The Company has capitalised the Interest cost on borrowings relating to certain qualifying assets.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 19 : Other Operating and General Expenses

		March 31, 2017	₹ in lakhs March 31, 2016
i.	**Operating expenses consist of the following :**	**731.39**	580.23
	Linen and Room Supplies	**342.19**	336.92
	Catering Supplies	**104.81**	114.38
	Other Supplies	**3,152.98**	2,950.14
	Fuel, Power and Light	**530.36**	288.40
	Repairs to Buildings	**739.38**	708.35
	Repairs to Machinery	**172.55**	170.85
	Repairs to Others	**470.40**	455.99
	Linen and Uniform Washing and Laundry Expenses	**650.98**	547.75
	Payment to Orchestra Staff, Artistes and Others	**337.28**	295.02
	Guest Transportation	**558.42**	412.01
	Travel Agents' Commission	**310.20**	323.06
	Discount to Collecting Agents	**688.38**	523.67
	Other Operating Expenses	**8,789.32**	7,706.77
	Total		
ii.	**General expenses consist of the following :**		
	Rent	**422.25**	877.49
	Licence Fees	**1372.98**	1,399.06
	Rates and Taxes	**1,194.14**	563.98
	Insurance	**81.14**	77.39
	Advertising and Publicity	**2,086.67**	1,566.15
	Printing and Stationery	**128.73**	116.97
	Passage and Travelling	**129.90**	77.08
	Provision for Doubtful Debts	**37.91**	33.42
	Expenditure on Corporate Social Responsibility (Refer note 36)	**120.49**	76.60
	Management Fees	**1,671.40**	1,698.18
	Reservation and Information system	**333.45**	339.14
	Brand Common Cost	**333.80**	339.14
	Professional fees	**325.48**	404.29
	Outsourced Support Services	**212.01**	165.19
	Exchange Loss (Net)	**0.09**	2.04
	Loss on Sale of Fixed Assets (Net)	**61.68**	7.26
	Payment made to Statutory Auditors		
	i. As Auditors	**56.28**	55.96
	ii. As Tax Auditors	**8.04**	8.06
	iii. For Other Services	**0.90**	4.16
	iv. For Reimbursement of expenses	**3.22**	3.12
	Directors Sitting Fees and Commission	**8.44**	45.93
	Other Expenses	**519.68**	599.82
	Total	**9,108.88**	8,460.43
		17,898.20	16,167.20

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 20 : Income tax expense

₹ in lakhs

		March 31, 2017	March 31, 2016
a)	**Income tax expense**		
	Current Tax		
	Current Tax on profits for the year	**438.00**	1,484.00
		438.00	1,484.00
	Deferred Tax		
	Increase/(Decrease) in deferred tax liability (Refer Note 12)	**248.14**	**(76.84)**
	Total deferred tax expense/(benefit)	**248.14**	**(76.84)**
	Income tax expense	**686.14**	**1,407.16**
(b)	**Reconcilition of tax expense and the accounting profit multiplied by india's tax rate**		
	Profit before tax from continuing operations (a)	**2,032.71**	4,607.33
	Income tax rate as applicable (b)	**34.61%**	34.61%
	Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**703.48**	1,594.50
	Permanent tax differences due to:		
	Effect of income that is exempt from taxation (like dividend income)	**(31.81)**	(148.74)
	Effect of expenses that are not deductible in determining taxable profit	**71.98**	43.17
	Recognition of previously unrecognised deferred taxes	**-**	(44.98)
	Income subject to lower rate of income tax	**(34.95)**	-
	Others - including income tax reported in OCI	**(22.56)**	(36.79)
	Income tax expense recognised in profit or loss (relating to continuing operations)	**686.14**	1,407.16

21. Financial Instruments

Fair value hierarchy

₹ in lakhs

As of March 31, 2017:	**Level 1**	**Level 2**	**Level 3**	**Level 4**
Financial assets:				
Equity shares	8,424.91			8,424.91
Total	**8,424.91**			**8,424.91**

₹ in lakhs

As of March 31, 2016:	**Level 1**	**Level 2**	**Level 3**	**Level 4**
Financial assets:				
Equity shares	6,163.61			6,163.61
Liquid Mutual Funds	166.24			166.24
Total	**6,329.85**	**-**	**-**	**6,329.85**

₹ in lakhs

As of March 31, 2016:	**Level 1**	**Level 2**	**Level 3**	**Level 4**
Financial assets:				
Equity shares	7,128.82			7,128.82
Liquid Mutual Funds	4,115.59			4,115.59
Total	**11,244.41**	**-**	**-**	**11,244.41**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

The carrying value of financial instruments by categories is as follows:

As on 31.03.2017

₹ in lakhs

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Equity Investment in External Companies		8,424.91		8,424.91
Trade Receivables	-	-	1077.30	1077.30
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	1,400
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**

As on 31.03.2016

₹ in lakhs

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Equity Investment in External Companies		6,163.61		6,163.61
Liquid Mutual Funds	166.24	-	-	166.24
Trade Receivables	-	-	1,391.50	1,391.50
Cash and cash equivalents	-	-	1,185.64	1,185.64
Bank Balances other than Cash & Cash Equivalents			348.45	348.45
Other financial assets*	-	-	749.44	749.44
Total - Financial Assets	**166.24**	**6,163.61**	**3,675.03**	**10,004.88**
Financial liabilities:				
Trade Payables including capital creditors			3,935.61	3,935.61
Deposits			73.13	73.13
Other financial liabilities			1,037.26	1,037.26
Total - Financial Liabilities	**-**	**-**	**5,046.00**	**5,046.00**

As on 31.03.2015

₹ in lakhs

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Equity Investment in External Companies		7,128.82		7,128.82
Liquid Mutual Funds	4,115.59	-		4,115.59
Trade Receivables	-	-	1,084.99	1,084.99
Cash and cash equivalents	-	-	1,005.31	1,005.31

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Bank Balances other than Cash & Cash Equivalents			59.94	59.94
Other financial assets*	-	-	6,195.19	6,195.19
Total - Financial Assets	**4,115.59**	**7,128.82**	**8,345.43**	**19,589.84**
Financial liabilities:				
Trade Payables including capital creditors			1,648.29	1,648.29
Deposits			65.16	65.16
Other financial liabilities			1,664.00	1,664.00
Total - Financial Liabilities	**-**	**-**	**3,377.45**	**3,377.45**

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.

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.

₹ in lakhs

	March 31, 2017	March 31, 2016
No of Customers who owed more than 5% of the Total receivables	**26**	14
Contribution of Customers in owing more than 5% of Total receivables	**26.78%**	25.79%

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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. Counter party 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 counter party'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.

₹ in lakhs

Particulars	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total
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**
Year ended 31 March 2016				
Other financial liabilities	2,456.57	239.13	-	2,695.70
Trade and other payables	2,350.30			2,350.30
	4,806.87	239.13	-	5,046.00
Year ended 31 March 2015				
Other financial liabilities	1,715.89	13.27		1,729.16
Trade and other payables	1,648.29			1,648.29
	3,364.18	**13.27**		**3,377.45**

23. Contingent Liabilities

₹ in lakhs

Particulars		**March 31, 2017**	March 31, 2016
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**	-
	Employee termination/ resignation cases	**2.84**	2.84
	Demand raised by Tahsildar towards evacuation not approved	**94.75**	94.75
Total		**497.59**	97.59
(b)	**Guarantees**		
	Guarantee given for Amritsar Project to PUDA	**1,200.00**	1,000.00
	Guarantee given to Local Authorities	**34.68**	-
	Guarantee given for Foreign cars	**7.11**	7.11
	Total	**1,241.79**	1,007.11
(c)	Other money for which the Company is contingently liable		
	Income Tax	**38.52**	62.92
	Luxury Tax	**253.87**	253.87

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Entertainment Tax (Note B)	**1.11**	106.63
Sales Tax/VAT	**878.06**	970.75
Property Tax	**36.18**	36.18
Service Tax	**1,418.68**	1,310.88
Others (Water & Sewerage Tax)	**46.00**	44.52
Total	**2,672.42**	2,785.75

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.

B. The company has made a provision for entertainment tax of Rs. 103.20 lakhs during the year.

Details of amounts paid under protest and accounted under Advance/Receivable

₹ in lakhs

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
Water Tax	-	44.00
Property Tax	176.54	150.60
VAT	158.77	172.52
Service Tax	3.50	3.50
Total	**338.81**	370.62

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

₹ in lakhs

Particulars	**31 March, 2017**	31 March, 2016
Estimated number of contracts remaining to be executed on capital account and not provided for		
Tangible assets	2,429.75	3,581.60
Intangible assets	16.49	43.30
Total	**2,446.24**	3,624.90

26. Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in lakhs

Particulars	**As at 31 March, 2017**	**As at 31 March, 2016**
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	61.87	23.67
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(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.

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 and license fees forming part of other expenses.

Obligations towards Minimum Lease payments

₹ **in lakhs**

Particulars	**March 31, 2017**	March 31, 2016
Not later than one year	451.92	45.08
Later than one year but not later than five years	2,026.39	232.35
Later than five years	65,677.88	411.08
Total	**68,156.19**	688.51

Details of leasing arrangements

The Company has given on lease certain residential flats to its employees or employees of its parent company for a lease period ranging between 1 to 3 years. These arrangements are in the nature of cancelable lease and are generally renewable by mutual consent or mutual agreeable terms.

₹ **in lakhs**

Particulars	**March 31, 2017**	March 31, 2016
Cost	221.62	221.62
Accumulated Depreciation	21.48	10.74
Net Book Value	**200.14**	**210.88**
Current Period Depreciation	**10.74**	**10.74**
Future minimum lease payments		
• Not Later than one year	**53.64**	**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):

₹ **in lakhs**

Particulars	**March 31, 2017**	March 31, 2016
Provident Fund	251.88	227.26

(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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Actuarial Valuation was done in respect of the aforesaid defined benefit plan using the following assumptions:

₹ in lakhs

Particulars	31st March 2017	31st March 2016
Discount rate	7.30%	7.55%
Salary escalation: -		
Staff	5.00%	5.00%
Executive	4.00%	4.00%

Note : Mortality has been assumed as per published notes under the Indian Assured Lives Mortality (2006-08) Ult table

Change in Benefit Obligation:

₹ in lakhs

Particulars	31st March 2017	31st March 2016
Present Value of Obligation at the beginning of the year	1,794.11	1,734.04
Current service cost	103.34	103.47
Interest cost	125.63	127.13
Actuarial loss/(gain) on obligations	11.43	(38.08)
Benefits paid	(171.18)	(132.45)
Present Value of Obligation at the end of the year	**1,863.33**	1,794.11

Fair Value of Planned Assets

₹ in lakhs

Particulars	31st March 2017	31st March 2016
Fair value of Plan Assets at the beginning of the year	1,751.47	1,472.40
Expected Return on Plan Assets	126.18	110.02
Actuarial (loss)/gain on Plan Assets	77.01	47.62
Contribution by Employer	44.23	253.88
Benefits paid	(171.16)	(132.45)
Fair value of Plan Assets at the end of the year	**1,827.73**	1,751.47

Amount recorded in Other Comprehensive Income

₹ in lakhs

Particulars	31st March 2017	31st March 2016
Opening Amount recognised in OCI	(85.72)	-
Remeasurments in the period due to		
• Changes in Financial Assumption	32.95	(0.64)
• Experience Adjustments	(21.52)	(37.46)
• Actual Return on Plan assets less interest on Plan Assets	(77.02)	(47.62)
Fair value of Plan Assets at the end of the year	(151.30)	(85.72)

Reconciliation of Defined Benefit Obligation:

₹ in lakhs

Particulars	31st March 2017	31st March 2016
Opening Defined Benefit Obligation	1,794.11	1,734.04
Current service cost	103.34	103.47
Interest cost	125.63	127.13
Remeasurments due to actuarial loss/ (gain) arising from		
• Changes in financial assumptions	32.93	(0.64)
• Experience adjustments	(21.52)	(37.44)
Benefits Paid	(171.16)	(132.45)
Closing Defined Benefit Obligation	**1,863.33**	1,794.11

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Amount Recognized in the Balance Sheet

₹ in lakhs

Particulars	**March 31, 2017**	March 31, 2016
Liability at the end of the year	1,863.33	1,794.11
Fair value of plan assets at the end of the year	1,827.73	1,751.47
Amount recognized in the Balance Sheet [(asset) / Liability]	35.60	42.64

Sensitivity Analysis (for each defined benefit plan)

₹ in lakhs

	March 31, 2017		**March 31, 2016**	
Particulars	**Discount rate**	**Salary Escalation rate**	**Discount rate**	**Salary Escalation rate**
	%	%	%	%
Impact of increase in 50 bps on DBO	-3.48	3.79	-3.41	3.72
Impact of decrease in 50 bps on DBO	3.71	-3.58	3.64	-3.52

Disaggregation of Plan Assets

₹ in lakhs

	March 31, 2017			
Particulars	**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**	**1719.83**	**1,827.73**	**100%**

₹ in lakhs

	March 31, 2016			
Particulars	**Quoted**	**Unquoted**	**Total**	**%**
Insurer managed funds	-	1,604.89	1,604.89	91%
Government Debt Instruments	45.40	-	45.40	3%
Entity's own equity Instruments	62.50	-	62.50	4%
Cash and cash equivalents		38.67	38.67	2%
Total	**107.90**	**1,643.56**	**1,751.46**	**100%**

₹ in lakhs

	March 31, 2015			
Particulars	**Quoted**	**Unquoted**	**Total**	**%**
Insurer managed funds	-	1,352.78	1,352.78	92%
Government Debt Instruments	45.40	-	45.40	3%
Entity's own equity Instruments	62.50	-	62.50	4%
Cash and cash equivalents	-	11.72	11.72	1%
Total	**107.90**	**1,364.50**	**1,472.40**	**100%**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Maturity Profile- Benefits

Particulars	**Amount In Rupees**
Expected benefits for year 1	26,835,566
Expected benefits for year 2	18,699,466
Expected benefits for year 3	22,131,942
Expected benefits for year 4	21,294,816
Expected benefits for year 5	11,749,025
Expected benefits for year 6	26,168,520
Expected benefits for year 7	16,050,398
Expected benefits for year 8	15,336,345
Expected benefits for year 9	13,626,282
Expected benefits for year 10 and above	189,433,966

The weighted average duration of these payments is 7.19 years.

Expenses recognized in the Statement of Profit and Loss

₹ in lakhs

Particulars	**March 31, 2017**	March 31, 2016
Current service cost	103.34	103.46
Interest cost	(0.56)	17.11
Expense/(Reversal) recognized in the Statement of Profit and Loss	102.78	120.57

Balance Sheet Reconciliation

₹ in lakhs

Particulars	**March 31 2017**	March 31, 2016
Opening net liability / (asset)	42.64	261.64
Expense/(Reversal) as above	102.78	120.58
Amount recognized outside Profit & loss account	(65.58)	(85.71)
Employers contributions	(44.23)	(253.88)
Amount recognized in Balance Sheet (asset)/Liability	35.60	42.64
Expected Employer's Contributions next year	100.00	100.00

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:

Particulars	**As at 1 April, 2016**	**Additions**	**Utilisation**	**Reversal (withdrawn as no longer required)**	**As at 31 March, 2017**
Provision for other contingencies					
Entertainment Tax	**34.00**	**126.00**	**-**	**-**	**160.00**
	-	*(34.00)*	-	-	*(34.00)*
Sales Tax	**125.00**	**-**	**46.22**	**-**	**78.78**
	(125.00)	-	-	-	*(125.00)*
Property Tax	**342.00**	**51.89**	**73.17**	**-**	**320.72**
	(290.11)	*(51.89)*	-	-	*(342.00)*
Others	**2.00**	**-**	**-**	**-**	**2.00**
	-	*(2.00)*	-	-	*(2.00)*
Total	**503.00**	**177.89**	**119.39**	**-**	**561.50**
	(415.11)	*(87.89)*	-	-	*(503.00)*

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Particulars	As at 1 April, 2016	Provisions during the year	Debtors written off against past provision	Provision written back	As at 31 March, 2017
Provision for doubtful debts	48.92	50.17		12.26	86.83
	(17.19)	*(42.22)*	*(2.63)*	*(7.86)*	*(48.92)*

Particulars	As at 1 April, 2016	Provisions during the year	Debtors written off against past provision	Provision written back	As at 31 March, 2017
Provision for doubtful debts charged to P&L	-	50.17	12.26	-	37.91
	-	*(43.91)*	*(7.86)*	*(2.63)*	*(33.42)*

Particulars	As at 1 April, 2016	Provisions during the year	Debtors written off against past provision	Provision written back	As at 31 March, 2017
Provision for doubtful advances	3.93	0.24	-	-	4.17
	(3.93)	-	-	-	*(3.93)*

Note : *Figures in brackets relate to the previous year*

30. Related Party Transactions

(a) 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

iv. Fellow Subsidiaries

TIFCO Holdings Limited
United Hotels Limited
Taj SATS Air Catering Limited
KTC Hotels
Lands End properties Private Ltd.
Skydeck Properties and Developers Private Ltd.
Sheena Investments Private Ltd
ELEL Hotels and Investments Ltd.
Luthria and Lalchandani Hotel and Properties Private Ltd.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Samsara Properties Ltd.
Apex Hotel Management Services (Pte) Ltd.
Chieftain Corporation NV
IHOCO BV
St. James Court Hotel Ltd.

Taj International Hotels Ltd.
Taj International Hotels (H.K.) Ltd.
PIEM International (H.K.) Ltd.
Apex Hotel Management Services (Australia) Pty. Ltd.
United Overseas Holding Inc.

v. Key Management Personnel
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. Farhat Jamal – Director
Mr. Rohit Khosla – Director
Mrs N M Nagpal – Director
Mrs Beryl Fernandes Nagpal – Director
Mr. Anil Goel (upto 15th October 2016)
Mr. Sanjay Ubale – Director

Independent Directors*
Mr. G Anantharaman
Mr. K.B Dadiseth

* 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 parties under the Companies Act, 2013.

vi. Relatives of Key Management Personnel
Mrs Pushpa L Nagpal
Mrs Subhadra R Nagpal
Mr Aryaman R Nagpal
Ms Sansara R Nagpal

vii. Firms/Companies in which Key Management personnel are Interested
MPOWER Information Systems Pvt Limited

viii. Others

Taj Residency Employees Provident Fund Trust (Bangalore Unit)

Piem Hotel Employees Gratuity Trust

Taj Residency Hotel Employees Gratuity Trust

- **Terms and conditions of transactions with related parties**

  The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(b) The details of transactions with related parties for the year ended March 2017 are as follows

₹ in Lakhs

Particulars	Holding Company			Subsidiaries			Associates			Fellow Subsidiaries		
	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
Purchase of Goods & Services and Sharing of Expenses (Note 2)	1,459.69	1,426.64					0.48	32.45		0.02		
Sale of Services	286.26									0.06	-	
Purchase of Fixed Assets							-	14.25				
Interest Expense				65.53	-							
Lease Rent Income	53.64	53.64										
Lease Rent Expense	36.00	36.00										
License Fee Income							-	15.52				
F&B Consumed	-									-	-	
Dividend Received				1,167.06	-		92.17	212.52		-	-	
Dividend Paid	394.70	789.41								391.20	782.41	
Inter Corporate Deposits Payable				1,400.00	-					-	-	
Interest Accrued				14.60	-					-	-	0.63
Consultation / License Fees	1,624.46	1,656.47		138.36	150.83							
Commission / Remuneration												
Deputed Staff Salary expenses	1,449.08	1,453.40					39.52	0.75		57.28	35.96	
Contribution to Trust										-		
Net Balance at year end - Receivable / (Payables)	(453.67)	(254.49)	(109.98)	(48.62)	(29.79)	(11.28)	8.29	0.65	(10.31)	8.28	4.81	(1.01)

Particulars	Key Management Personnel			Relatives of Key Management Personnel			Firm in which Key Management Personnel are Interested			Others		
	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
Purchase of Goods & Services and Sharing of Expenses (Note 2)							0.25	1.61				
Sale of Services							0.64					
Purchase of Fixed Assets												
Interest Expense												
Lease Rent Income												
Lease Rent Expense												
License Fee Income												
F&B Consumed	0.43											
Dividend Received												
Dividend Paid	453.97	907.93		146.95	293.89							
Inter Corporate Deposits Payable												
Interest Accrued												
Consultation / License Fees												
Commission / Remuneration	275.14	430.72		9.93	6.92							
Deputed Staff Salary expenses												
Contribution to Trust										71.36	261.64	66.13
Net Balance at year end - Receivable / (Payables)	-	-	-	-	-	-	-	2.12	-			-

Notes :

1. Reimbursement of expenses is not considered for AS- 18 disclosure
2. Purchase of Goods and Services includes Advertisement, Reservation and Information system expenses and Brand Common Cost.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

- **Compensation of key management personnel of the Company**

Particulars	**March 31, 2017**	March 31, 2016
		₹ in lakhs
Short Term Employee Benefits	**236.67**	430.72
Directors Sitting Fees	**8.44**	5.73
Total	**245.11**	436.45

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel

31. Earnings per Shares

Earnings Per Share is calculated in accordance with IND AS 33 – 'Earnings Per Share'

Particulars	**March 31, 2017**	March 31, 2016
		₹ in lakhs
Profit/ (Loss) after tax	**1,678.72**	3,200.17
Number of Ordinary Shares	**38.10**	38.10
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS & Diluted EPS	**38.10**	38.10
Face Value per Ordinary Share in Rs.	**10**	10
Earnings Per Share:		
Basic/Diluted in Rs.	**42.49**	83.99

32. Events occurring after the reporting period

In accordance with the directives issued by SEBI via its circular SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016, the company has provided an exit option to the minority shareholders of its subsidiary Northern India Hotels Limited (NIHL). The estimated Fair Value of Equity Shares is ₹ 1426/- per Equity share of ₹ 10/- each as valued by the independent Merchant Banker, M/s Keynote Corporate Services Limited. The company has transferred a sum of ₹ 428.27 lakhs to a designated escrow account in compliance with above guidelines to enable purchase of shares tendered in terms of the exit offer. [Refer note 5(d) for earmarked deposits]

33. Offsetting financial assets and financial liabilities

There are no financial liabilities and assets that are off set during the financial years 31.03.2017 and 31.03.2016.

34. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E), dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	**SBNs (₹ 500 & ₹ 1000)**	**Other denominated Notes**	**Total**
			₹ in lakhs
Closing cash in hand as on 08.11.2016	50,32,500	1,028,421	**6,060,921**
(+) Permitted receipts#		33,530,118	**33,530,118**
(+) Other non- permitted receipts**	228,500	-	**228,500**
(-) Permitted payments	-	9.949,340	**9.949,340**
(-) Amount deposited in Banks	5,261,000	20,958,936	**26,219,936**
Closing cash in hand as on 30.12.2016	-	3,650,263	**3,650,263**

#Includes bank withdrawals made by the company.

**Non permitted receipts were accepted from guests staying at hotels out of exigency due to demonetization of specified bank notes.

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

35. First time adoption of Ind AS

Transition to Ind AS

These financial statements, for the year ended 31 March 2017, are the first financial statements, the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Exemptions and exceptions availed

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. Ind AS 101 requires that all Ind AS adjustments shall be applied consistently and retrospectively for all fiscal years presented. However this standard provides some exceptions and exemptions which are discussed below:

Ind AS optional exemptions

- **Deemed Cost:** An entity may elect to measure an item of property, plant and equipment and intangible asset at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of Property, Plant and equipment, intangible assets by applying Ind AS retrospectively or use the carrying amount under Indian GAAP on the date of transition as deemed cost. The Company has elected to continue with the carrying amount for all of its property, Plant and equipment and intangible assets measured as per Indian GAAP and use that as its deemed cost as at the date of transition.
- **Ind AS 17 – Leases:** In accordance with Appendix C to Ind AS 17, the determination whether an arrangement contains a lease is made at the inception of the arrangement, which is the earlier of the date of the arrangement and the date of commitment by the parties to the principal terms of the arrangement. An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and classification of the same as financial or operating. The company has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.
- Designation of Previously recognised financial Instruments

  Ind AS 101 allows an entity to designate investment in equity instrument in FVTOCI on the basis of facts and circumstances at the date of transition of Ind AS.
- The Company has elected to measure its investment in Subsidiaries and Associates at Previous GAAP carrying value which shall be cost at the date of transition..

Ind AS mandatory exceptions

- **Estimates:** An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates made in accordance with Indian GAAP by applying exemption provided under Ind AS 101.
  - Investment in equity instruments carried at FVTPL or FVTOCI ;
  - Impairment of financial assets based on expected credit loss model.

These are the company's financial statements prepared in accordance with INDAS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31St March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening INDAS statement of financial position at 1 April 2015 (the Company's date of transition)

In preparing its opening INDAS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP. An explanation of how the transition from Indian GAAP to INDAS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Reconciliations between Indian GAAP and Ind AS:

Equity Reconciliation

		₹ in lakhs
Equity Reconciliation	**31st March 2016**	31st March 2015
Equity under Indian GAAP	**49,913.32**	48,644.17
Adjustments		
• Fair Valuation of Investments	**6,012.55**	6,977.76
• Reversal of Proposed Dividend and tax thereon		1,828.73
• others	**152.81**	
Equity under IND AS	**56,078.68**	57,450.65

Reconciliation of Total Comprehensive Income

	₹ in lakhs
Particulars	**March 31, 2016**
Profit After Tax under Indian GAAP	**3,103.41**
Adjustments	
• Actuarial Gain on defined Benefit obligations disclosed in OCI	**(85.72)**
• Tax on Defined Benefit Obligation under OCI	**29.67**
• others	**152.81**
Profit After Tax as per IND AS	**3,200.17**
Other Comprehensive Income	
• Decrease in FVTOCI Income	**(965.21)**
• Actuarial Gain on Defined Benefit Obligations	**85.72**
• Tax on Defined Benefit Obligations	**(29.67)**
Total Comprehensive Income as per IND AS	**2,291.01**

Notes

(i) Under the Indian GAAP, long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. Fair value changes with respect to investments in equity instruments (other than subsidiaries and associates) designated as at fair value through Other Comprehensive Income (FVTOCI) have been recognised in Equity instrument through OCI as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2016. Also, profit on sale of investment if recognised under Indian GAAP is now reversed as the investment was fair valued on transition date.

(ii) The company has reclassified the proposed dividend for the year ended 31st March 2016 from Short Term Provisions to Retained Earnings as required under Ind AS.

(iii) Deferred tax have been recognized on the adjustments made on transition to Ind AS.

(iv) Under Ind AS, certain items of income and expense that are not recognised in profit or loss but shown in the statement of profit or loss as 'other comprehensive income' includes remeasurement of defined benefit plans and fair value gains or losses on FVTOCI equity instruments. The concept of other comprehensive income did not exist under Indian GAAP.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

36. Corporate Social Responsibility:

₹ **in lakhs**

Particulars	**March 31, 2017**	March 31, 2016
Amount required to be spent as per Section 135 of the Act	**103.54**	114.20
Amount Spent during the year on:		
(i) Construction/Acquisition of an asset	**-**	-
(ii) On purpose other than (i) above	**120.49**	76.60

37. Previous year's figures

The Company has regrouped/reclassified the previous year's figures to conform to the current year's presentation.

For PFK Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Mythily S.
Partner (205742)
Mumbai, 11th May, 2017

For Price Waterhouse
Chartered Accountants LLP
Firm Registration No.
012754N / N500016

Pankaj Khandelia
Partner (102022)

For and on behalf of the Board

Rakesh Sarna
Chairman & Managing Director
DIN No. 01875340

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Farzana Sam Billimoria
Company Secretary

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

No.	Particulars	Details		
		1	2	3
1	Name of the subsidiary	Northern India Hotels Ltd.	Piem International Hongkong Ltd. (PIHK)	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 = ₹ 64.86	Reporting Currency- USD Exchange Rate 1 USD = ₹ 64.86
5	Share capital	0.44	51.89	-
6	Reserves & surplus	24.01	150.29	(105.99)
7	Total assets	24.66	202.23	551.32
8	Total Liabilities	0.20	0.06	657.30
9	Investments	0.10	-	-
10	Turnover	3.24	0.92	-
11	Profit before taxation	3.04	15.67	183.70
12	Provision for taxation	0.95	-	-
13	Profit after taxation	2.08	15.67	183.70
14	Proposed Dividend	-	-	-
15	Extent of shareholding (In percentage)	93.14%	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

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 Ltd.	Taj Enterprises Ltd.	Taida Trading & Industries Ltd.	Benares Hotels Ltd.	Oriental Hotels Ltd.
1. Latest audited Balance Sheet Date	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
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
Extend 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	4.67	3.77	0.84	-0.67	61.16	239.20
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

Farzana Sam Billimoria	Sudhir L. Nagpal	Rajesh R. Nagpal	Rakesh Sarna
Company Secretary	(Jt. Managing Director)	(Jt. Managing Director)	(Chairman)
Mumbai, May 11, 2017	DIN 00044762	DIN 00032123	DIN 01875340

DIRECTORS AND CORPORATE INFORMATION FOURTEENTH ANNUAL REPORT

Roots Corporation Limited

Board of Directors :

Mr. Rakesh Sarna, Chairman
Mr. Anil P. Goel
(resigned w.e.f. 15th October, 2016)
Ms. Renu Basu
Mr. Padmanabh Sinha
Mr. Bobby Pauly
Mr. Anupam Narayan
Mr. Rahul Pandit
Ms. Hiroo Mirchandani
Ms. Ireena Vittal

Chief Financial Officer :
Mr. Manish Jain
(resigned w.e.f. 25th October, 2016)

Mr. Mahesh Makhija
(appointed w.e.f. 2nd November, 2016)

Company Secretary :
Ms. Somya Agarwal

Registered Office :
Godrej & Boyce Complex, Gate No. 8,
Plant No. 13 Office Building,
Vikhroli (East)
Mumbai – 400 079.
CIN : U55100MH2003PLC143639

Auditors :
M/s Deloitte, Haskins & Sells, Chartered Accountants, Ahmedabad

Bankers :
Axis Bank Limited
ICICI Bank Limited
State Bank of India
HDFC Bank Limited
IDBI Bank Limited
State Bank of Travancore
Kotak Mahindra Bank Ltd.

DIRECTOR'S REPORT

TO THE MEMBERS

The Directors submit the 14th Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2017.

Financial Highlights

Particulars	2016-17 ₹ Lakhs	2015-16 ₹ Lakhs
Total Income	**15,809**	14,301
Less: Operating Expenses	**13,908**	11,947
Profit/(Loss) before interest depreciation and tax	**1,901**	2,354
Less: Depreciation	**1,706**	1,571
Less: Interest(Net)	**670**	427
Profit/(Loss) before tax	**(475)**	356
Less: Exceptional Items	**97**	(1,523)
Profit/(Loss) after exceptional items	**(378)**	(1,167)
Less: Provision for Tax	**-**	-
Profit/(Loss) after tax	**(378)**	(1,167)

BUSINESS REVIEW

During the Financial Year 2016-17, the Company generated total income of ₹15,809 lakhs which was higher by 11% than in 2015-16. The majority of the Company's income is from room sales which accounts for 87 % of total income.

The total operating expenditure of the Company was ₹ 13,908 lakhs, 16% higher than 2016-17.

Depreciation for the year is ₹ 1,706 lakhs and interest cost of ₹ 670 lakhs.

During the Financial Year 2016-17, one TCS transit quarter at Kochi, 2 Fully Fitted Hotels at Noida-East and Vapi (187 rooms) were added to the portfolio.

Borrowings

As at 31st March 2017, the Company had Long term borrowings of ₹ 8,683 lakhs. The Company had short term borrowings of ₹ 3,100 lakhs.

Capital Expenditure

During the year under the review, the Company has incurred ₹ 4,481 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 2016. Your Company ended the year with a portfolio of 30 owned/leased hotels with an inventory of 2902 rooms, 5 hotels under management contract with an inventory of 419 rooms and manages 2 transit guest houses with an inventory of 130 rooms.

Your Company opened its second hotel in Noida (East) on 15th July, 2016 and a hotel in Vapi on 13th October, 2016. The Company shall be shortly opening its third hotel in Mumbai at Andheri East.

New Management Contracts and Fully Fitted Leases

Your Company succeeded in signing 7 New Management Contracts having total of 436 rooms and 1 Fully Fitted Lease with 70 rooms. The Company is in active discussions for many more opportunities.

Other management contract/leases opportunities that have been signed earlier are under different stages of execution

SALES AND MARKETING:

In the Financial Year 2016-17, the key focus area was to strengthen the B2B corporate business, increase the share of retail business, reduce commissions from online travel agents and drive retail rate automation.

Ginger hotels at Bhubaneshwar, Trivandrum, Pondicherry, Agartala, Mangalore, Pune-Wakad, Indore & Thane were the Top performers in terms of registering a growth of more than 10% over the previous year's performance, followed by hotels at Whitefield, Goa, Guwahati, IITM, Surat, Mumbai Mahakali & Jaipur that registered a growth of 5% above last year's performance.

Ginger hotels which underperformed in comparison to the previous year were East Delhi, Chennai-Vadapalani, Pantnagar, Ahmedabad, RYN and Mysore.

Key Initiatives:

1. **Increase share of retail business and reduce commissions:**
   - Revenue in the Financial Year 2016-2017 through transient channels grew substantially on the same store hotels led by the OTAs which more than doubled their revenues. OTA commissions were optimized.
   - With the motive to centralize the reservation activity and drive higher share of retail reservation activity for 2 hotels was centralized. To optimize on the reservation turnaround time the central reservation center was staffed 24 X 7. In the coming fiscal all reservation process for all ginger hotels will be centralized.
   - Co-promotions with Vistara Boarding Cards delights program and Tata World Employee offers were extended during this year. Ginger partnered different offer promotions with Kotak Bank, SBI-Corporate cards, RuPay Cards, Croma during the "My Wish festival" promotion and push promotions on "Idea Cellular App".
2. A pilot project is being undertaken to automate revenue management and to optimize pricing.

OPERATIONS

The Financial Year 2016-17 has been a year where the focus was on back to basics, working on our strength while creating platforms to work on the areas which need attention. Improving the basic upkeep of the hotels, closer monitoring of social media feedback, bringing in greater participation from hotel and most importantly aligning the entire team toward SCB4 - Safety, Cleanliness, Bed, Bath, Breakfast and broadband were the key milestones. Parameters to measure quality were defined for better mapping in the coming years.

Trip Advisor – By the end of Financial Year 2016-2017, seventeen hotels had achieved the score of 4 or above against 8 (Eight) hotel's in the previous year. The brand average rating improved from 2.80 to 3.74. Trip advisor would continue to be the prime focus.

GSTS – The overall satisfaction score improved from 58% in 2016-17 to 75% in 2017-18. There were parameters created to measure SCB4. The SCB4 score for the brand is at 74%. Public area cleanliness, response time to guest queries/requests and smoother check-in shall remain the focus to improve scores.

Safety - Safety remains mandatory for all hotels. With the revised scale for measuring safety, the scores have seen a drop in Financial Year 2016-17. A revised safety manual is being drafted specific for Ginger.

Cleanliness - The upkeep of the lobby and public area including quality of paint work, redesigned signage and proper alignment has improved the overall brand experience for guests. The cleanliness and hygiene is being measured through Johnson Diversey audits. The current scores are on an average of 50% and your Company intends to improve the same to 60% by the Financial Year 2017-2018. The GSTS cleanliness score has been targeted to 85% as compared to 75% in the current Financial Year.

Signage for directions and fire exit's across hotel's are being standardized.

Bed - New mattresses, improved laundry at 15 locations, better quality linen helped improve the sleep experience for guests. The score for sleep experience in the current year is 78%.

Bath - Improved bath fitting at new hotels and corrections in 10 hotels have been planned in Financial Year 2017-18.

Breakfast - New and improved breakfast has been rolled out across all hotels. The variety had been a major concern for regular patrons which has been improved by increasing the number of hot items from two to five. Grab-n- Go breakfast will be formalized in the Financial Year 2017-18 for those guests who are in a hurry and miss their breakfast.

Broadband - A new partner has been introduced in 20 hotels for providing Wi-fi that has resulted in an improvement in the facility. This will be rolled in other hotels as well during the next financial year.

Guest Experiences - Guest preferences were reviewed and following amenities and services were added to enhance guest experience:

a. **Toiletries-** Bath soap, Shampoo and Conditioner were added to all guest rooms. Bath soaps have been a repeat demand of guests.

b. **Chaai Experience-** Ceramic mugs, packed and hygienic tea sachets, sachet holder and tea tidy were added to improve the tea/ coffee experience in all guest rooms.

c. **Qibla Stickers and good quality pencils** have been provided in all guest rooms

d. **Beat the heat -** Considering the extreme temperatures during summers, Lemon juice dispensers were placed at every reception to provide a rejuvenating and welcoming experience to guests.

e. **Ginger Mart –** This was introduced to provide guests with easy to forget items like dental kit, shaving kit, bath slippers and hair oil. Every reception was equipped with a standardized kit to offer these items to the guests at a nominal price.

Creating a culture - Working on our values of Unity, Integrity, Excellence, Responsibility, Mutual respect and understanding, your Company strives to create an open and transparent workplace. The units were empowered better with the revised empowerment grid and the team members including partners were brought on a common platform @ workplace. This has resulted in improved engagement at the associate level, faster decision for customers, sharing of knowledge & good practices, tracking of incidences and social media feedbacks.

Workshop's for Hotel Managers, Assistant Hotel Manager's, House Keeping Supervisors and Engineering Supervisors were conducted on functional excellence.

Awards & Accolades

- Arif Asmath - Hotel Manager, Ginger-Bhubaneswar won the award for the General Manager of the Year (Budget Category) by Hotelier India. Arif has now been transferred to Mumbai Andheri East.
- Ashish Kumar - Hotel Manager, Ginger - Noida won the runner up for General Manger of the Year (Budget Category) in Hotelier India Award.
- CNBC Network 18 awarded the CNBC Honeywell Award for smartest Hotel Building 2015-16 in its category to Ginger, Wakad, Pune

HUMAN RESOURCES

1. In order to enhance effectiveness an exercise was undertaken to revise the Executive levels. The objective was to reduce the levels and improve decision making at the front line.
2. As part of this process and to arrive at merit increases for our talent, a potential assessment initiative with a potential assessment tool for of all employees at levels of executives and above was carried out by reporting heads. This helped to map talent potential in terms of individual leadership, ability and aspiration and established three rating categories of High, Medium and Low.
3. It was decided to migrate from the earlier Performance Incentive Plan and introduce a new Annual Bonus Plan with a strong linkage to the key business parameters.
4. Competency Assessments introduced for front line employees as a pre-screening tool of the recruitment process to establish better job fits for potential candidates.
5. Internal Career Progression through the Career Development Program undertaken for merit and competency linked promotions from staff to supervisory levels for employees.
6. Employee Engagement and Recognition through various for as such as quarterly Rock Star Award, Annual Rewards and Recognition introduced.

Learning & Development

1. Learning & Development processes were refreshed to focus on customer satisfaction and operational excellence.
2. Training partners meet was organized to identify training needs and develop content and methodology to bring about consistency in the delivery of training across our hotels.

3. Hotel training monthly master plan created to ensure common training focus apart from individual hotel needs and creation of a L&D dashboard, audit calls to monitor progress.
4. Annual training actualization achieved is 4570 Man-days.
5. Redefined On boarding process - Ginger Swagat and Induction Kit which included a department learning tracker, Hotel Product Knowledge Sheet, Grooming Manual, & SCB4 One Pager for training was introduced.
6. SCB4 linked training interventions were defined in a hotel managers workshop and four activity based workshops were developed and rolled out across all hotels.
7. Training modules developed to support and drive better levels of safety, mandatory sessions on fire training & emergency preparedness conducted across all Ginger hotels covering all departments.

INFORMATION TECHNOLOGY

Following initiatives completed for the Financial Year 2016-17:

- Digital Registration Card with digital signature.
- Revamped WI-FI with premium package option.
- Real time on boarding process.

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 Mr. Rahul Pandit, Managing Director & CEO, Mr. Mahesh Makhija, Chief Financial Officer and Ms. Somya Agarwal, Head – Legal & Company Secretary. During the year, Mr. Manish Jain resigned as the Chief Financial Officer of the Company w.e.f. 25th October, 2016 and Mr. Mahesh Makhija was appointed as the Chief Financial Officer w.e.f. 2nd November, 2016.

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. Rakesh Sarna (DIN 01875340) and Ms. Renu Basu (DIN 03550920) 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. Anil Goel resigned from the Company w.e.f. 15th October, 2016. The Board places on record its appreciation for the valuable contribution made by Mr. Anil Goel 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 three Members, with Independent Directors forming a majority, as detailed hereunder:

1. Mr. Anil Goel, Chairman (resigned w.e.f. 15th October, 2016).
2. Mr. Rakesh Sarna, Chairman (appointment w.e.f. 16th October, 2016).
3. Ms. Ireena Vittal, Independent Director.
4. Ms. Hiroo Mirchandani, Independent Director.

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. Anil Goel (resigned w.e.f. 15th October, 2016), Mr. Padmanabh Sinha, Ms. Hiroo Mirchandani and Ms. Ireena Vittal 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.

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. 37 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, M/s Deloitte, Haskins & Sells, Chartered Accountants, Ahmedabad, (Registration Number 117365W) were appointed Statutory Auditors of the Company from the conclusion of the Annual General Meeting (AGM) of Company held on August 27, 2014 till the conclusion of the Fourteenth AGM to be held in 2017, subject to the ratification of their appointment at every AGM.

Section 139 (2) of the Companies Act, 2013 (the Act) prescribes that no Company, shall appoint or re-appoint an Audit Firm as Auditor for more than two terms of five consecutive years and any Audit Firm which has completed its term as above shall not be eligible for re-appointment as Auditor in the same Company for five years from the completion of such term. Provided also that every Company, existing on or before the commencement of this Act which is required to comply with provisions of this sub-section, shall comply with the requirements of this sub-section within three years from the date of commencement of this Act.

As per the provisions of the Companies Act, 2013, M/s Deloitte Haskins & Sells have completed their tenure of two terms and will, therefore, not be eligible to seek re-appointment as the Statutory Auditor of the Company at the AGM. The Audit Committee and the Board of Directors of the Company have approved the proposal for appointment of BBSR & Co. LLP., Chartered Accountants, as the Statutory Auditors of the Company for five Financial Years viz. 2017-18 to 2021-2022, to hold office from the conclusion of the forthcoming 14th AGM till the conclusion of the 19th AGM of the Company, subject to ratification by the Members at each AGM.

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 2016-2017. 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 2016-17, two complaints have 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 31st March, 2017, 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 31st March, 2017 and of the profit 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

Rakesh Sarna	**Rahul Pandit**
Chairman	Managing Director & CEO

Mumbai
10th May, 2017

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 31ST March 2017

[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	24.12.2003
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	Applicable 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 ompanies									
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 Rs.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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9180	200	0	9380
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	77	0	0	77
Total (i+ii+iii)	**9257**	**200**	**0**	**9457**
Change in Indebtedness during the financial year				
(i) Addition		2900	0	2900
(ii) Reduction	-480	0		-480
Net Change	**-480**	**2900**	**0**	**2420**
Indebtedness at the end of the financial year				
i) Principal Amount	8700	3100	0	11800
ii) Interest due but not paid	71			0
iii) Interest accrued but not due				71
Total (i+ii+iii)	**8771**	**3100**	**0**	**11871**

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	 2,01,04,516 24,60,260 -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - Others, specify…	-
5.	Others, please specify	-
	Total (A)	2,25,64,776
	Ceiling as per the Act	2,42,52,325

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Mr. Anupam Narayan (Non - Executive 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		1,00,000	3,30,000
	Total (1)		1,00,000	3,30,000
2	Other Non-Executive Directors (i) Fee for attending board / committee meetings (ii) Commission((iii) Others, please specify	2,00,000		
	Total (2)	2,00,000		
	Total (B)=(1+2)	2,00,000	1,00,000	3,30,000
	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 Ms. Somya Agarwal	CFO Mr. Manish Jain (from April 1, 2016 to Oct 31, 2016)	Mr. Mahesh Makhija (from Nov 1, 2016 to Mar 31, 2017)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	46,76,700	48,34,194	23,42,842	1,18,53,736
	(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			3,51,426	3,51,426
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify…	-	-	-	-
5.	Others, please Specify	-	-	-	-
	Total	46,76,700	48,34,194	26,94,268	1,22,05,163

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 31st MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
For the financial year ended 31st March, 2017
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 31st March, 2017 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 31st March, 2017 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; The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iii. Foreign Exchange Management Act, 1999;

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

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- 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), and (iv) 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. mentioned above.

Further the Company has made application to the Central Government pursuant to Section 197 read with Schedule V of the Companies Act, 2013 for the remuneration payable to Mr. Rahul Pandit, Managing Director of the Company. The said application is in the process of approval with the Central Government.

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-I

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.

· Statutory Registers as required under Companies Act, 2013.
   - Register of Members.
   - Register of Directors and Key Managerial Personnel and their Shareholding.
   - Register of Renewed and Duplicate Share Certificate.

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
- Value Added Tax 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
- Legal Metrology Act, 2009 and Legal Metrology (General) Rules, 2011
- Legal Metrology (Packaged Commodities) Rules, 2011
- 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.

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, 2017

Sr. No.	Name of Employee	Designation	Age	Gross Remuneration in Rs.	Net Remuneration in Rs.	Qualification	Experience (No. of Years)	Last Employment held	Employment Since	Employment upto
1	Rahul Pandit	Managing Director & Chief Executive Officer	45	22,564,776	14,802,847	Graduate & Diploma in Hotel Management	23	Lemon Tree Hotels	22.06.2015	21.06.2019

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 10, 2017

Rakesh Sarna
Chairman

Rahul Pandit
Managing Director and CEO

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
ROOTS CORPORATION LIMITED

Report on 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 31st March, 2017, and 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 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.

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.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive loss, 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 Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

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

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 prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements, refer Note 30 to the financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, refer Note 3 to the Ind AS financial statements. The Company did not have any derivative contracts.

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

   iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. However as stated in Note 43 to the Ind AS financial statements amount aggregating to ₹ 2 lakhs as represented to us by the Management have been utilised for other than permitted transactions and received amount aggregating to ₹ 5 lakhs from transactions which are not permitted.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Mukesh Jain
Partner
Membership No. 108262

Mumbai, May 10, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Roots Corporation Limited ("the Company") as of March 31, 2017 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Mukesh Jain
Partner
Membership No. 108262

Mumbai, May 10, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) In respect of the Company's Property, Plant and Equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) The Company has a program of verification of Property, Plant and Equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were 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, 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 financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

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

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

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted deposits in terms of the provisions of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended and no order under the aforesaid sections has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard in respect of the Company.

(vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules 2014, as amended for any services rendered by the Company. Hence reporting under clause (vi) of the Order is not applicable.

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) There were no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2017 on account of disputes.

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

(ix) 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, other than temporary deployment pending application. The Company has not raised any money by way of initial public offer.

(x) According to the information and explanations given to us, no fraud by the Company has been noticed or reported during the course of our audit. Further according to the information and explanations given to us by the management no fraud on the Company has been noticed or reported during the course of our audit except for three cases, where few employees misappropriated cash amounting to ₹ 0.78 lacs of which the Company has recovered ₹ 0.64 lacs from such employees.

(xi) In our opinion 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 Section 197 read with Schedule V of the Companies Act, 2013.

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 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) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

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

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Mukesh Jain
Partner
(Membership No. 108262)

Mumbai, May 10, 2017

Balance Sheet as at March 31, 2017

₹ In Lakhs

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	**29,496**	27,320
(b) Intangible assets	3	**679**	773
(c) Capital work-in-progress	4	**5,681**	4,975
(d) Intangible assets under development	4	**39**	39
Non-current financial assets	5	**885**	733
Advance income tax	6	**444**	621
Other non-current assets	7	**3,719**	3,754
		40,943	38,215
Current assets			
Inventories	8	**182**	158
Financial assets			
(a) Trade and other receivables	9	**1,848**	1,813
(b) Cash and Cash Equivalents	10	**171**	355
(c) Other current financial assets	11	**50**	58
Other current assets	12	**697**	878
		2,948	3,262
TOTAL		**43,891**	41,477
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	**8,597**	8,597
(b) Other equity	14	**19,273**	19,659
(c) Money received against share warrants		**-**	-
		27,870	28,256
Non-current liabilities			
Financial liabilities			
(a) Long-term borrowings	15	**7,607**	8,683
(b) Other non-current financial Liabilities	16	**179**	140
Long-term provisions	17	**74**	66
		7,860	8,889
Current liabilities			
Financial liabilities			
(a) Short-term borrowings	18	**3,100**	200
(b) Trade payables	19	**2,475**	2,413
(c) Other financial liabilities	20	**1,944**	1,146
Short-term provisions	21	**82**	80
Other current liabilities	22	**560**	492
		8,161	4,332
TOTAL		**43,891**	41,477

See accompanying notes forming part of the financial statements (1 to 44)

In terms of our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm Reg. No. 117365W

Mukesh Jain
Partner
Membership No. 108262

Place: Mumbai
Date: May 10, 2017

For and on behalf of the Board of Directors

Rahul Pandit
Managing Director
& CEO
DIN:00003036

Rakesh Sarna
Chairman
DIN:01875340

Mahesh Makhija
Chief Financial Officer

Somya Agarwal
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2017

₹/Lakhs

	Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
	INCOME			
1	Revenue from operations	**23**	**15,460**	14,158
2	Other income	**24**	**349**	143
3	**Total Revenue (1 + 2)**		**15,809**	**14,301**
4	**EXPENSES**			
	Employee Benefits Expense	**25**	**2,808**	2,200
	Food & Beverages Consumed	**26**	**42**	41
	Finance costs	**27**	**670**	427
	Depreciation and amortisation expense		**1,706**	1,571
	Other expenses	**28**	**11,058**	9,706
	Total Expenses		**16,284**	**13,945**
5	**Profit/(Loss) before tax (3-4)**		**(475)**	**356**
6	**Exceptional Items**	**29**	**97**	**(1,523)**
7	**Profit/(Loss) after Exceptional Items before Tax (5-6)**		**(378)**	**(1,167)**
8	**Tax Expense**		**-**	**-**
9	**Profit / (Loss) after tax for the year (7-8)**		**(378)**	**(1,167)**
	Other Comprehensive Income Net of Tax			
	Items that will not be reclassified subsequently to Profit or Loss			
	Remeasurement of defined benefit obligation		**(8)**	6
	Other Comprehensive Income for the period net of tax		**(8)**	**6**
	Total Comprehensive Income for the period		**(386)**	(1,161)
10	**Earnings per equity share:**			
	Basic and Diluted		**(0.44)**	(1.36)
	Face Value per share		**10**	10

See accompanying notes forming part of the financial statements (1 to 44)

In terms of our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm Reg. No. 117365W

Mukesh Jain
Partner
Membership No. 108262

Place: Mumbai
Date: May 10, 2017

For and on behalf of the Board of Directors

Rahul Pandit
Managing Director
& CEO
DIN:00003036

Rakesh Sarna
Chairman
DIN:01875340

Mahesh Makhija
Chief Financial Officer

Somya Agarwal
Company Secretary

Statement of Changes in Equity

₹ In Lakhs

	Equity Share Capital Subscribed	Securities Premium Account	Retained Earning	GRAND TOTAL
At April 1, 2015	**8,597**	**25,467**	**(4,647)**	**29,417**
Profit for the year	-	-	(1,167)	(1,167)
Other Comprehensive Income for the year, net of taxes	-	-	6	6
Total Comprehensive Income for the year	**-**	**-**	**(1,161)**	**(1,161)**
As at March, 2016	**8,597**	**25,467**	**(5,808)**	**28,256**
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	**8,597**	**25,467**	**(5,808)**	**28,256**
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 2017	**8,597**	**25,467**	**(6,194)**	**27,870**

See accompanying notes forming part of the financial statements (1 to 44)

In terms of our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm Reg. No. 117365W

Mukesh Jain
Partner
Membership No. 108262

Place: Mumbai
Date: May 10, 2017

For and on behalf of the Board of Directors

Rahul Pandit
Managing Director
& CEO
DIN:00003036

Rakesh Sarna
Chairman
DIN:01875340

Mahesh Makhija
Chief Financial Officer

Somya Agarwal
Company Secretary

Cash Flow Statement for the year ended March 31, 2017

₹/Lakhs

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
A. Cash flow from operating activities		**(378)**		(1,167)
Net (Loss) before tax				
Adjustments for:				
Depreciation and amortisation	**1,706**		1,571	
Loss on sale / write off of assets	**84**		53	
Finance costs	**670**		427	
Interest income	**(96)**		(47)	
Net Gain on Sale of Investments	**(1)**		(9)	
Profit from Compulsory Acquisition of Land	**(97)**		-	
Provision for Compensated Absences & Gratuity	**43**		28	
Bad Debts Written Off	**47**		53	
Imputed Lease expenses	**127**		70	
Impairment of Projects and write off of capital projects	**-**		1,523	
Liabilities / provisions no longer required written back	**(144)**		(82)	
Provision for doubtful trade and other receivables, loans and advances	**(8)**		(28)	
		2,331		3,559
Operating (loss)/ profit before working capital changes		**1,953**		2,392
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	**(24)**		121	
Trade receivables	**(73)**		(428)	
Non current financial assets	**(220)**		161	
Other non current and current assets	**45**		(904)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	**206**		417	
Other current liabilities	**270**		(124)	
Other financial liabilities	**39**		(274)	
Other long term liabilities	**-**		86	
Provisions	**18**		10	
		261		(935)
Cash generated from operations		**2,214**		1,457
Income tax (paid) / refunds		**180**		(196)
Net cash flow from operating activities (A)		**2,394**		**1,261**

Cash Flow Statement for the year ended March 31, 2017

₹/Lakhs

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	**(4,052)**		(2,472)	
Proceeds from sale of Property, Plant and Equipments	**120**		29	
Current investments not considered as Cash and cash equivalents				
- Purchased	**(200)**		(1,240)	
- Proceeds from sale	**201**		1,249	
Interest received	**32**		31	
Net cash flow from investing activities (B)		**(3,899)**		(2,403)
C. Cash flow from financing activities				
Proceeds from long-term borrowings	**(0)**		2,500	
Repayment of long-term borrowings	**(480)**		(480)	
Proceeds from other short-term borrowings	**2,900**		(200)	
Finance costs	**(1,099)**		(907)	
Net cash used in financing activities (C)		**1,321**		913
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(184)**		(230)
Cash and cash equivalents at the beginning of the year		**355**		125
Cash and cash equivalents at the end of the year		**171**		355
		(184)		(230)
CASH AND CASH EQUIVALENT				
Cash and Bank Balances as per Note 17		**419**		603
Less: Deposits under lien		**248**		248
Cash and cash equivalents at the end of the year		**171**		355

In terms of our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm Reg. No. 117365W

Mukesh Jain
Partner
Membership No. 108262

Place: Mumbai
Date: May 10, 2017

For and on behalf of the Board of Directors

Rahul Pandit
Managing Director
& CEO
DIN:00003036

Rakesh Sarna
Chairman
DIN:01875340

Mahesh Makhija
Chief Financial Officer

Somya Agarwal
Company Secretary

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Note 1 : Corporate Information

Roots Corporation Ltd (RCL) is in the business of developing, managing and operating, what it terms, ‘Smart Basics Hotels’ that provides facilities to meet the key needs of today’s travellers. RCL envisages creating a chain of no-frill hotels for the Indian market currently, and the international market in the near future. “Smart Basics” is a philosophy of providing intelligent thought-out facilities and services at a ‘value’ pricing. Currently, the Company has 35 hotels including 5 hotels on management contracts and 2 transit quarters across various geographical locations in India.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on May 10, 2017.

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. Previous period have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of Shareholders’ equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(c) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

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

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

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management’s expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss.

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

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

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(d) Revenue recognition :

Revenue is 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

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

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

i. Provident Fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The Company contributes to the Recognised Employee's Provident Fund Scheme paid/payable during the year. The Company does not have any legal or informal obligation to pay additional sum.

ii. Gratuity (Unfunded)

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

iii. Compensated Absences

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

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

iv. Other Long term Employee Benefits

These are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(f) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(5) below). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

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

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

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 21 years
2.	Electrical installations and equipment	20 years
3.	Hotel Wooden Furniture	15 years
4.	End User devices - Computers, Laptops, etc	6 years

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

Freehold land is not depreciated.

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

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

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

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.

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

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

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

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(h) Impairment of assets:

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

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

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

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

(i) Non-current assets held for sale

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

(j) Assets taken on lease:

Finance Lease

Assets taken on lease by Company in its capacity as lessee, where the has substantially all the risks and rewards of

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

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 liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the inteest 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 net realisable value. Cost include the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(l) Government Grants

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

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

(m) Transactions in foreign currencies:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies and outstanding at the Balance Sheet date are translated at the exchange rates prevailing at the year end. Non-monetary items denominated in foreign currencies are carried at the exchange rate in force at the dates of the transactions. Exchange differences arising on foreign currency transactions are recognised as income or expense in the year in which they arise.

(n) Income Taxes

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

(i) Current tax:

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

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

(ii) Deferred tax :

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

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.

(o) Service Tax input credit:

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 expeses 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.

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (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 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.

(u) Cash Flow Statement:

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

(v) Earnings Per Share:

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

(w) Exceptional items:

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

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

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. 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.

<u>Subsequent Measurement</u>:

<u>Debt instruments</u>

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

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

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

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

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

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

Derecognition

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

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

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

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

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

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

Impairment of financial assets

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

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

b) Trade receivables.

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

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 forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

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

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

Loans and borrowings

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

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

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

Derecognition

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

Offsetting of financial instruments

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

(y) Recent accounting pronouncements

(i) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires 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.

The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash settled awards, modifications of cash settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company does not expect this amendment to have any impact on its financial statements

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (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, 2016	Additions / Adjustments	Deductions/ Adjustments	As at March 31, 2017	As at April 1, 2016	Charge for the year	Impairment losses recognised in Statement of Profit and Loss	Deductions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016 (refer note 6)
1. Freehold Land (Refer note 5)	CY	1,139	-	4	1,135	-	-	-	-	-	1,135	1,139
	PY	1,139	-	-	1,139	-	-	-	-	-	1,139	1,139
2. Buildings												
a. Hotel Building (Refer notes 1 , 2 and 3)	CY	10,010	2,291	-	12,301	189	247	-	-	436	11,865	9,821
	PY	9,973	40	3	10,010	-	190	-	1	189	9,821	9,973
b. Improvements to leasehold buildings (Refer note 3)	CY	10,137	239	3	10,373	836	442	-	1	1,277	9,096	9,301
	PY	9,956	198	17	10,137	-	391	447	2	836	9,301	9,956
Total Buildings	CY	20,147	2,530	3	22,674	1,025	689	-	1	1,713	20,961	19,123
	PY	19,929	238	20	20,147	-	581	447	3	1,025	19,123	19,929
3. Plant, Machinery & Data Processing Equipments	CY	6,325	1,167	254	7,238	538	711	-	183	1,066	6,172	5,787
	PY	6,163	427	265	6,325	-	677	53	192	538	5,787	6,163
4. Furniture and Fixtures	CY	1,409	177	157	1,429	142	186	-	121	207	1,222	1,267
	PY	1,417	87	95	1,409	-	201	20	79	142	1,267	1,417
5. Office Equipment	CY	4	-	1	3	0	2	-	1	1	2	4
	PY	8	-	4	4	-	2	-	2	0	4	8
Sub-Total	**CY**	**29,024**	**3,874**	**419**	**32,479**	**1,705**	**1,588**	**-**	**306**	**2,987**	**29,496**	**27,320**
	PY	28,656	752	384	29,024	-	1,461	520	276	1,705	27,320	28,656
INTANGIBLE ASSET												
Computer Software	CY	882	24	1	905	109	118	-	1	226	679	773
	PY	755	132	5	882	-	111	-	2	109	773	755
Sub-Total	**CY**	**882**	**24**	**1**	**905**	**109**	**118**	**-**	**1**	**226**	**679**	**773**
	PY	755	132	5	882	-	111	-	2	109	773	755
Total	**CY**	**29,906**	**3,898**	**420**	**33,384**	**1,814**	**1,706**	**-**	**307**	**3,213**	**30,175**	**28,094**
	PY	29,411	884	389	29,906	-	1,572	520	278	1,813	28,094	29,411
Note: 4												
CAPITAL WORK IN PROGRESS	CY	4,975	5,515	4,809	5,681	-	-	-	-	-	5,681	4,975
	PY	3,767	2,518	1,310	4,975	-	-	-	-	-	4,975	3,767
INTANGIBLE ASSETS UNDER DEVELOPMENT	CY	39	-	-	39	-	-	-	-	-	39	39
	PY	157	-	118	39	-	-	-	-	-	39	157

1. Buildings include Rs.4459 Lakhs (Previous Year 4459 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. Impairment includes provision for Impairment for assets for Ludhiana Hotel Property
4. The useful life of assets at Vivek Vihar Property is reassessed at 15 years in place of existing 30 years w.e.f FY 2016-17 having an impact of ₹ 28.50 Lakhs on depreciation for the current year.
5. This pertains to compulsory acquisition of land by KIADB at Bangalore unit for Metro project and net gain of ₹ 96.98 Lakhs have been recorded as an exceptional item.
6. Net Block as on April 1, 2015 is mentioned as previous year.
7. The Company has applied exemption with regards to deemed cost as per IndAS 101 (Refer Note No. 30)

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Note 5 : Non-Current Assets

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security Deposit			
(i) Long Term Deposits for Hotel properties	400	250	469
(ii) Other Deposits	265	261	225
Less: Provision for doubtful deposits	(28)	(27)	0
	637	**484**	**694**
Margin Money Deposits	8	8	8
Deposits pledged with Bank	240	240	240
	248	**248**	**248**
Total	**885**	**733**	**942**

Non Financial Assets

Note 6 : Advance Income Tax

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance Income Tax	444	621	429
Total	**444**	**621**	**429**

Note 7 : Non-Current Assets

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Prepaid Expenses	1,915	1,419	1,270
Advance for Lease Hold Land	869	885	879
Advance to Suppliers	628	678	332
Capital Advances	247	656	569
Deposits with Vat Authority	4	4	4
Loans and Advances to employees	56	112	0
Total	**3,719**	**3,754**	**3,054**

*Represents expenses on loans amortised over the period of the loan

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Note 8: Inventories (At Lower of Cost and Net Realisable Value)

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Stores and Operating Supplies (includes stock of Food and Beverages ₹ 1 Lakh (previous year: Rs.2 Lakhs))	182	158	280
Total	**182**	**158**	**280**

Note 9: Trade and Other Receivables

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables			
Unsecured, considered good	1,848	1,813	1,412
Considered Doubtful	29	37	65
Less: Provision for doubtful debts	(29)	(37)	(65)
Total	**1,848**	**1,813**	**1,412**

Movement in Provision for Doubtful Debts

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Doubtful Debts			
Opening Balance	37	65	39
Add: Provision during the year	2	15	26
Less: Bad Debts written off against past provisions	(11)	(43)	-
Closing Balance	**28**	**37**	**65**

Note 10: Cash and Cash Equivalents

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash and Cash equivalents			
(a) Cash on Hand	6	10	17
(b) Cheques, Drafts on hand	0	1	-
(c) Balance with Banks in Current Accounts	165	344	108
Total	**171**	**355**	**125**

Note 11: Other current financial assets

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest Accrued on Deposits	50	27	10
Contractually Reimbursable Expenses *	0	10	27
Others *	0	21	14
Total	**50**	**58**	**51**

* ₹ '0' denotes amount less than ₹ 50,000

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Note 12: Other Current Assets

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others			
a. Prepaid Expenses	292	243	279
b. Balances with government authorities			
Unsecured, considered good			
Service Tax Receivable *	0	72	27
c. Advance to Suppliers	331	490	369
d. Loans and Advances to employees	68	67	5
e. Loans and Advances to related parties	6	6	0
Total	**697**	**878**	**680**

* ₹ '0' denotes amount less than ₹ 50,000

Note 13 : Equity Share Capital

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Authorised			
Equity Shares			
10,00,00,000 Equity Shares of ₹ 10/- each	10,000	10,000	10,000
Preference Shares			
1,50,00,000 Preference Shares of ₹ 100/- each	15,000	15,000	15,000
Total	**25,000**	**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	8,597
Total	**8,597**	**8,597**	**8,597**

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Equity Shares		Equity Shares		Equity Shares	
	Number	₹ in Lacs	Number	₹ in Lacs	Number	₹ in Lacs
Shares outstanding at the beginning of the year	85,967,320	8,597	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	85,967,320	8,597

b. Terms/rights attached to Equity Shares

The Company has only one class of equity share having a par value of Rs.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.

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

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.

d. The details of Shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares held	% of Holding	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%	51,000,000	59%
Omega TC Holdings Pte Limited	23,727,724	28%	23,727,724	28%	23,727,724	28%
Piem Hotels Limited	6,535,948	8%	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 Lacs on or before December 31, 2017 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.

Note 14 : Other Equity

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)Securities Premium	25,467	25,467	25,467
Closing Balance	**25,467**	**25,467**	**25,467**
(b)Retained Earnings	(6,194)	(5,808)	(4,647)
Closing Balance	**(6,194)**	**(5,808)**	**(4,647)**
Total	**19,273**	**19,659**	**20,820**

Reconciliation of Retained Earnings

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening Balance	(5,808)	(4,647)	(4,659)
Add: Transitional Provision Impact	-	(58)	(128)
Add: Profit/(Loss) for the year	(378)	(1,109)	140
Add: OCI Impact - Gratuity	(8)	6	-
Closing Balance	**(6,194)**	**(5,808)**	**(4,647)**

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Financial Liabilities

Note 15 : Long Term Borrowings

₹ **In Lakhs**

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Term loan			
From bank			
Secured	8,683	9,158	7,138
Less: Current Maturities of Long term loan	(1,076)	(475)	(475)
Total	**7,607**	**8,683**	**6,663**

a) Loan of ₹ 7,500 Lacs carrying interest rate of 9.50% p.a. payable at monthly rests is repayable in 4 equal quarterly instalments 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 of ₹ 1,200 Lacs carrying interest rate of 9.65% p.a. payable at monthly rests is repayable in equal quarterly installments of ₹ 120 Lacs ending in May 2019. The Loan is secured by way of hypothecation of a hotel property of the Company.

Note 16 : Other Non Current Financial Liabilities

₹ **In Lakhs**

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Contractor's Retention Money	179	140	54
Total	**179**	**140**	**54**

Note 17 : Long Term Provisions

₹ **In Lakhs**

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
Gratuity (Refer Note No. 38) (a)	74	66	51
Total	**74**	**66**	**51**

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Note 18: Short Term Borrowings

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Deposits			
Unsecured			
Inter Corporate Deposits from Related Parties (Refer Note 38)	3,100	200	400
Total	**3,100**	**200**	**400**

Note 19 : Trade Payables

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payables			
Payable to Vendors	1,575	1,667	1,436
Accrued Expenses	900	746	642
Total	**2,475**	**2,413**	**2,078**

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.

Note 20 : Other Financial Liabilities

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Current maturities of long-term debt	1,076	475	475
(b) Interest accrued but not due on borrowings	71	77	29
(d) Other Payables			
Payables related to Capital Projects	95	169	73
Payable to Holding Company	52	2	4
Contractors Retention Money	95	19	34
Security Deposits	65	70	63
Other Payables *	129	(0)	30
Payable to employees	361	334	233
Total	**1,944**	**1,146**	**941**

*₹ '0' denotes amount less than ₹ 50,000

Note 21: Short Term Provisions

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits			
Contribution to Provident & Other Funds			
(a) Gratuity (Refer Note No.37)	3	2	7
(b) Compensated absences	79	78	78
Total	**82**	**80**	**85**

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Note 22: Other Current Liabilities

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances collected from customers	351	312	303
Statutory Dues	209	180	316
Total	**560**	**492**	**619**

Note 23 : Revenue from Operations

₹ In Lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31 , 2016
Room Income, Food and Restaurants Income	14,017	12,838
Rental Income	598	629
Management and operating fees	588	451
Other operating income	257	240
Total	**15,460**	**14,158**

Note 24 : Other Income

₹ In Lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31 , 2016
Interest Income	96	47
Net Gain on sale of Current investments - Fair Value through Profit and Loss	1	9
Other Non-Operating Income:		
Write back of Credit Balances	144	82
Miscellaneous Income	105	5
(Interest received on Income Tax Refund ₹ 52 Lakhs, PY Nil)		
Net Gain on Foreign Currency Transactions and Translation	3	0
Total	**349**	**143**

Note 25 : Employee Benefits Expense

₹ In Lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and Wages (Refer Note No. 36)	2,326	1,781
Deputed Staff Cost	-	24
Contribution to Provident and Other Funds	102	77
Retiring Gratuity	26	19
Staff Welfare Expenses	354	299
Total	**2,808**	**2,200**

Note 26: Food and Beverages Consumed

₹ In Lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31 , 2016
Opening Stock	2	-
Add: Purchases	41	43
	43	43
Less: Closing Stock	1	2
Total	**42**	**41**

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Note 27 : Finance Costs

₹ **In Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31 , 2016
Interest Expenses at effective interest rate on Borrowings which are measured at amortised cost (Refer Note No. 36)	670	427
Total	**670**	**427**

Note 28 : Other Expenses

₹ **In Lakhs**

Particulars	For the year ended March 31, 2017	For the year ended March 31 , 2016
Other Operating Expenses		
Linen and Room Supplies	**436**	393
Housekeeping Charges	**729**	618
Maintenance Charges	**297**	252
Power and Fuel	**1,589**	1,612
Water Charges	**104**	98
Repairs to Buildings	**262**	155
Repairs to Machinery	**407**	307
Repairs to Others	**617**	556
Linen, Uniform Washing & Laundry Expenses	**376**	442
Travel Agent's Commission	**254**	35
Collecting Agent's Commission	**89**	101
Cable / satellite TV Subscription	**78**	59
Security Charges	**471**	395
General Expenses		
Rent	**3,189**	2,732
License Fees	**203**	176
Rates and Taxes	**260**	251
Insurance	**31**	21
Advertising & Publicity	**286**	464
Printing & Stationery	**73**	64
Passage & Travelling (Refer Note No. 36)	**149**	118
Provision for Doubtful Debts	**-8**	-28
Legal and Professional Fees	**477**	323
Loss on Sale of Property, Plant and Equipment	**84**	53
Telephone & Communications Expenses	**241**	193
Director Sitting Fees	**7**	-
Bad Debts	**47**	53
Courier expenses	**29**	19
Other Miscellaneous Expenses	**207**	169
Payment to Auditors		
i. As Auditors'	**43**	43
ii. For Taxation matters	**10**	10
iii. For other Services	**20**	20
iv. For Reimbursement of Expenses	**4**	1
Total	**11,058**	**9,706**

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Note 29 : Exceptional Items ₹ In Lakhs

Particluars	**For the year ended March 31, 2017**	**For the year ended March 31 , 2016**
Compulsory Acquisition of Land	(97)	-
Provision for Impairment of Property, Plant and Equipment	-	520
Expensed off overheads Capitalised on Projects	-	650
Expenditure on discontinued project charged off	-	353
Total	**(97)**	**1,523**

Note 30. Transition to Ind AS:

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards' along with the reconciliations of equity, total comprehensive income and cash flows in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Company has applied the following exemptions:

i. Property, plant and equipment and intangible assets –deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment (para D7AA of Appendix D). This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment property covered by Ind AS 40 'Investment Properties'.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Reconciliations between Previous GAAP and Ind AS:

Equity reconciliation

₹ in Lakhs

Particulars	**As on March 31, 2016**	**As on April 1, 2015**
Equity under Previous GAAP	28,437	29,545
Depreciation and amortization	138	122
Imputed interest income on interest-free lease deposits	59	41
Imputed rent expense on interest-free lease deposits	(376)	(290)
Equity under Ind AS	28,256	29,417

Profit reconciliation for the year ended March 31, 2016:

₹ in Lakhs

Particulars	**Year ended March 31, 2016**
Loss After Tax as per IGAAP	(1,109)
Add: Employee Benefit Expenses (Adjustment of Acturial Gain Loss to OCI)	6
Add: License Fees (Imputed lease expenses)	85
Less: Depreciation / Amortisation Expense (Reclassification of leasehold land as pre-payments)	(16)
Less: Other Income (Interest income on lease deposits)	(17)
Loss After Tax as per Ind AS	(1,167)

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Note 31. Tax Disclosures:

i) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

₹ in Lakhs

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Deferred Tax assets	**5,081**	4,992	5,131
Deferred Tax liabilities	**(5,081)**	(4,992)	(5,131)
Net Deferred Tax Liability	**-**	-	-

Note: The Company is not recognizing Deferred Tax assets due to prudence.

The Company has not shown tax reconciliations as tey 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

₹ In Lakhs

Particulars	March 31, 2017	March 31, 2016
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	**6,232**	6,017
-deductible temporary differences	**52**	48
Employee benefits	**19**	13
Provision for Doubtful Debts & Deposits		
Total	**6,303**	**6,078**

Note 32. 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 and is exposed to other contingencies arising from having issued guarantees to lenders of its subsidiaries and other entities. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

(a) On account of matters in dispute:

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company, in respect of taxes, etc, which are in dispute, are as under:

₹ In Lakhs

Particulars	**March 31, 2017**	March 31, 2016	April 1, 2015
Property tax	**93**	-	-

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 – ₹ 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;

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

(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 33. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 1,982 Lakhs (Previous year – ₹ 2,475 Lakhs, ₹ 3,049 Lakhs as on April 1, 2015).

Note 34. 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.

Note 35. Operating Lease:

The Company has taken certain vehicles, land and immovable properties on operating lease. These leases have varying terms, escalation clauses and renewal rights. The total lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses (Refer note no 26 (iv)). The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

₹ In Lakhs

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Not later than one year	**3,063**	2,646	2,436
Later than one year but not later than five years	**13,187**	11,047	10,393
Later than five years	**76,669**	87,529	87,023
Total	**92,919**	1,01,222	99,852

In addition, in certain circumstances the Company is committed to making additional lease payments that are contingent on the performance of the hotels that are being leased.

Expenses recognised in the statement of Profit and Loss

₹ In Lakhs

Particulars	March 31, 2017	March 31, 2016
Minimum Lease Payments	**3,057**	2,613
Contingent rents (% of Turnover)	**95**	75
Total	**3,152**	2,688

Note 36. Capitalisation 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	Current Year	Previous Year
Salaries and Wages	**2,554**	2,075
Less : Salary Capitalised	**124**	203
Less : Recoveries made under Management contracts	**104**	90
Salaries and Wages (Net)	**2,326**	1,781
Passage and Travelling	**156**	126
Less : Passage and travelling Capitalised	4	3
Less : Recoveries made under Management contracts	3	5
Passage and travelling (Net)	149	118
Interest Expenses	1,099	907
Less: Interest Capitalised	429	480
Interest Expenses (Net)	670	427

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Note 37. 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, 2017	March 31, 2016
Provident Fund	**88**	66
ESIC	**16**	11
Total	**104**	77

(b) The Company operates post retirement defined benefit plans – Gratuity(Unfunded)

(c) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2017 :-

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

₹ **In Lakhs**

Particulars	**Gratuity Un Funded**	
	Current Year	**Previous Year**
Present Value of Funded Obligations	**-**	-
Present Value of Unfunded Obligations	**76**	62
Fair Value of Plan Assets	**-**	-
Amount not recognised due to asset limit	**-**	-
Net (Asset) / Liability	**76**	62

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

₹ **In Lakhs**

Particulars	**Gratuity Un Funded**	
	Current Year	**Previous Year**
Current Service Cost	**19**	15
Past service Cost	**-**	-
Interest Cost	**5**	4
Total	**24**	19

(iii) Expenses recognised in Other Comprehensive Income (OCI)-

₹ **In Lakhs**

Particulars	**Gratuity Un Funded**	
	Current Year	**Previous Year**
Opening amount recognized in OCI outside Profit and Loss	(6)	-
Remeasurements due to actuarial loss/ (gain) arising from:		
Changes in financial assumptions	6	-
Experience adjustments	2	(6)
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognise the effect of asset ceiling	-	-
Total	**2**	**(6)**

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

(iv) Reconciliation of Defined Benefit Obligation -

₹ In Lakhs

Particulars	Gratuity Un Funded	
	Current Year	**Previous Year**
Opening Defined Benefit Obligation	**62**	59
Current Service Cost	**19**	15
Interest Cost	**5**	4
Changes in financial assumptions	**6**	-
Experience adjustments	**2**	(6)
Benefits Paid	**(18)**	(10)
Closing Defined Benefit Obligation	**76**	62

(v) Reconciliation of Fair Value of Plan Assets

₹ In Lakhs

Particulars	Gratuity Un Funded	
	Current Year	**Previous Year**
Employer contributions	**18**	10
Interest on Plan Assets	**-**	-
Re measurements due to:		
Actual return on plan assets less interest on plan assets	**-**	-
Contribution by Employer	**-**	-
Benefits Paid	**(18)**	(10)
Closing Fair Value of Plan Assets	**-**	-

(vi) Actuarial Assumptions

Particulars	Gratuity Un Funded	
	Current Year	**Previous Year**
Discount rate (p.a.) in %	7.20%	7.95%
Salary Escalation Rate (p.a.) in %	5.00%	5.00%
Atrrition Rate		
Age 21-30 Years	5.00%	5.00%
Age 31-40 Years	3.00%	3.00%
Age 41-57 Years	2.00%	2.00%
Mortality Post-Retirement	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

1) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

2) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

(vii) Sensitivity Analysis (for each defined benefit plan)

Particulars	Gratuity Un Funded	
	Discount rate	Salary Escalation rate
Impact of increase in 50 bps on DBO	-5.79%	6.44%
Impact of decrease in 50 bps on DBO	6.33%	-5.93%

Note 38. 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

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	
TIFCO Holdings Ltd.	India
Benares Hotels Ltd	India

vi. Key Management Personnel

Particulars	Relation
Rahul Pandit	Managing Director & CEO
Manish Jain (Resigned w.e.f. 24th October 2016)	Chief Financial Officer
Mahesh Makhija(Appointed w.e.f. 1st November 2016)	Chief Financial Officer
Somya Agarwal	Company Secretary

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

(a) Details of related party transactions during the year ended March 31, 2017 and outstanding balances as at March 31, 2017:

₹ In Lakhs

S.No.	Description	Current Year	Previous Year
I	**The Indian Hotels Company Limited**		
1	Operating Fees	**145**	138
2	Rent Paid	**4**	4
3	Room Revenue	**15**	4
4	Balance payables	**52**	2
II	**TIFCO Holdings Limited**		
1	ICD's received	**1,700**	400
2	ICD's repaid	**-**	400
3	Interest Paid	**114**	18
4	Balance payables	**1,900**	200
III	**Taj SATS Air Catering Ltd.**		
1	ICD's received	**700**	-
2	Interest Paid	**55**	-
3	Balance payables	**700**	
4	Balance Receivable	**-**	10
IV	**Benares Hotels Limited.**		
1	ICD's received	**500**	-
2	ICD's repaid	**-**	200
3	Interest Paid	**37**	0
4	Balance payables	**500**	-
V	**Other Tata Companies**		
A	**Tata Consultancy Services**		
1	Room Revenue	**1,275**	1,081
2	Balance Receivable	**262**	317
3	Balance Payable	**253**	357
B	**Others**		
1	Room Revenue	**513**	559
2	Balance Receivable	**158**	125
VI	**Mr. Rahul Pandit**		
1	Managerial Remuneration*	**226**	95
2	Amount Recoverable*	**6**	6
3	Loans & Advances Outstanding	**60**	94

*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

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

Note 39. Foreign Currency Transactions:

(a) Earnings in Foreign Exchange from sale of rooms/food & beverages based on actual receipts amount to Rs 178 Lakhs. (Previous Year ₹ 91 Lakhs, ₹ 199).

(b) Expenditure in Foreign Exchange towards Travel, Architectural services and commission amount to Rs 341 Lakhs. (Previous Year ₹ 138 Lakhs)

Note 40. Segment Information:

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

Note 41. Specified Bank Notes disclosure:

During the 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 31, 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

Note 42. Earnings Per Share (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share' – (AS-20) prescribed under Section 133 of the Companies Act, 2013.

Particulars	Current Year	Previous Year
Profit after tax (₹ in lakhs)	(378)	(1,167)
Weighted Average no. of equity shares (Nos.)	860	860
Earning per share – Basic/Diluted (Amount Rs.)	(0.44)	(1.36)
Face Value per Equity Share (Amount Rs.)	10	10

Note 43. 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.

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

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.

Trade receivable ageing and Movement of allowance for doubtful receivables

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
April 1,2015	480	480	4,500	4,200	9,660
March 31, 2016	480	1,080	5,220	2,400	9,180
March 31, 2017	1,080	1,770	5,850	-	8,700

₹ In Lakhs

Future Interest Payments	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
April 1,2015	245	864	2,288	974	4,371
March 31, 2016	864	853	1,931	478	4,126
March 31, 2017	768	663	971	-	2,402

Notes forming part of the financial statements as at and for the year ended March 31, 2017 (Contd.)

ii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents.

₹ In Lakhs

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Term loans	8,683	9,158	7,138
Less: Cash and cash equivalents	171	355	125
Net debt	8,512	8,803	7,013
Equity	27,870	28,256	29,417
Gearing ratio	0.30	0.31	0.24

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.

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 44. Note on previous year figures.

The company has regrouped/reclassified the previous year figures in accordance with the requirements applicable in the current year

In terms of our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm Reg. No. 117365W

Mukesh Jain
Partner
Membership No. 108262

Place: Mumbai
Date: May 10, 2017

For and on behalf of the Board of Directors

Rahul Pandit
Managing Director
& CEO
DIN:00003036

Rakesh Sarna
Chairman
DIN:01875340

Mahesh Makhija
Chief Financial Officer

Somya Agarwal
Company Secretary

DIRECTORS AND CORPORATE INFORMATION

TIFCO HOLDINGS LIMITED

Board of Directors:
Mr. R. H. Parekh

Mr. Rajeev Newar

Mr. Moiz Miyajiwala
(appointed w.e.f. October 14, 2016)

Mr. N. Kailasanathan
(appointed w.e.f. October 14, 2016)

Mr. Anil P. Goel
(resigned w.e.f October 15, 2016)

Audit Committee:
Mr. Moiz Miyajiwala

Mr. N. Kailasanathan

Mr. R. H. Parekh

Company Secretary
Mr. R. H. Parekh

CFO & Manager
Mr. Zubin M. Mehta

Bankers:
HDFC Bank Limited
Bank of Baroda

Auditors:
M/s Patel & Deodhar
Chartered Accountants

Registered Office:
Mandlik House, Mandlik Road
Mumbai 400001
Tel.: 91 22 66395515
Fax: 91 22 22027442

Corporate Office:
Ninth Floor, Express Tower,
Barrister Rajni Patel Marg,
Nariman Point, Mumbai 400 021.
Tel.: 91 22 6137 1000

CIN : U65910MH1977PLC019873

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the 39th Annual Report of the Company together with its Audited Financial Statement for the financial year ended March 31, 2017:

FINANCIAL RESULTS

Particulars	2016-17 ₹ in lakhs	2015-16 ₹ in lakhs
Income	1,284.40	1,794.29
Expenditure	1,735.60	18.92
Profit / Loss before Tax	(451.20)	1,775.37
Less: Provision For Tax	195.00	120.00
Profit after Tax for the year	(646.20)	1,655.37
Earning per Equity share in ₹		
Basic	(0.80)	2.04
Diluted	(0.80)	2.04

REVIEW OF BUSINESS OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Income for the year under review decreased by 28.42% from ₹ 1,794.29 lakhs in the previous year to ₹ 1,284.40 lakhs in the current year. The Profit after tax decreased by 139.04% from ₹ 1,655.37 lakhs in the previous year to a loss of ₹ 646.20 lakhs in the current year. The loss was primarily due to provision for diminution other than temporary in value of an investment. Without considering this provision, the Profit after tax for the year was ₹ 938.11 lakhs. No material changes and commitments have been made during the financial year to which these financial statements relate which affected the financial position of the Company.

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. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

DIVIDEND

Your Directors declared an interim dividend of 10% (₹ 1 per Ordinary Share), involving an outflow of ₹ 8.15 crores excluding dividend distribution tax of ₹ 1.66 crores. The interim dividend was paid in June 2016. No final dividend has been recommended for the year ended March 31, 2017.

BORROWINGS

The Company remained debt-free during the entire year under review.

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 (the Act) are given in the notes to the Financial Statements.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company currently has two Associate Companies namely Kaveri Retreats and Resorts Limited and Taj Karnataka Hotels & Resorts Limited. During the year, the Company increased its investment in Kaveri Retreats and Resorts Limited from 40.23% to 42.41% during the year under review. The Company currently does not have any Subsidiary and Joint Venture Company. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statement of the Company's Associate companies in Form AOC-1 is attached to the financial statement of the Company.

DIRECTORS

In accordance with the Act and the Articles of Association of the Company, one of your Directors, viz. Mr. R. H. Parekh, retires by rotation and is eligible for re-appointment. Mr. Anil P. Goel has resigned as a Chairman and Director of your

Company, effective October 15, 2016. The Board places on record its appreciation of the services rendered by Mr. Goel during his tenure.

Your Company appointed two Independent Directors viz. Mr. Moiz Miyajiwala and Mr. N. Kailasanathan as Additional Directors on the Board of the Company effective October 14, 2016 and they hold office upto the date of the forthcoming Annual General Meeting.

Your approval for their re-appointment / appointments as 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 Financial Year 2016-17, a total of five Board Meetings were held on April 20, 2016, May 9, 2016, September 6, 2016, October 27, 2016 and January 16, 2017 out of which Mr. Anil P. Goel attended three, Mr. Rajeev Newar attended five, Mr. R. H. Parekh attended four, Mr. Moiz Miyajiwala and Mr. N. Kailasanathan attended one meeting each respectively. The intervening gap between the meetings did not exceed the period prescribed under the Act. A separate meeting comprising only of the Independent Directors, was also held during the year.

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.

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.

AUDIT COMMITTEE

The Audit Committee of the Company was re-constituted during the year and currently comprises Mr. Moiz Miyajiwala (Chairman), Mr. R. H. Parekh and Mr. N. Kailasanathan, 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. During the Financial Year 2016-17, one Committee Meeting was held on May 9, 2016, which was attended by Mr. Anil P. Goel and Mr. Rajeev Newar.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) of the Company was re-constituted during the year and currently comprises Mr. Moiz Miyajiwala (Chairman), Mr. R. H. Parekh and Mr. N. Kailasanathan, 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. During the Financial Year 2016-17, one Meeting was held on April 20, 2016 which was attended by Mr. Anil P. Goel, Mr. Rajeev Newar and Mr. R. H. Parekh.

Pursuant to the provisions of Section 178 of the Act and the rules thereunder, the Company has constituted a NRC, which has formulated and recommended a Policy pursuant to the provisions of the Act, on Directors appointment & remuneration, and was adopted by the Board.

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 judgement. 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

- Independent Directors (ID) 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. Non-Independent Non-Executive Directors (NED) are not paid any remuneration.
- 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.
- The aggregate commission payable to all the 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.
- 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 opinion that the Director possesses requisite qualification for the practice of the profession.
- In addition to the sitting fees and commission, the Company may pay to the Independent director 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 in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

Remuneration for Manager

- 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 recognized best practices and aligned to any regulatory requirements.
- The remuneration for the Manager is as approved by the shareholders. In case of any change, the same would require the approval of the shareholders.

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

The Corporate Social Responsibility (CSR) Committee of the Company was re-constituted during the year and currently comprises Mr. R. H. Parekh (Chairman), Mr. Moiz Miyajiwala and Mr. Rajeev Newar, Directors of the Company. The role of the CSR Committee covers the areas mentioned under Section 135 of the Act, besides other terms as may be referred to by the Board of Directors of your Company. During the Financial Year 2016-17, two Meetings were held, one on May 9, 2016, which was attended by Mr. Anil P. Goel and Mr. Rajeev Newar, and the other on March 27, 2017 which was attended by Mr. R. H. Parekh and Mr. Moiz Miyajiwala respectively. The Company has made the requisite contribution towards CSR. The details of the initiatives undertaken by the Company towards CSR activities are set out in Annexure A of this Report.

DECLARATION BY INDEPENDENT DIRECTORS

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

AUDITORS

Statutory Auditor

In accordance with Section 139(2) of the Act, no audit firm shall be appointed as statutory auditor for more than two terms of five consecutive years. Pursuant to the expiry of the tenure of the Statutory Auditor, M/s. Patel & Deodhar, Chartered Accountants (Firm Registration No. 107644W), it is now proposed to appoint M/s. Damji Merchant & Co., Chartered Accountants (Registration No. 102082W) and your approval for their appointment has been sought in the Notice convening the Annual General Meeting. The Statutory Auditor has confirmed the eligibility under the provisions of Sections 139 and 141 of the Act and the Rules framed thereunder for appointment as Auditor of the Company.

The Audit Committee and Board of the Company have recommended the appointment. The Members are requested to appoint M/s. Damji Merchant & Co., Chartered Accountants (Registration No. 102082W) as the Statutory Auditor of the Company for the Financial Year 2017-18 and authorize the Board of Directors to fix the remuneration.

Secretarial Auditor

Mr. Shreepad Korde, Company Secretary in Practice, was appointed as the Secretarial Auditor for the Financial Year 2016-17. The Secretarial Audit Report received by the Company is annexed herewith as Annexure B.

CONTRACTS OR 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 the purpose of identification and monitoring of such transactions. An omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are foreseen and of a 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 Audit Committee for their approval on a regular basis.

BUSINESS 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 objectives 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.

EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDER SECTION 92(3) of the Act

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure C.

HUMAN RESOURCES

During the year under review, the Company did not have any employees drawing salary requiring disclosure in terms of Section 134 of the Act read with the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

GENERAL

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

1. The provision relating to Vigil Mechanism is not applicable to the Company.
2. During the year under review, the Company has not accepted any deposit from the public in terms of Section 73 of the Act
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.

DIRECTOR'S 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 2016-17.

Accordingly, pursuant to the provisions of Section 134 of the Act the Board of Directors, to the best of its knowledge and ability, hereby confirms that for the Financial Year ended March 31, 2017:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed and that there are no material departures.
2. 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, 2017 and of the profit of the Company for that period.
3. 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.
4. It has prepared the annual accounts on a going concern basis.
5. It has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

On behalf of the Board of Directors

R. H. Parekh	**Rajeev Newar**
DIRECTOR	**DIRECTOR**
DIN: 01942405	**DIN: 00468125**

Mumbai, April 17, 2017

Registered Office:
Mandlik House, Mandlik Road, Mumbai 400001
CIN: U65910MH1977PLC019873
Tel. No.: 022 6137 1637
Fax No.: 022 6137 1717

ANNEXURE - A

CORPORATE SOCIAL RESPONSIBILITY REPORT

THE 2016-17 TIFCO HOLDINGS LIMITED ANNUAL REPORT ON CSR ACTIVITIES

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 –

   Giving back to the local community is an integral part of the way The Indian Hotels Company Limited, the Company's holding company, engages in business. The Company's CSR Policy imbibes the values of sustainable development of the society and endeavours to undertake projects/ programs which will enhance the quality of life and economic well-being of the poor communities and society at large.

2. The Composition of the CSR Committee is as under:

   (i) Mr. R.H. Parekh

   (ii) Mr. Moiz Miyajiwala

   (iii) Mr. Rajeev Newar

3. Average net profit of the Company for last three financial years: ₹ 664.96 lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 13.30 lakhs

5. Details of CSR spent during the financial year.

   (a) Total amount to be spent for the financial year; ₹ 14 lakhs

   (b) Amount unspent, if any; NIL

   (c) Manner in which the amount spent during the financial year 2016-17 is detailed in the table below:

Sr. No.	CSR project or activity defined	Projects or Programmes: 1) Local area or other 2) the State and district where projects or programs were undertaken	Amount outlay (budget) for project or programs wise 2016-17 Amt (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs Amt (₹ Lakhs)	Programme Impact	Amount spent: Direct or through implementing agency*
1.	Employment Enhancing Vocational Skills/ Promotion of Education - Sch VII (ii)	Maharashtra	14.00	14.00		Implementing agency

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.

   The Company has made the requisite contribution prescribed under the Companies Act, 2013.

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.

   Yes, the Company has complied with the CSR objectives and Policy of the Company in terms of implementation and monitoring of the CSR policy.

(Mr. R. H. Parekh)	(Mr. Moiz Miyajiwala)	(Mr. Rajeev Newar)
DIN: 01942405	DIN: 00026258	DIN: 00468125

ANNEXURE - B

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2017

To,
The Members,
TIFCO Holdings Limited,
Mandlik House,
Mandlik Road,
Mumbai

I have conducted the secretarial audit of the compliance of applicable provisions and adherence to good Corporate practices by TIFCO Holdings Limited (hereinafter called the Company), (CIN U65910MH1977PLC019873) having its registered office at Mandlik House, Mandlik Road, Mumbai-400001.The Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions mentioned 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 observations reported in Annexure A hereinafter.

I have examined the books, papers, minutes books, forms and Returns filed and other records maintained by the said Company for the financial year 31st March, 2017, wherever applicable and as produced before me according to the provisions of

i) The Companies Act, 2013,

ii) The Securities Contracts (Regulation) Act,1956 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,1979 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct investment and External commercial borrowings.

v) Securities and Exchange Board of India Act,1992 (SEBI Act) and the following regulations and guidelines prescribed there under viz:

   a) The SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011.

   b) The SEBI (Prohibition of Insider Trading) Regulations, 1992.

   c) The SEBI (Issue of Capital and Disclosures Requirements) Regulations,2009.

   d) The SEBI (Employee stock options scheme and Employee Stock Purchase Scheme) Guidelines,1999

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

   f) The SEBI (Registrar to an issue and share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.

   g) The SEBI (Delisting of Equity shares) Regulations, 2009.

   h) The SEBI (Buyback of securities) Regulations,1998.

In respect all other specifically applicable laws, I am advised by the Company that a compliance mechanism is put in place by the company in respect of such laws.

I have not examined compliance with the applicable clauses of the Listing Agreement as it is not applicable.

I have examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India for meetings held after July 1, 2015. During the period under review, the Company has complied with the provisions of the Acts, Rules ,Regulations Guidelines, Standards etc mentioned above, subject to the observations made in Annexure A hereinafter.

I further report that the Board of Directors is not constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors that took place during the year under review.

Adequate notice was given to all the 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, for meaningful participation and discussion at the meeting.

Majority decisions were carried through. There were no dissenting directors' views.

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

I further report that during the audit period there were no 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.

Place: Mumbai
Dated 13th April, 2017

Shreepad M. Korde
Company Secretary
A.C.S.- 563- CP-1079.

ANNEXURE A to my Report of even date.

1. The Related Party contracts are approved by the Board of directors/Audit Committee as per the Company's policy framework.
2. The Company has appointed Key Managerial Persons as required under the law during the year.
3. The present constitution of the Board of Directors is in tune with the provisions of the Companies Act, 2013, the applicable provisions of the relevant rules under the Companies Act, 2013 and the Articles of Association.
4. The Directors' Report including the Directors' Responsibility statement for the year 2016-17 cover all the aspects prescribed under the Companies Act, 2013.
5. The NBFC guidelines are applicable to the Company and it is holding a Certificate of Registration issued by Reserve bank of India in that behalf. It is following the applicable guidelines in respect of its financial transactions and has followed the directions of Reserve Bank of India from time to time.

Mumbai, dated April 13, 2017

SHREEPAD M.KORDE
Company Secretary
ACS: 563
CP : 1079

ANNEXURE - C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017
[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: U65910MH1977PLC019873
ii) Registration Date: September 9, 1977
iii) Name of the Company: TIFCO Holdings Limited
iv) Category: Company Limited by Shares
Sub-Category of the Company: Indian Non- Government Company
v) Address of the registered office and contact details: Mandlik House, Mandlik Road, Colaba Mumbai- 400 001
vi) Whether listed company: No
vii) 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:-

Sl. 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	6499	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. 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, Colaba, Mumbai- 400 001	L74999MH1902PLC000183	Holding	100	2 (46)
2	Kaveri Retreats and Resorts Limited Sivamegam Towers, 3rd Floor, New No. 211, Old No. 142, Valluvar Kottam High Road, Nungambakkam, Chennai- 600034	U55101TN2005PLC057903	Associate	42.41	2 (6)
3	Taj Karnataka Hotels & Resorts Limited Taj West End, PO 5330, 23, Race Course Road, Bangalore 560 001	U85110KA1995PLC017192	Associate	21.15	2 (6)

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 (i.e 01.04.2016)				No. of Shares held at the end of the year (i.e 31.03.2017)				% 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.	-	815,00,000	815,00,000	100	-	815,00,000	815,00,000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**-**	**815,00,000**	**815,00,000**	**100**	**-**	**815,00,000**	**815,00,000**	**100**	**-**
(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)	**0**	**815,00,000**	**815,00,000**	**100**	**0**	**815,00,000**	**815,00,000**	**100**	**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):-	**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 Rs.1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh									
c) Others (specify)									
1) Directors and Relatives									
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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	**-**	**815,00,000**	**815,00,000**	**100**	**-**	**815,00,000**	**815,00,000**	**100**	**-**

(ii) Shareholding of Promoters

Sl. 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	The Indian Hotels Company Limited*	815,00,000	100	0	815,00,000	100	0	0
	TOTAL	**815,00,000**	**100**	**0**	**815,00,000**	**100**	**0**	**0**

*60 Shares of the above are held jointly with other Companies and / or individuals

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

Sl. No.	Name of the promoter	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 Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc)	**There were no changes 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):-

Sl. 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
		NIL			

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director	Shareholding at the beginning of the year (i.e 01.04.2016)		Cumulative Shareholding during the year (i.e 31.03.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		NIL			

Vi. 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	NIL			
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:

Sl. no.	Particulars of Remuneration	Zubin Mehta (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 under section 17(3) of the Income tax Act, 1961	 2,22,000 NIL NIL	 2,22,000 NIL NIL
2)	Stock Option	NIL	NIL
3)	Sweat Equity	NIL	NIL
4)	Commission - as % of profit - others, specify	 NIL NIL	 NIL NIL
5)	Others, please specify	NIL	NIL
	Total (A)	**2,22,000**	**2,22,000**

Ceiling as per the Act @ 5% of profits calculated under Section 198 of the Companies Act, 2013 ₹ 56.77 lakhs

B. Remuneration to other directors:

Independent Directors

In ₹ Lakhs

Sr. No.	Particulars of Remuneration	Moiz Miyajiwala	N. Kailasanathan	Total Amount
1	Fees for attending Board / Committee meetings	90,000	60,000	1,50,000
2	Commission	NIL	NIL	NIL
3	Others, please specify	NIL	NIL	NIL
	Total	**90,000**	**60,000**	**1,50,000**

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

Sl. No.	Particulars of Remuneration	Names of 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 under section 17(3) of the Income tax Act, 1961	 NIL NIL NIL	 NIL NIL NIL
2)	Stock Option	NIL	NIL
3)	Sweat Equity	NIL	NIL
4)	Commission - as % of profit - others, specify	 NIL NIL	 NIL NIL
5)	Others, please Specify	NIL	NIL
	Total	**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 (Penalties / Punishment/ Compounding Of Offences)					
B. Directors (Penalties / Punishment/ Compounding Of Offences)			NIL		
C. Officer in Default (Penalties / Punishment/ Compounding of Offences)					

On behalf of the Board of Directors

R. H. Parekh
DIRECTOR
DIN: 01942405

Rajeev Newar
DIRECTOR
DIN: 00468125

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TIFCO HOLDINGS LIMITED

1. Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TIFCO HOLDINGS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes 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 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 standalone financial statements based on our audit.

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

We conducted our audit 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 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Loss and cash flows for the year ended on that date.

5. Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") 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 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 purpose 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. There are no branch offices of the company

   d. Company's Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and returns;

   e. In our opinion, the aforesaid standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014 as amended to date;

   f. There are no financial transactions or matters which have adverse effect on functioning of the Company.

   g. On the basis of written representations received from the Directors as on 31st March 2017 none of the Directors is disqualified as at 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;

   h. There are no qualifications, reservations or adverse remarks relating to maintenance of accounts and other matters connected therewith

   i. With respect to adequacy of 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

   j. With respect to the other matters as prescribed in Rule 11 of the Company (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and according to the explanations given to us:

      i. Company has disclosed Contingent Liability relating to pending litigations viz

         a. The Company has filed an appeal before CIT (Appeals) against Income Tax demand of Rs. 98,01,800 for AY 2012-13. for which Company has received CIT (Appeals) Order dated 23-Jan-2017 where in grounds of appeal have been allowed partially. Order Giving Effect with refund of Rs. 5.37 Lakh is awaited.

         b. The Company has filed Requests for Rectification of mistake, against Notice of demand for Rs. 70,04,690 for AY-2013-14, Rs.473,240 for AY-2014-15, Rs.1,87,140 for AY-2015-16, Rs. 2,55,700 for AY-2016-17. The Company has not disclosed this as a Contingent Liability in the Standalone Financial Statements as the Company expects that the rectification will be carried out.

      ii. The Company did not have any long term contracts including derivative contracts having 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 during the year.

      iv. Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8-Nov-2016 to 30-Dec-2016 and those are in accordance with the books of accounts maintained by the Company.

For Patel and Deodhar
Chartered Accountants
Firm Registration No. 107644W
Deepa M. Bhide
Partner
Membership No.49616
Mumbai, April 17, 2017

Annexure - A to the Independent Auditor's on the Standalone Financial Statements of Report of TIFCO Holdings Limited

[Referred to in paragraph 5(1) of our report of even date]

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its leasehold land and buildings. [Clause 3(i)(a)]

   (b) The Company has Fixed Assets in the form of Building and Leasehold land. It carries out physical inspection of Land at regular intervals generally once in 3 years. There were no material discrepancies noticed during such verifications.[Clause 3(i)(b)]

   (c) Mutation of Title to Buildings in favour of the Company is in process (Refer Note 7 to Standalone Financial Statements). Building is constructed on land leased by Mumbai Port Trust and the lease period expired in 2000. Company has filed a Writ Petition in High Court of Mumbai on 15th January, 2013 for granting right of renewal of Lease and matter is sub judice. [Clause 3(i)(c)]

2. The Company does not carry/ have any inventory and hence this clause is not applicable to the Company. [Clause 3(ii)]

3. 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 and hence clauses relating to such loans given are not applicable. [Clause 3(iii)(a)(b)(c)]

4. The Company has in respect of loans, investments, guarantees and security, complied with the provisions of Section 185 and 186 of the Act, to the extent applicable. [Clause 3(iv)]

5. The Company has not accepted any deposits from its members. Therefore, directives issued by RBI in this regard, provisions of section 73 to 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company. [Clause 3(v)].

6. The Company is not engaged in production of any goods or providing any services and hence provisions of Section 148 of the Act relating to maintenance of cost records is not applicable to the Company. [Clause 3(vi)]

7. (a) The Company, to the extent applicable to it, was regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities. There were no arrears of outstanding statutory dues as at the last day of the financial year 2016-17 for a period of more than six months from the date they became payable. [Clause 3(vii)(a)]

   (b) To the best of our knowledge and belief and according to the information and explanations given and from the records made available to us, there are no disputed amounts in case of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, or Value Added Tax which are unpaid as of 31st March, 2017 except income tax demand of Rs 98.02 lakh for AY 2012-13 for which Company has received CIT (Appeals) Order dated 23-Jan-2017 where in grounds of appeal have been allowed partially. Order Giving Effect with Refund of Rs. 5.37 Lakh is awaited.

   Further, the Company has filed a Request for Rectification of mistake, against Notice of demand for Rs. 70.04,690 for AY-2013-14, Rs.473,240 for AY-2014-15, Rs.1,87,140 for AY-2015-16, Rs. 2,55,700 for AY-2016-17. The Company has not disclosed this as a Contingent Liability in the Standalone Financial Statements as the Company expects that the rectification will be carried out. [Clause 3(vii)(b)]

8. The Company has not taken any loans or borrowing from Financial Institutions, Banks, Government or Debenture holders and hence this clause is not applicable to the Company. [Clause 3(viii)]

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence this clause is not applicable to the Company. [Clause 3 (ix)]

10. To the best of our knowledge and belief and according to the information and explanations given and from records made available to us, there was no fraud by the Company or on the Company by its Officers or Employees which was noticed or reported during the year. [Clause 3(x)]

11. Managerial Remuneration was paid in accordance with requisite approvals mandated under section 197 of the Act read with Schedule V of the Act. [Clause 3(xi)]

12. The Company is not a Nidhi Company and hence this clause is not applicable to the Company. [Clause 3(xii)]
13. All Related Party Transactions (RPTs) are in compliance with Sections 177 and 188 of the Act, to the extent applicable. Details of all RPTs have been disclosed in Financial Statements as required by the applicable Accounting Standards. [Clause 3(xiii)]
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence this clause is not applicable to the Company. [Clause 3(xiv)]
15. The Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable [Clause 3(xv)].
16. The Company is required to obtain registration under section 45IA of Reserve Bank of India Act, 1934 and has obtained required registration.[Clause 3(xvi)]
17. Having regard to our report on clauses under Para 3 of the Order given above, reporting under Para 4 is not applicable.

For Patel and Deodhar
Chartered Accountants
Firm Registration No. 107644 W
Deepa M. Bhide
Partner
Membership No.49616
Mumbai, April 17, 2017

Annexure - B to the Independent Auditor's Report on the Standalone Financial Statements of TIFCO Holdings Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") [Referred to in paragraph 5(2) (i) of our report of even date]

We have audited the internal financial controls over financial reporting of TIFCO Holdings Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I / 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, 2017, 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 ICAI.

For Patel & Deodhar
Chartered Accountants
Firm Registration No. 107644 W
Deepa M. Bhide
Partner
Membership No. 49616
Mumbai, April 17, 2017

Balance Sheet as at March 31, 2017

₹ lakhs

	Note no.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	**3**	**8,150.00**	8,150.00
Reserves and Surplus	**4**	**13,905.28**	15,532.39
Money received against share warrants		**-**	-
		22,055.28	23,682.39
Share application money pending allotment		**-**	-
Non-current liabilities			
Long term borrowings		**-**	-
Deferred tax liabilities (Net)		**-**	-
Other long term liabilities		**-**	-
Long term provisions	**5**	**119.30**	15.00
		119.30	15.00
Current liabilities			
Short term borrowings		**-**	-
Trade payables		**-**	-
Other current liabilities	**6**	**8.55**	30.06
Short term provisions		**-**	-
		8.55	30.06
TOTAL		**22,183.13**	23,727.45
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	**7**	**86.79**	89.23
Intangible assets		**-**	-
Capital work-in-progress		**-**	-
Intangible assets under development		**-**	-
		86.79	89.23
Non-current Investments	**8**	**15,557.49**	16,141.80
Deferred tax assets (net)		**-**	-
Long-term loans and advances		**-**	-
Other non-current assets		**-**	-
		15,644.28	16,231.03
Current assets			
Current Investments	**9**	**1,201.32**	622.73
Inventories		**-**	-
Trade receivables		**-**	-
Cash and cash equivalents	**10**	**82.70**	30.99
Short-term loans and advances	**11**	**5,254.83**	6,842.70
Other current assets		**-**	-
		6,538.85	7,496.42
TOTAL		**22,183.13**	23,727.45
Notes to the Financial Statements	**1-17**		

As per our report attached

For Patel & Deodhar
Chartered Accountants
FRN - 107644W

Ms Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, April 17, 2017

For and on behalf of the Board

R. H. Parekh
Director & Company Secretary
(DIN: 01942405)

Rajeev Newar
Director
(DIN: 00468125)

Zubin M. Mehta
CFO & Manager

Statement of Profit and Loss Statement for the year ended March 31, 2017

₹ lakhs

	Note no.	2016-17	2015-16
Revenue from Operations	13	1,229.93	1,732.88
Other income	14	54.47	61.41
Total Revenue		1,284.40	1,794.29
Expenses			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefits expense	15	2.22	2.22
Finance costs		-	-
Depreciation and amortization expense	7	2.44	2.44
Diminution in value of investments		1,584.31	-
Other expenses	16	146.63	14.26
Total expenses		1,735.60	18.92
Profit before exceptional and extraordinary items and tax		(451.20)	1,775.37
Exceptional items		-	-
Profit before extraordinary items and tax		(451.20)	1,775.37
Extraordinary Items		-	-
Profit before tax		(451.20)	1,775.37
Tax expense:			
Current Tax		195.00	120.00
Deferred Tax		-	-
Short Provision of Tax of Earlier Years		-	-
Total Tax		195.00	120.00
Profit (Loss) for the period from continuing operations		(646.20)	1,655.37
Profit / (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from discontinuing operations (after tax)		-	-
Profit (Loss) for the period		(646.20)	1,655.37
Earnings per equity share in ₹			
Basic		(0.80)	2.04
Diluted		(0.80)	2.04
Notes to the Financial Statements	1-17		

As per our report attached

For Patel & Deodhar
Chartered Accountants
FRN - 107644W

Ms Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, April 17, 2017

For and on behalf of the Board

R. H. Parekh
Director & Company Secretary
(DIN: 01942405)

Rajeev Newar
Director
(DIN: 00468125)

Zubin M. Mehta
CFO & Manager

Cash Flow Statement for the year ended 31 March, 2017

₹ lakhs

Particulars			2016-17		2015-16	
A	**Operating actitivities**					
	1	Profit before tax		**(451.20)**		1,775.37
	2	Add: Non-Cash items				
		a) Depreciation / Amortization	**2.44**		2.44	
		b) Assets / Investments written off	**-**		-	
		c) Sundry balances written back (net)	**-**		-	
		d) Provision for doubtful debts written back (net)	**-**		-	
		e) Provision for contingent liabilities	**104.30**			
		f) Provision for diminution in value of investments written back (net)	**1,584.31**	**1,691.05**	-	2.44
	3	Less: Non-operating income				
		a) (Profit) / Loss on sale of investments		**-**		-
	4	Add: Non-operating expenses		**-**		-
	5	Changes in Working Capital				
		a) (Increase) / Decrease in Debtors, advances and other receivables	**53.40**		(62.15)	
		c) Increase / (Decrease) in Sundry Creditors and other payables	**(21.51)**	**31.89**	15.12	(47.03)
	6	Cash generated from Operations		**1,271.74**		1,730.78
	7	Less: Direct taxes paid (net)		**(191.03)**		(114.70)
	8	Net Cash from Operating activities		**1,080.71**		1,616.08
B	**Investing activities**					
	1	Investments made / Share application monies paid	**(6,435.96)**		(4,359.23)	
	2	Sale /(Purchase) of Fixed Assets	**-**		-	
	3	Investments sold / redeemed	**4,857.37**		6,219.44	
	4	(Increase) / Decrease in loans / deposits placed	**1,530.50**		(2,470.00)	
	5	Net Cash from Investing activities		**(48.09)**		(609.79)
C	**Financing activities**					
	1	Increase / (Decrease) in deposits / loans from:				
		a) Holding Company	**-**		-	
		b) Others	**-**	**-**	-	-
	2	Dividend Paid (including tax on dividend)		**(980.91)**		(980.92)
	3	Net Cash from Financing activities		**(980.91)**		(980.92)
D	**Net increase / (decrease) in cash and cash equivalents**			**51.71**		25.37
E	**Opening Cash balance as at 1 April**			**30.99**		5.62
F	**Closing Cash balance as at 31 March**			**82.70**		30.99

As per our report attached

For Patel & Deodhar
Chartered Accountants
FRN - 107644W

Ms Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, 17 April 2017

For and on behalf of the Board

R. H. Parekh
Director & Company Secretary
(DIN: 01942405)

Rajeev Newar
Director
(DIN: 00468125)

Zubin M. Mehta
CFO & Manager

Notes to Financial Statements for year ended March 31, 2017

1. **Significant Accounting Policies**

a. Accounting Convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable and the Directions issued by the Reserve Bank of India as applicable to Non-Banking Financial Companies. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Recognition of Income and Expenditure

All income and expenditure is accounted on accrual basis.

c. Investments

Investments are stated at cost inclusive of expenses relating to acquisition. Provision for diminution in the value of long-term investments is made to the extent that such decline, in the opinion of the Board of Directors, is considered to be other than temporary taking into account relevant factors affecting the investment.

Profit / (loss) on sale of investments is determined with reference to the average cost of the investments on the date of sale.

d. Leasehold Land and Amortization

Leasehold Land is valued at cost less amortization. The cost is proportionately amortized over the period of the lease in case of new leases whereas the cost is proportionately amortized over the balance period of the lease in other cases.

e. Other Fixed Assets and Depreciation

Fixed assets other than leasehold land are valued at cost less depreciation. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. 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.

f. Preliminary and Share Issue Expenses

Preliminary and Share Issue Expenses are written off in the year in which they are incurred.

g. Accounting for taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2. Figures for the previous year have been re-grouped wherever necessary to conform to current year's presentation.

3. **Share Capital**

Type of shares	**As at 31 March 2017**		As at 31 March 2016	
	Number	**₹ in lakhs**	Number	₹ in Lakhs
Authorised:				
Equity shares of ₹ 10 each	**90,000,000**	**9,000**	90,000,000	9,000.00
Issued, Subscribed and Paid-up:				
Equity shares of ₹ 10 each	**81,500,000**	**8,150**	81,500,000	8,150.00

Particulars	**Equity Shares**	
	Number	₹ in lakhs
Shares outstanding at the beginning of the year	**81,500,000**	8,150.00
Shares outstanding at the end of the year	**81,500,000**	8,150.00

All the above shares are held by The Indian Hotels Company Limited.

4. **Reserves and Surplus**

₹ lakhs

Particulars	**As at 31 March 2017**	As at 31 March 2016
Reserve Fund (In terms of Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	**4,242.00**	3,910.00
Add: Transfer from Profit and Loss statement	**-**	332.00
Closing Balance	**4,242.00**	4,242.00
Surplus		
Opening Balance	**11,290.39**	10,947.94
Add: Net profit / (loss) for the year	**(646.20)**	1,655.37
Less: Interim Dividends paid for the year	**(815.00)**	(815.00)
Less: Tax on Interim Dividends	**(165.91)**	(165.92)
Less: Transfer to Reserve fund	**-**	(332.00)
Closing Balance	**9,663.28**	11,290.39
Total	**13,905.28**	15,532.39

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

5. Long Term Provisions

₹ lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Others		
Contingent Provisions against Standard Assets	**15.00**	15.00
Provision for Contingent Liabilities	**104.30**	-
Total	**119.30**	15.00

6. Other Current Liabilities

₹ lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
Income received in advance		
From Tenants	**0.10**	0.03
Other payables / provisions		
To Related Parties	**3.21**	25.45
To Micro Small & Medium Enterprises	**-**	-
To Others	**5.24**	4.58
Total	**8.55**	30.06

7. Fixed Assets

₹ lakhs

Sr.	Particulars of Assets	Gross Block				Depreciation / Amortization						Net Block	
		As at 1 Apr 2016	Additions	Deductions	**As at 31 Mar 2017**	As at 1 Apr 2016	On Opening balance	Additions	Deductions	For the year	**As at 31 Mar 2017**	**As at 31 Mar 2017**	As at 31 Mar 2016
1	Leasehold Land	7.24	-	-	**7.24**	3.42	0.27	-	-	0.27	**3.69**	**3.55**	3.82
		7.24	-	-	**7.24**	3.15	0.27	-	-	0.27	**3.42**	**3.82**	4.09
2	Building (See Note 2 below)	130.01	-	-	**130.01**	44.60	2.17	-	-	2.17	**46.77**	**83.24**	85.41
		130.01	-	-	**130.01**	42.43	2.17	-	-	2.17	**44.60**	**85.41**	87.58
	Totals	**137.25**	**-**	**-**	**137.25**	**48.02**	**2.44**	**-**	**-**	**2.44**	**50.46**	**86.79**	**89.23**
	Previous year	*137.25*	-	-	***137.25***	*45.58*	*2.44*	-	-	*2.44*	***48.02***	***89.23***	*91.67*

Notes:

1 Figures in bold type relate to the current year, figures in italics relate to the previous year.

2 Mutation of the title to the building in favour of the Company is in process.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

8. Non-current Investments

	Sub Note	Face Value	As at 31 March 2017			As at 31 March 2016	
			Holding	Book Value		Holding	Book Value
	No.	₹	Nos.	₹ Lakhs	₹ Lakhs	Nos.	₹ Lakhs
A Trade Investments							
(a) Quoted Equity Shares							
(i) Fellow Subsidiaries							
1 Benaras Hotels Ltd		10	**350,825**		**196.98**	350,825	196.98
(ii) Others							
1 Oriental Hotels Ltd	(g)	1	**17,208,360**	**2,163.76**		17,208,360	2,163.76
2 Taj GVK Hotels and Resorts Ltd	(f)	2	**400**	**0.04**		400	0.04
					2,163.80		2,163.80
(b) Unquoted Equity Shares							
(i) Fellow Subsidiaries							
1 Inditravel Pvt Ltd		10	**99,005**	**9.90**		99,005	9.90
2 Piem Hotels Ltd		10	**978,010**	**2,875.05**		978,010	2,875.05
3 Taj Enterprises Ltd		100	15,298	23.40		15,298	23.40
4 Taj Trade and Transport Co Ltd		10	362,999	53.33		362,999	53.33
5 United Hotels Ltd		10	2,101,680	39.40		2,101,680	39.40
					3,001.08		3,001.08
(iii) Associates							
1 Kaveri Retreats & Resorts Pvt Ltd	(e) & (f)	10	11,176,467		3,800.00	8,235,293	2,800.00
(iv) Others							
1 MPower Information Systems Pvt Ltd		10	498,000	49.80		498,000	49.80
2 Taj Air Ltd		10	15,843,140	1,584.32		15,843,140	1,584.32
3 Taj Karnataka Hotels and Resorts Ltd	(f)	10	598,740	59.87		598,740	59.87
4 Tata Ceramics Ltd		2	15,429,480	300.75		15,429,480	300.75
5 Tata Industries Ltd		100	4,274,590	5,572.98		4,274,590	5,572.98
6 Tata International Ltd		1,000	8,000	462.00		8,000	462.00
					8,029.72		8,029.72
Total Trade Investments					17,191.58		16,191.58
B Other Investments							
(a) Quoted Equity Shares							
(i) Others							
1 Asian Hotels (North) Ltd	(d)	10	2	*		2	*
2 Asian Hotels (East) Ltd	(d)	10	2	*		2	*
3 Asian Hotels (West) Ltd	(d)	10	2	*		2	*
4 EIH Ltd		2	37	0.01		37	0.01
5 Hotel Leela Venture Ltd		2	25	0.01		25	0.01
					0.02		0.02
(b) Unquoted Equity Shares							
(i) Others							
1 Hindusthan Engineering & Industries Ltd	(d)	10	7		*	7	*
Total Other Investments					0.02		0.02
C Total Investments (A + B)					17,191.60		16,191.60
D Less: Provision for diminution in value of investments					1,634.11		49.80
E Total					15,557.49		16,141.80
F SUB-NOTES:							
(a) Aggregate of Quoted Investments: Cost					2,360.80		2,360.80
Market Value					10,484.77		7,134.12
(b) Aggregate of Unquoted Investments: Cost					14,830.80		13,830.80

(c) All Investments are stated at cost and are fully paid-up unless otherwise indicated.

(d) *Amount below ₹ 500/-.

(e) These investments are direct Associates of the Company.

(f) These investments are in entities jointly controlled by the Holding Company.

(g) These investments are Associates of the Holding Company.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

9. Current Investments

₹ lakhs

Particulars	Units nos.	As at 31 March 2017	As at 31 March 2016
Investments in Mutual Funds at cost			
1 Unquoted			
(a) HDFC Liquid Fund - Dividend - Daily Reinvest	-	**-**	151.55
(b) ICICI Prudential Liquid Fund - Regular Plan - DDR	-	**-**	471.18
(c) Birla Sun Life - Cashplus - Regular plan - DDR	852,074	**853.73**	-
(d) Kotak Floater Short Term - Regular plan - DDR	34,360	**347.59**	-
Total		**1,201.32**	622.73

10. Cash and Cash equivalents

₹ lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
1 Balance with banks in current accounts	**82.70**	30.98
2 Cash on hand (Please see note below)	**-**	0.01
(* Amount below ₹ 500/-)		
Total	**82.70**	30.99

Note: Details of Specified Bank Notes held and transacted during the period from 8 November 2016 to 30 December 2016:

₹

Sr	Particulars	SBNs	Other denomination notes	Total
1	Closing Cash Balance as on 8 November 2016	4,500	374	4,874
2	(+) Permitted receipts	-	-	-
3	(-) Permitted payments	-	-	-
4	(-) Amounts deposited in banks	4,500	-	4,500
5	**Closing Cash in hand as on 30 December 2016**	-	374	374

11. Short term Loans and Advances

₹ lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
1 Loans and advances to related parties (Unsecured, considered good)		
(a) Inter-corporate deposits placed	**1,900.00**	1,500.00
2 Other Loans and advances (Unsecured, considered good)		
(a) Inter-corporate deposits placed	**3,253.50**	5,184.00
(b) Interest due from related parties	**-**	32.09
(c) Interest due from other companies	**40.81**	62.26
(d) Other Advances	**0.17**	0.03
Total '2'	**3,294.48**	5,278.38
3 Advance payment of taxes (Net of Provisions)	**60.35**	64.32
Total	**5,254.83**	6,842.70

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

₹ lakhs

Particulars	As at 31 March 2017	As at 31 March 2016
1 Contingent Liabilities		
(a) Claims against the company not acknowledged as debt.	**-**	104.30
(No provision has been made for the premium / penalty, if any, payable to the lessor for transfer of leasehold land rights in the name of the Company as the quantum thereof has not yet been determined. The amount when quantified, admitted and paid by the Company is expected to be capitalized.)		
(b) On account of Income Tax matters pending appeal.	**-**	98.02
Total	**-**	202.32

13. Revenue from Operations

₹ lakhs

Particulars	2016-17	2015-16
1 Dividend income from Long-term Investments	**618.26**	1,127.11
2 Dividend income from other Current Investments	**58.89**	111.55
3 Interest received on Inter-corporate deposits	**552.78**	494.22
Total	**1,229.93**	1,732.88

14. Other Income

₹ lakhs

Particulars	2016-17	2015-16
1 Rent and related income	**54.47**	51.05
2 Provision written back	**-**	10.36
Total	**54.47**	61.41

15. Employee Benefits Expense

₹ lakhs

Particulars	2016-17	2015-16
1 Remuneration to Manager	2.22	2.22

16. Other Expenses

₹ lakhs

Particulars	2016-17	2015-16
1 Payments to auditor :		
(a) as auditor	3.23	2.86
(b) for taxation matters	0.98	0.87
(c) for other services	0.03	
(d) for out of pocket expenses	0.04	0.34
	4.28	4.07
2 Professional fees and charges	14.92	3.13
3 Lease rent and related charges	110.73	6.14
4 Expenditure on Corporate Social Responsibility	14.00	-
5 Director’s sitting fees	1.73	-
6 Other expenses	0.97	0.92
Total	146.63	14.26

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

17. Related party disclosures:

(a) Related parties and their relationship

Holding Company

The Indian Hotels Company Limited

Associates / Other Related parties

Kaveri Retreats & Resorts Ltd

[For the purpose of this disclosure, an associate or other related party is a company, not being a subsidiary, in which the Company's direct interest is not less than 20% of the equity share capital or equity voting rights of such investee company and in which the Company has significant influence.]

Fellow Subsidiaries

Apex Hotel Management Services (Pte) Limited
BAHC 5 Pte Ltd
Benares Hotels Limited
Chieftain Corporation NV
ELEL Hotels and Investments Limited
Ihoco BV
Inditravel Limited
KTC Hotels Limited
Luthria and Lalchandani Hotel and Properties Pvt Limited
Northern India Hotels Limited
Piem Hotels Limited
Piem International (H.K.) Limited
Roots Corporation Limited
Samsara Properties Limited
Sheena Investments Pvt Ltd
Skydeck Properties and Developers Pvt Ltd
St. James Court Hotel Limited
Taj Enterprises Limited
Taj International Hotels (H.K.) Limited
Taj International Hotels Limited
Taj SATS Air Catering Limited
Taj Trade and Transport Company Limited
United Hotels Limited
United Overseas Holdings Inc

Key Management Personnel

Board of Directors
Manager

(b) Transactions with related parties:

Particulars of transactions	Holding Company		Fellow Subsidiaries		Associates / Others	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Current Year						
Investment in equity shares	-	-	-	-	1,000.00	-
ICDs placed (Net of amount received back)	-	-	1,700.00	1,900.00	(1,300.00)	-
Current account dues	3.21	3.21	-	-	-	-
Interest received on ICDs placed	-	-	114.25	-	83.33	-
Rent received	57.60	-	-	-	-	-
Dividend paid	815.00	-	-	-	-	-
Manager's remuneration	-	-	-	-	2.22	-

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Particulars of transactions	Holding Company		Fellow Subsidiaries		Associates / Others	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Previous Year						-
Investment in equity shares	-	-	-	-	-	-
ICDs placed (Net of amount received back)	-	-	-	200.00	(35.00)	1,300.0
Current account dues	25.45	25.45	-	-	-	-
Interest received on ICDs placed	-	-	18.02	-	144.08	32.09
Rent received	52.71	-	-	-	-	-
Dividend paid	815.00	-	-	-	-	-
Manager's remuneration	-	-	-	-	2.22	-

As per our Report attached

For Patel & Deodhar
Chartered Accountants
FRN-107644W

Ms. Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, April 17, 2017

R H Parekh
Director & Company Secretary

Zubin M. Mehta
CFO & Manager

TAJ
HOTELS · PALACES · RESORTS · SAFARIS

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

(Information in respect of each subsidiary to be presented with amounts in Rs)

Sl. No.	Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
None															

Notes:

Names of subsidiaries which are yet to commence operations - NIL

Names of subsidiaries which have been liquidated or sold during the year- NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	**Kaveri Retreats & Resorts Limited**	**Taj Karnataka Hotels & Resorts Limited**
1. Latest audited Balance Sheet Date	31-03-2017	31-03-2017
2. Date on which the Associate was associated	01-10-2010	31-03-2010
3. Shares of Associate/~~Joint Ventures~~ held by the company on the year end		
No.	11,176,467	598,740
Amount of Investment in Associates/~~Joint Venture~~	379,999,878	5,987,400
Extend of Holding %	42.41%	21.15%
4. Description of how there is significant influence	Company holds more than 20%	Company holds more than 20%
5. Reason why the associate/~~joint venture~~ is not consolidated	The Company is exempted from preparing Consolidated Financial Statements	
6. Networth attributable to Shareholding as per latest audited Balance Sheet	242,929,569	(13,384,208)
7. Profit / Loss for the year		
i. Considered in Consolidation		
ii. Not Considered in Consolidation	6,527,323	330,729

Notes:

Names of associates or joint ventures which are yet to commence operations - NIL

Names of associates or joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board

R. H. Parekh
DIRECTOR
DIN: 01942405

Rajeev Newar
DIRECTOR
DIN: 00468125

DIRECTORS AND CORPORATE INFORMATION

TAJ SATS AIR CATERING LIMITED

Board of Directors

Mr. Rakesh Sarna	Chairman
Mr. M. S. Kapadia	Vice Chairman
Mr. Thomas Ching Chun Fong	Director
Mr. Cho Wee Peng	Director
Ms. Gita Nayyar	Independent Director
Ms. Vibha Paul Rishi	Independent Director
Mr. Anil P. Goel	Director (resigned w.e.f. October 15, 2016)
Mr. Cho Wee Peng	Director (resigned w.e.f November 30, 2016)

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.
IDBI Bank, AXIS Bank, Canara Bank, State Bank of India

Auditors

Deloitte Haskins & Sells 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 28393692 Fax: 022 28302066, Website: www.tajsats.com

DIRECTORS REPORT

TO THE MEMBERS,

The Directors are pleased to present the Sixteenth Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2017.

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. As such financial statements for the year ended as at March 31, 2016 have been restated to conform to Ind As.

FINANCIAL HIGHLIGHTS: ₹ **Lakhs**

Particulars	**2016-17**	**2015-16**
Income	35,048	32,216
Less: Operating costs	31,909	30,247
Gross Operating Profit	3,139	1,969
Less: Depreciation and amortization expense	1,036	1,084
Less: Finance costs	21	19
Profit before tax / (Loss) before exceptional items	2,082	866
Exceptional Items	-	355
Profit before tax / (Loss)	2,082	1,221
Tax expense / (benefit)		
-Current tax expense	674	139
-Deferred tax expense/(credit)	(1)	101
Net tax expense / (credit)	673	240
Profit after tax / (Loss)	1,409	981
Basic & Diluted Earnings Per Share (Rs)		
(Face Value = Rs10/-)	8.10	5.64

BUSINESS REVIEW:

Though the business climate in FY 2016-17 remained challenging, the Company has recorded good results and has been at the forefront in achieving customer satisfaction. During the course of the year the Company was able to obtain new international business in Mumbai, Goa and Delhi. Some major domestic airlines allocated additional flights to the Units at Kolkata and Bangalore which boosted operating revenues. The Company was able to successfully control costs for both raw material consumption and payroll which has led to appreciable growth in margins as well.

The Company was recognized for its efforts by Malaysian Airlines and the Units at Mumbai and Bangalore were the only stations in the Global Catering Network of the Airline to receive the commendable halal and hygiene compliance award.

The Unit at Goa was awarded by Qatar Airlines as the Best Caterer for the "Indian sub-continent region" award for 2016. The Unit at Delhi was recognized as the Overseas Best Caterer award.

RESERVES:

The Company proposes to carry ₹ 22,181 lakhs to reserves.

FINANCE:

The Company held Cash and cash equivalents balances of ₹ 1,790 lakhs as at March 31, 2017. 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:

In view of the past losses and the fact that the Company is entering a recovery phase and needs to conserve resources, the Board of Directors do not recommend dividend for the year ended March 31, 2017.

SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on March 31, 2017 was ₹ 1,740 lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2017, none of the Directors of the Company hold shares of the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company is a Joint Venture between SATS Ltd holding 49 % and The Indian Hotels Company Limited (IHCL) holding 51% of the Share Capital of the Company. The Company does not have any Subsidiary or Associate Company.

EXTRACT 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 the Annual Return in form MGT-9 is annexed to this Report as Annexure – I.

BOARD OF DIRECTORS:

In accordance with the Companies Act, 2013 (Act) and the Articles of Association of the Company, Mr. Mehernosh Kapadia, Director of the Company, retires by rotation and is eligible for re-appointment. Your approval for their re-appointment as Director has been sought in the Notice convening the Annual General Meeting of the Company.

Mr. Anil Goel and Mr. Cho Wee Peng Director of the Company had resigned w.e.f. October 15, 2016 and November 30, 2016 respectively. The Board wishes to place on record its appreciation for the valuable services rendered and enormous contribution extended by Mr. Anil Goel and Mr. Cho Wee Peng to the Company during his tenure as Director.

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 there under.

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 Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Act.

The performance of the Board was evaluated by the Board after seeking inputs from the Directors on the basis of the criteria such as the Board Composition and structures, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual Directors on the basis of criterias such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At a separate meeting of Independent Directors, performance of non-independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-Executive Directors. The same was discussed at the next Board meeting at which the performance of the Board, its committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

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: April 28, 2016, July 26, 2016, October 21, 2016 and January 25, 2017.

KEY MANAGERIAL PERSONNEL:

Ms. Neha Khanna, Company Secretary, Mr. Sudeep Pal, CFO and Mr. Sanjeev Gujral, Manager, were appointed by the Board of Directors as the Key Managerial Personnel as per Section 203 of the Companies Act, 2013.

AUDIT COMMITTEE:

The Audit Committee currently comprises of Mr. Mehernosh Kapadia, Ms. Vibha Paul Rishi and Ms. Gita Nayyar as its Members. The role and terms of reference of the Audit Committee covers the areas mentioned under Section 177 of the Companies Act, 2013 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 April 28, 2016, July 26, 2016, October 21, 2016 and January 25, 2017. 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 currently comprises of Mr. Rakesh Sarna, Ms. Gita Nayyar and Ms. Vibha Paul Rishi, Directors of the Company. The role 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 your Company. During the year, one NRC Meeting was held on April 28, 2016.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 the Company has constituted a Corporate Social Responsibility Committee comprising of Mr. Mehernosh Kapadia, Mr. Ching Chun Fong and Ms. Vibha Paul Rishi, Directors of the Company and has developed a Corporate Social Responsibility Policy of the Company. The Board reviews the same periodically. The CSR Meeting was held on April 20, 2017. The Company has complied with the expenditure required to be spent towards CSR for the year and has spent ₹ 3.38 lakhs for the same.

STATUTORY AUDITORS:

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/ W-100018), the Statutory Auditors of the Company, hold office till the conclusion of the 16th AGM of the Company. The Board has recommended the appointment of BSR & Co LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as the Statutory Auditors of the Company in their place, for a term of five consecutive years, from the conclusion of this AGM till the conclusion of the 21st AGM of the Company (subject to ratification of their appointment at every AGM), for approval of the Members.

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.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 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 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, 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 as also the Board for approval. The Company has developed a Related Party Transactions 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 Nomination & Remuneration Committee 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 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.

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 2016/17, 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, 2017.

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 Notes to Accounts.

FIXED DEPOSIT:

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 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 Companies Act, 2013 are given in the Notes to the Financial Statements.

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 2016-17.

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 accounts for the year ended March 31, 2017, 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, 2017 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 laid down internal financial controls for the Company which are adequate and are operating effectively; and

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

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 company's operations.

ACKNOWLEDGEMENT

Your Directors place their sincere gratitude to the Company's employees, clientele, vendors and bankers for their continued support during the year.

On behalf of the Board of Directors

Rakesh Sarna
Chairman
(DIN: 01875340)

Mumbai, May 11, 2017

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, 2017

[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:	**28 August 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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Airline & Allied Catering Service	562 - Event catering and other food service activities	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. 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. 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)									
d) Bodies Corp.	Nil	88,74,000	88,74,000	51.00	Nil	88,74,000	88,74,000	51.00	Nil
e) Banks / FI									
f) Any Other….									
Sub-total (A) (1):-	**Nil**	**88,74,000**	**88,74,000**	**51.00**	**Nil**	**88,74,000**	**88,74,000**	**51.00**	**Nil**
(2) **Foreign**									
a) NRIs -Individuals									
b) Other – Individuals									
c) Bodies Corp.	Nil	85,26,000	85,26,000	49.00	Nil	85,26,000	85,26,000	49.00	Nil
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-	**Nil**	**85,26,000**	**85,26,000**	**49.00**	**Nil**	**85,26,000**	**85,26,000**	**49.00**	**Nil**
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	**Nil**	**1,74,00,000**	**1,74,00,000**	**100.00**	**Nil**	**1,74,00,000**	**1,74,00,000**	**100.00**	**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									
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	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Grand Total (A+B+C)	**Nil**	**1,74,00,000**	**1,74,00,000**	**100.00**	**Nil**	**1,74,00,000**	**1,74,00,000**	**100.00**	**Nil**

(ii) Shareholding of Promoters

Sl.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	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)

Sl.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	At the beginning of the year	Nil	Nil	Nil	Nil
2	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
3	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):

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of the Share holder	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 Share holding 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:

Sl.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	At the beginning of the year	Nil	Nil	Nil	Nil

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	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
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

	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 i) Addition ii) 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:

Sl. 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) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	38,44,896 6,04,331 Nil	38,44,896 6,04,331 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 (A)	**44,49,227**	**44,49,227**

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
	1. Independent Directors	Gita Nayyar	Vibha Paul Rishi	
	i) Fee for attending board / committee meetings	2,10,000	3,00,000	5,10,000
	ii) Commission			
	iii) Others, please specify			-
	2. Other Non-Executive Directors			-
	i) Fee for attending board / committee meetings			
	ii) Commission			
	iii) Others, please specify			
	Total (B)=(1+2)	2,10,000	3,00,000	5,10,000

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Sudeep Pal, CFO	**Mr. Neha Khanna, Company Secretary**	**Total**
1)	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59,55,096	7,77969	67,33,065
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	27,635	1,18,405	1,46,040
	(c) Profits in lieu of salary under section 17(3) 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**	**59,82,731**	**8,96,374**	**68,79,105**

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	

On behalf of the Board of Directors

Rakesh Sarna

Chairman

(DIN: 01875340)

Mumbai, May 11, 2017

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN : U55204MH2001PLC133177
Tel.: 91 22 66395515 Fax: 91 22 22027442
Website: www.tajsats.com

Annexure II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2017

[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,
Taj SATS Air Catering Limited
Mandlik House, Mandlik Road,
Mumbai -400001

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 31st March, 2017, 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 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. 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 ₹ 3.38 lakhs for the same. We have been informed by the management that the Company had held its Corporate Social Responsibility Committee Meeting in April 2017.

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 : 11/05/2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TAJ SATS AIR CATERING LIMITED

Report on 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 31st March, 2017, and 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 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.

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.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit/loss, total comprehensive income/ loss, 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 Section 143(3) of the Act, we report that:

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

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

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

d) In our opinion, the aforesaid 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

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

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

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

   iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. . However, as stated in Note 11(b) to the financial statements amounts aggregating to ₹ 77,500 as represented to us by the Management have been received from transactions which are not permitted. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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

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

Mohammed Bengali
Partner
(Membership No. 105828)

Mumbai, May 11, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Taj SATS Air Catering Limited ("the Company") as of March 31, 2017 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.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
Partner
(Membership No. 105828)

Mumbai, May 11, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(b) The Company has a program of verification of fixed assets once in 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were 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 which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land and building	Whether Title of property is in name of Company	Gross Amount (as at 31st March 2017)	Net Amount (as at 31st March 2017)	Remarks
Freehold land located at Mumbai having effective plot area of 11888.43 sft.	No	₹ 26,58,096	₹ 26,58,096	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 located at Amritsar wherein land admeasuring 3 Kanal 16 Marla	Yes (Under Dispute)	Freehold Land at ₹ 19,472,766 Building at ₹ 34,153,428	Freehold Land at ₹ 19,472,766 Building at ₹ 31,173,540	There is a dispute on the land title based on the claim made by Gram Panchayat. The Company is in the process of filing draft petition along with "Stay" application with Punjab and Haryana High Court challenging the Order of Civil Judge, Amritsar. In respect of such dispute, the Company has represented that the title deed in its name for the aforesaid immovable properties and that 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) 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) According to the information and explanations given to us, the Company has not granted loans, unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from public.

(vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the services rendered by 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, Employees' State Insurance, Income tax., Sales Tax, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities and the Company was not required to pay Duty of Customs during the year. Dues related to Service tax, Employee Pension scheme have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ In lakh)
West Bengal Sales Tax Act, 1994	Commercial Tax	Deputy Commissioner of Commercial Taxes	2002-03	1.44
West Bengal Sales Tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2006-07	82.52
West Bengal Sales Tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2010-11	14.60
West Bengal Sales Tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2011-12	8.43
Karnataka Sales Tax Act,1957	Commercial Tax	Additional Commissioner of Commercial Taxes (Enforcement)	2013-14	13.00
Maharashtra VAT Act, 2002	Value Added Tax	Deputy Commissioner of Sales Tax	2004-05	149.51
Maharashtra VAT Act,2002	Value Added Tax	Joint Commissioner of Sales Tax-V	2009-10	71.57
Finance Act, 1994	Service Tax	Office of the Commissioner of service Tax, Delhi – III	2003-2004 to 2011-2012	282.73
Finance Act, 1994	Service Tax	Office of the Commissioner of service Tax, Delhi – III	2012-2013	180.58
Finance Act, 1994	Service Tax	Office of the Commissioner of service Tax, Delhi – III	2013-2014	126.62
Finance Act, 1994	Service Tax	Office of the Commissioner of service Tax, Delhi – III	2014-2015	130.28
			TOTAL	1,061.28

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to bank. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to financial institutions and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

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

(xi) In our opinion 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) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

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

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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

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

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

Mohammed Bengali
Partner
(Membership No. 105828)

Mumbai, May 11, 2017

Balance Sheet as at March 31, 2017

₹ (in Lakhs)

	Note	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	**9,527**	8,960	9,161
Capital work-in-progress		**125**	224	133
Goodwill	5(a)	**7,348**	7,348	7,348
Other Intangible assets	5(b)	**463**	505	564
		17,463	17,037	17,206
Financial assets	6(a)	**375**	326	366
Income Tax Asset (net)		**1,490**	2,450	2,120
Other assets	7(a)	**610**	388	284
		2,475	3,164	2,770
Current assets				
Inventories	8	**493**	417	428
Financial assets				
Investments	9	**4,568**	471	2,525
Trade receivables	10	**6,744**	7,922	6,846
Cash and cash equivalents	11	**1,790**	371	283
Other balances with bank	12	**81**	92	27
Loans	13	**700**	2,200	0
Other financial assets	6(b)	**15**	34	28
Other assets	7(b)	**261**	402	333
		14,652	11,909	10,470
TOTAL ASSETS		**34,590**	32,110	30,446
EQUITY AND LIABILITIES				
Equity				
Share capital	14	**1,740**	1,740	1,740
Other equity	15	**22,181**	20,807	19,890
		23,921	22,547	21,630
Liabilities				
Non-current liabilities				
Provisions	16(a)	**225**	419	355
Deferred tax liabilities (net)	17	**2,802**	2,573	2,578
		3,027	2,992	2,933
Current Liabilities				
Financial liabilities				
Borrowings	18	**-**	20	162
Trade payables	19	**3,090**	2,974	2,305
Other financial liabilities	20	**1,319**	814	810
Provisions	16(b)	**2,290**	2,098	1,902
Other liabilities	21	**943**	665	704
		7,642	6,571	5,883
TOTAL EQUITY AND LIABILITIES		**34,590**	32,110	30,446

NOTES FORMING PART OF THE FINANCIAL STATEMENTS : 1 - 34

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Mohammed Bengali
Partner

Mumbai, May 11, 2017

For and on behalf of the Board of Directors

Rakesh Sarna
Chairman
DIN :01875340

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Sudeep Pal
Chief Financial Officer

Neha Khanna
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2017

₹ (in Lakhs)

	Note	March 31, 2017	March 31, 2016
Revenue from operations	22	**34,243**	31,909
Other income	23	**805**	307
TOTAL INCOME		**35,048**	32,216
Expenses			
Food and beverages consumed	24	**11,031**	10,797
Excise duty		**87**	95
Employee benefit expense	25	**12,115**	11,410
Finance costs		**21**	19
Depreciation and amortisation expense	4	**1,036**	1,084
Other operating and general expenses	26	**8,676**	7,945
TOTAL EXPENSES		**32,966**	31,350
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**2,082**	866
Exceptional items			355
PROFIT BEFORE TAX		**2,082**	1,221
Tax expenses			
Current tax		**674**	139
Deferred tax		**(1)**	101
TOTAL TAX EXPENSE		**673**	240
PROFIT FOR THE YEAR		**1,409**	981
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**(52)**	(97)
Less :-income tax expense		**(17)**	(33)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**(35)**	(64)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,374**	917
Earnings per share - Basic and diluted (₹)		**8.10**	5.64
Face value per ordinary share - (₹)		**1**	1
Weighted average number of equity shares		**17,400,000**	17,400,000
NOTES FORMING PART OF THE FINANCIAL STATEMENTS : 1 - 34			

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Mohammed Bengali
Partner

Mumbai, May 11, 2017

For and on behalf of the Board of Directors

Rakesh Sarna
Chairman
DIN :01875340

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Sudeep Pal
Chief Financial Officer

Neha Khanna
Company Secretary

Cash Flow Statement for the year ended March 31, 2017

		Notes	Current Year ₹ in Lakh	Previous Year ₹ in Lakh
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**			
	Profit before tax		**2,082**	1,221
	Adjustments for :			
	Depreciation and amortisation expenses		**1,036**	1,084
	Loss/(Profit) on sale / disposal of fixed assets (net)		**3**	(17)
	Liabilities / provisions no longer required written back		**(278)**	(49)
	Provision for doubtful debts and advances		**94**	55
	Bad debts written off		**-**	2
	Provision for Employee Benefits		**342**	356
	Dividend income from current investments		**(106)**	(141)
	Interest income		**(399)**	(48)
	Interest income on financial assets carried at amortised cost		**(3)**	(5)
	Finance costs		**21**	19
	Operating Profit before Working Capital changes		**2,791**	2,478
	(Increase) / Decrease in :			
	Trade receivables		**1,083**	(1,134)
	Financial assets		**(45)**	50
	Inventories		**(76)**	11
	Other assets		**72**	(67)
	(Decrease) / Increase in :			
	Trade payables		**117**	669
	Other financial liabilities		**661**	69
	Other liabilities		**(117)**	(231)
			1,695	(633)
	Cash Generated from Operations		**4,487**	1,845
	Net income tax (paid) / refunds		**532**	(542)
	NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)		**5,019**	1,303

Cash Flow Statement for the year ended March 31, 2017 (Contd.)

		Notes	Current Year ₹ in Lakh	Previous Year ₹ in Lakh
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**			
	Purchase of fixed assets (including advances for capital expenditure)		**(1,527)**	(1,069)
	Inter corporate deposits Placed		**(700)**	(2,200)
	Inter corporate deposits redeemed		**2,200**	-
	Proceeds from sale/disposal of fixed assets		**30**	51
	Purchase of current investments in Mutual funds		**(7,356)**	(1,541)
	Sale proceed of current investments in Mutual funds		**3,260**	3,594
	Earmarked balances with bank		**11**	(66)
	Dividend income from current investments		**106**	141
	Interest received		**417**	37
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)		**(3,559)**	(1,053)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**			
	Repayment of other short-term borrowings		**(20)**	(142)
	Finance costs		**(21)**	(19)
	NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)		**(41)**	(161)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B +C)		**1,419**	88
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**371**	283
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**1,790**	371
	NOTES FORMING PART OF THE FINANCIAL STATEMENTS : 1 - 34			

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Mohammed Bengali
Partner

Mumbai, May 11, 2017

For and on behalf of the Board of Directors

Rakesh Sarna
Chairman
DIN :01875340

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Sudeep Pal
Chief Financial Officer

Neha Khanna
Company Secretary

Statement of Changes in Equity as at March 31, 2017

A. EQUITY SHARE CAPITAL

Balance as at April 01, 2015	Changes in equity share capital during the period	Balance as at March 31, 2016
1740	-	1,740

Balance as at April 01, 2016	Changes in equity share capital during the period	Balance as at March 31, 2017
1740	-	1,740

B. OTHER EQUITY

Particulars	Reserves and Surplus			Total Equity
	Securities Premium Account	General Reserve	Retained Earnings	
Balance as at April 1, 2015	10,388	1,560	7,942	19,890
Profit for the year	-	-	981	981
Other Comprehensive Income	-	-	(64)	(64)
	-	-	917	917
Balance as at March 31, 2016	**10,388**	**1,560**	**8,859**	**20,807**
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**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS : 1 - 34

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Mohammed Bengali
Partner

Mumbai, May 11, 2017

For and on behalf of the Board of Directors

Rakesh Sarna
Chairman
DIN :01875340

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Sudeep Pal
Chief Financial Officer

Neha Khanna
Company Secretary

Notes forming part of the Financial Statements

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, 2017 was reviewed by its Audit Committee and authorized for issue by the Company's Board of Directors on May 11, 2017.

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) Rules, 2015 with effect from April 1, 2016. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101- First Time Adoption of Indian Accounting Standards, the Company has presented a reconciliation of shareholders' equity as at March 31, 2016 and April 1,2015 and of the comprehensive net income for the year ended March 31, 2016 from the financial statements notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS.

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.

(c) Use of estimates and judgements

In preparation of the financial statements in conformity with Ind AS requires the 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.

- **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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

(d) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

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

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

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is charged to 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**
Plant and Equipment	15 to 20 years
Furniture and Fixtures	15 years
Data processing equipment	6 years
Vehicles	10 - 16 years

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

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 (eight 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 (two to five 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 (six 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(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.

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. 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:

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**

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. Superannuation

a) The Company has a defined contribution plan for employees, wherein it annually contributes a sum equivalent to a defined amount to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which the corresponding services are received from the employee.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

b) 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. 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.

v. 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.

(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 income 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 the initial recognition of goodwill.

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. 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) Financial Instruments:

Classification, initial recognition and measurement

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. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and held at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognized at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets held at amortised cost: Financial assets that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

These include balances with banks, trade receivable, short-term deposits with banks and other financial assets with fixed or determinable payments.

Financial assets at Fair Value through Profit or Loss (FVTPL): Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Investments which have contractual cash flows which are not in the nature of solely principal and interest payments are classified into this category. These are measured at fair value with changes in fair value recognized in the income statement.

Financial liabilities: Financial liabilities are measured at amortised cost using effective interest method.

Impairment of financial assets

Impairment loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e. all cash shortfalls). The company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

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

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

q) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

3. Explanation of transition to Ind AS

The transition as of April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Company has applied the following exemptions:

i. Business combinations exemption

The Company has elected not to apply Ind AS 103, Business Combinations, to business combinations occurred before the transition date.

ii. Property, plant and equipment, investment properties and intangible assets – Deemed Cost

The Company has elected to avail the exemption available in para D7AA of Appendix D of Ind AS 101 wherein, the Company will continue with the carrying value for all of its property, plant and equipment and intangible assets as recognized in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment. The carrying value of property, plant and equipment is ₹ 9,529 Lakh and carrying value of Intangible assets is ₹ 7,811 Lakh.

Reconciliations between Previous GAAP and Ind AS:

₹ (in Lakhs)

Equity reconciliations	Notes	March 31, 2016	April 01, 2015
Equity under Previous GAAP:		22,552	21,633
Imputed interest income on interest-free lease deposits	(a)	15	11
Imputed rent expense on interest-free lease deposits	(a)	(20)	(14)
Equity under Ind AS		22,547	21,630

₹ (in Lakhs)

Comprehensive income reconciliations	Notes	March 31, 2016
Net profit under Previous GAAP:		918
Adjusted net income under Previous GAAP		
Impact on account of discounting of interest free leased deposits and prepaid lease rent	(a)	(1)
Employee benefits (net of tax)	(b)	64
Net income under Ind AS		981
Other comprehensive income (net of tax)		(64)
Comprehensive income under Ind AS		917

a. Interest free security deposits for leased premises (that are refundable in cash on completion of the lease term) were recorded at their transaction value under the previous GAAP. Under Ind AS, these deposits are recognized at fair value on the date of transaction, difference being taken to prepaid rent. Prepaid rent is amortized over the tenure of the deposit, which is partially set off by the notional interest income recognized on such deposit.

b. Under previous GAAP, actuarial gains and losses were recognized in statement of profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/asset which is recognized in other comprehensive income in the respective periods. The same does not result in difference in equity or total comprehensive income.

Notes to Financial statements for the year ended March 31, 2017

Note 4 : Property, Plant and Equipment

₹ (in Lakhs)

	Freehold Land (Refer Footnote (iii))	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Data processing equipment	Vehicles	Total
Cost (Refer Footnote (ii))								
At April 1, 2015	351	4,014	3,260	117	23	69	1,327	9,161
Opening Adjustment		-						
Additions		81	335	2	5	26	409	858
Disposals/ Transfer			31	2	2		5	40
At March 31, 2016	**351**	**4,095**	**3,564**	**117**	**26**	**95**	**1,731**	**9,979**
Opening Adjustment								
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**
Depreciation								
At April 1, 2015								
Opening Adjustment		-	-	-	-	-	-	-
Charge for the year		317	548	13	4	18	125	1,025
Disposals			4	0	0		2	6
At March 31, 2016	**-**	**317**	**544**	**13**	**4**	**18**	**123**	**1,019**
Opening Adjustment								
Charge for the year		336	452	15	3	21	144	971
Disposals			9	0	0	0	1	10
At March 31, 2017	**-**	**653**	**986**	**28**	**7**	**39**	**266**	**1,980**
Net block as at April 01, 2015	**351**	**4,014**	**3,260**	**117**	**23**	**69**	**1,327**	**9,161**
Net block as at March 31, 2016	**351**	**3,778**	**3,020**	**104**	**22**	**77**	**1,608**	**8,960**
Net block as at March 31, 2017	**351**	**3,534**	**3,382**	**115**	**23**	**94**	**2,028**	**9,527**

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) On transition to Ind AS, carrying value of all the property, plant and equipments under the previous GAAP is considered as the deemed cost under Ind AS. Refer Note number 3.

(iii) 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 5(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 lacs. The company tests Goodwill annually for impairment. 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 decrese below its carrying amount.

Note 5(b): Intangible Assets (Acquired)

	Software (Refer Footnote (i))	**Service and Operating Rights**	**Total**
Cost (Refer Footnote (i)			
At April 1, 2015	540	24	564
Adjustments	0		0
Additions			0
Disposals			0
At March 31, 2016	540	24	564
Adjustments			0
Additions	22		22
Disposals			0
At March 31, 2017	**562**	**24**	**586**
Amortisation			
At April 1, 2015			0
Adjustments			
Charge for the year	56	3	59
Disposals			0
At March 31, 2016	56	3	59
Adjustments			
Charge for the year	61	3	64
Disposals			
At March 31, 2017	**117**	**6**	**123**
Net block as at April 01, 2015	540	24	564
Net block as at March 31, 2016	484	21	505
Net block as at March 31, 2017	445	18	463

Footnote:

(i) On transition to Ind AS, carrying value of all the other intangible assets under the previous GAAP is considered as the deemed cost under Ind AS.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 6: Other Financial Assets

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
a) Non Current			
Security deposit with public bodies and others	358	326	336
Earmarked Deposits with Banks	17	-	30
(Earmarked deposits include ₹14.17 lakhs (as on April 01, 2015 ₹14.17 lakhs) pledged with Airport Authority of India and ₹3.13 lakhs (as on April 01, 2015 ₹15.76 lakhs with various banks for issuance of bank guarantee.)			
	375	**326**	**366**
b) Current			
Security deposit with public bodies and others	4	10	13
Other advances	-	7	8
Less: Provision for Advances doubtful of recovery	-	4	5
	-	3	3
Interest receivable			
Bank Deposits	3	7	2
Inter Corporate Deposits	-	11	0
Others	3	3	4
	6	21	6
Receivable from related parties	5	-	6
	15	**34**	**28**

Note 7 : Other Assets

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
a) Non Current			
Capital Advances	**385**	232	127
Prepaid Expenses	**145**	156	157
Export incentive receivable	**80**	-	-
	610	388	284
b) Current			
Prepaid Expenses	**133**	147	122
Indirect tax recoverable	**7**	11	12
Advance to Suppliers	**67**	191	161
Advance to Employees	**54**	53	38
	261	402	333

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 8 : Inventories

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in lakhs)	As at April 01, 2015 ₹ (in Lakhs)
Food and Beverages	**239**	223	235
Stores and Operating Supplies	**254**	194	193
	493	417	428

Footnote:

(a) Inventories are valued at the lower of cost and net realisable value. Cost are determined using the weighted avaerage method and includes purchase price and non-refundable taxes.

(b) The cost of inventory recognised as an expense during the year was ₹ 12,699 lakhs [March 2016 ₹ 12,329 lakhs]. The cost of inventory recognised as an expense includes ₹ NIL [March 2016 ₹ NIL] in respect of write downs of inventory to net realizable value, and has been reduced by ₹ NIL [March 2016 ₹ NIL] in respect of the reversal of such write downs.

Note 9 : Investments

	March 31, 2017		March 31, 2016		April 1, 2015	
	Holdings (unit) As at	**₹ (in Lakhs)**	Holdings (unit) As at	₹ (in Lakhs)	Holdings (unit) As at	₹ (in Lakhs)
i) Investments carried at fair value through profit and loss						
TATA Liquid Fund Plan A - Daily Dividend	**-**	**-**	33,305.16	371	75,236.14	838
TATA Money Market Fund Plan A - Daily Dividend	**39,950.45**	**400**	-	-	83,498.67	836
BSL Floating rate Fund - STP - Daily Dividend	**1,387,348.97**	**1,388**	-	-	429,523.62	430
BSL Cash Plus - Daily Dividend	**818,441.56**	**820**	99,869.83	100	99,869.83	420
UTI Money Market - Institutional Plan - Daily dividend	**140,146.62**	**1,406**	-	-	-	-
Kotak Floater - Regular Plan - Daily dividend	**54,724.60**	**554**	-	-	-	-
		4,568		471		2,524
ii) Investments carried at amortised cost						
Government Securities - 6 Year National Savings Certificates	**-**	**-**	-	-	5	1
(Deposited as security with Kerala VAT authority)		**-**		-		1
TOTAL		**4,568**		471		2,525

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 10 : Trade and other receivables

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
Unsecured			
Considered good	**6,744**	7,922	6,846
Considered doubtful	**320**	226	171
	7,064	8,148	7,017
Less : Provision for doubtful debts	**320**	226	171
	6,744	7,922	6,846

Footnote:

i) Provision for Doubtful Debts	March 31, 2017 ₹ (in Lakhs)	March 31, 2016 ₹ (in Lakhs)	April 01, 2015 ₹ (in Lakhs)
Opening Balance	**226**	171	151
Add: Provision during the year	**94**	55	20
	320	226	171
Less: Bad Debts written off against past provisions	**0**	0	0
Less: Reversal of provision no longer required	**0**	0	0
Closing Balance	**320**	226	171

Note 11(a) : Cash and Cash Equivalents

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
Cash on hand	**10**	19	13
Cheques, Drafts on hands	**0**	55	203
Balances with bank in current account	**1,780**	297	67
	1,790	371	283

Note 11(b) : Specified Bank Note Disclosures

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R.308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBNs and Other Notes as per the notification is given below:

Particulars	SBNs ₹	ODNs ₹	Total ₹
Closing cash on hand as on November 08, 2016	2,198,500	427,756	2,626,256
(+) Non Permitted receipts *	77,500	0	77,500
(+) Permitted receipts	0	5,687,053	5,687,053
(-) Permitted payments	0	4,083,611	4,083,611
(-)Amount Deposited in Banks	2,276,000	2,750	2,278,750
Closing cash on hand as on December 30, 2016	0	2,028,448	2,028,448

The company has received amount in specified bank notes aggregating to ₹ 77,500 from sales made to customers and collections from employees towards advances given and sales made during the period November 9, 2016 to November 30, 2016.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 12 : Other balances with banks

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
Earmarked balances	**81**	92	27
	81	92	27

Note 13 : Loans

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
Current			
Inter Corporate Deposit to Roots Corporation Limited (Related Party)	**700**	-	-
Inter Corporate Deposit to Orientel Hotels Limited	**-**	1,400	-
Inter Corporate Deposit to Taj Air Limited	**-**	800	-
	700	2,200	-

Footnotes:

Inter Corporate Deposits to Roots Corporation Limited for a period of 90 days bearing interest @ 10.50% p.a (Inter Corporate Deposits to Orientel Hotels Limited and Taj Air Limited for a period of 90 days @ 11.00% p.a) for working capital funding.

Note 14 : Share Capital

	As at March 31, 2017 ₹ (in lakhs)	As at March 31, 2016 ₹ (in lakhs)	As at April 01, 2015 ₹ (in lakhs)
Authorised Share Capital			
25,000,000 equity shares of ₹ 10/- each with voting rights	**2,500**	2,500	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	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	1,740	1,740

Footnotes:

(i) Reconciliation of number of equity shares

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	₹ (in lakhs)	No. of shares	₹ (in lakhs)	No. of shares	₹ (in lakhs)
Balance at the beginning of the year	**1,74,00,000**	1,740	1,74,00,000	1,740	1,74,00,000	1,740
Add : Shares issue dduring the year						
Balance at the end of the year	**1,74,00,000**	1,740	1,74,00,000	1,740	1,74,00,000	1,740

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(ii) 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.

(iii) Shares held by the Joint Venturers

Particulars	**As at March 31, 2017** **No. of shares**	% of Holding	As at March 31, 2016 No. of shares	% of Holding	As at April 01, 2015 No. of shares	% of Holding
Indian Hotels Company Ltd. ("IHCL") (includes 3 (as at March 31, 2016 - 3 and as at March 31, 2015 - 3) equity shares held by IHCL as beneficiary owner *	**88,74,000**	51	88,74,000	51	88,74,000	51
SATS Ltd. (includes 2 (as at March 31, 2016 - 2 and as at March 31, 2015 - 2) equity shares held by SATS Ltd. as beneficiary owner.	**85,26,000**	49	85,26,000	49	85,26,000	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 15 : Other Equity

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
Securities Premium Account	**10,388**	10,388	10,388
General Reserve	**1,560**	1,560	1,560
Retained Earnings			
Balance at the beginning of the year	**8,859**	7,942	7,029
Add: Profits for the year	**1,409**	981	913
Add: Remeasurements of post employment benefit obligation	**(35)**	(64)	-
Closing Retained Earnings	**10,233**	8,859	7,942
Total Other Equity	**22,181**	20,807	19,890

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 16 : Provisions

		As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
a)	**Long term provisions**			
	Gratuity	**203**	395	317
	Post-retirement pension	**22**	24	38
		225	419	355
b)	**Short term provisions**			
	Compensated absences	**1,054**	905	844
	Gratuity			
	Post-retirement pension	**4**	30	15
	Other employee benefits	**1,232**	1,163	1,043
		2,290	2,098	1,902

Note 17 : Deferred Tax Liabilities (Net)

		As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)
(a)	Current Tax Expense		
	(i) For the year	**653**	138
	(ii) Relating to previous year	**21**	1
	Deferred Tax Expense	**(1)**	101
		673	240
(b)	The income tax expenses for the year reconciled to the accouting profit:		
	Profit before tax from continuing operations:	**2,082**	1,221
	Income tax expenses calculated at 33.063%	**688**	404
	Effect of depreciation expense not deductible in determining taxable profit	**2**	10
	Effect of Corporate Social Responsibility expense not deductible in determining taxable profit	**1**	-
	Effect of Dividend Income that is exempt from taxation	**(35)**	(46)
	Effect on deferred tax balances due to the change in the income tax rate		51
	Others	**(4)**	(74)
		652	344
	Tax relating to previous year	**21**	1
	Less: MAT Credit	**-**	(105)
		673	240

(c)	**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	-	3274
	(ii) Provision for employee benefits	(354)	(12)	-	(366)
	(iii) Provision for doubtful debts	(77)	(29)	-	(106)
		2,803	(1)	-	2802

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Particulars	Opening balance as at 1st April,2015	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as at 31st March,2016
(i) Property, plant and equipment and intangible assets	3,122	112	-	3,234
(ii) Provision for employee benefits	(355)	1	-	(354)
(iii) Provision for doubtful debts	(57)	(20)	-	(77)
(iv) Others	(8)	8		0
	2702	101	-	2,803
Less: MAT Credit Entitlement	124			230
Net Deferred Tax Liabilities	2578	-	-	2,573

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
(d) Major components of deferred tax assets/(liabilities) are as under:			
Deferred Tax Liabilities:			
Property, Plant and equipment & Intangible Assets	**3,274**	**3,234**	3,122
Total (A)	**3,274**	**3,234**	3,122
Deferred Tax Assets:			
Provision for Employee Benefits	**366**	**354**	355
MAT Credit Entitlement		**230**	124
Provision for doubtful debts	**106**	**77**	57
Others			8
Total (B)	**472**	**661**	544
Net Deferred Tax Liabilities (A-B)	**2,802**	**2,573**	2,578

Note 18 : Borrowings

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
Short term borrowings			
Secured - Working capital loans (Refer footnote below)			
Unsecured	-	20	2
			160
	-	20	162

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 19: Trade Payables

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at March 31, 2015 ₹ (in Lakhs)
Micro and Small Enterprises (Refer Footnote (i) and (ii))	**16**	37	17
Vendor Payables	**3,074**	2,937	2,288
	3,090	2,974	2,305

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.

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	**16**	37	17
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year			
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year			
(d) The amount of interest due and payable for the year			
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year			
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid			

Note 20: Other financial liabilities

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
Current financial liabilities			
Payables to Related Parties	**3**	22	35
Deposits from others - Unsecured	**62**	51	49
Creditors for capital expenditure	**215**	94	109
Employee related liabilities	**321**	186	172
Airport Authority of India levy (AAI)	**717**	454	441
Others	**1**	7	4
	1,319	814	810

Note 21: Other Current liabilities

	As at March 31, 2017 ₹ (in Lakhs)	As at March 31, 2016 ₹ (in Lakhs)	As at April 01, 2015 ₹ (in Lakhs)
Advances collected from customers	547	247	266
Statutory dues	396	418	438
	943	665	704

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 22 : Revenue from Operations

	March 31, 2017 ₹ (in Lakhs)	March 31, 2016 ₹ (in Lakhs)
Sale of Food and beverages	**27,217**	25,876
Revenue from Air Catering and Allied Services	**6,054**	5,094
Management and operating fees	**27**	18
Service Export Incentive Scheme Income	**80**	0
Others	**865**	921
Total	**34,243**	31,909

Note 23 : Other Income

	March 31, 2017 ₹ (in Lakhs)	March 31, 2016 ₹ (in Lakhs)
Interest Income on financial assets carried at amortised cost		
Inter-corporate deposits	**190**	12
Deposits with banks	**9**	9
Others	**10**	11
	209	32
Interest on Income Tax Refunds	**197**	26
Income from financial assets carried at fair vaue through profit and loss		
Dividend Income from Current Investments	**106**	141
Profit on disposal of property, plant and equipment	**15**	31
Others	**278**	77
Total	**805**	307

Note 24 : Food and Beverages Consumed

	March 31, 2017 ₹ (in Lakhs)	March 31, 2016 ₹ (in Lakhs)
Opening Stock	**223**	235
Add : Purchases	**11,047**	10,785
	11,270	11,020
Less : Closing Stock	**239**	223
Food and Beverages Consumed	**11,031**	10,797

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 25 : Employee Benefit Expense and Payment to Contractors

	March 31, 2017 ₹ (in Lakhs)	March 31, 2016 ₹ (in Lakhs)
Salaries, Wages, Bonus etc.	**7,160**	6,828
Company's Contribution to Provident and Other Funds (Refer note (i))	**546**	538
Reimbursement of Expenses on Personnel Deputed to the Company	**178**	302.
Payment to Contractors	**3,033**	2,780
Staff Welfare Expenses	**1,198**	962
Total	**12,115**	11,410

(i) The Company has recognised the following amounts under the head "Company's Contribution to Provident Fund and Other Funds":

Particulars	March 31, 2017 ₹ (in Lakhs)	March 31, 2016 ₹ (in Lakhs)
Provident Fund	**163**	148
Gratuity Fund	**184**	172
Company's Contribution to Family Pension Scheme	**184**	172
Employee Deposit Linked Insurance	**7**	6
Superannuation Fund	**8**	40
Total	**546**	538

(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".

Note 26 : Other operating and general expenses

	March 31, 2017 ₹ (in Lakhs)	March 31, 2016 ₹ (in Lakhs)
(i) Operating expenses consist of the following :		
Catering Supplies	**1,342**	1,246
Other Supplies	**326**	286
Fuel, Power and Light	**2,615**	2,612
Repairs to Buildings	**203**	203
Repairs to Machinery	**312**	229
Repairs to Others	**345**	344
Linen and Uniform Washing and Laundry Expenses	**195**	171
Travel Agents' Commission	**189**	87
Other Operating Expenses	**1,102**	961
	6,629	6,139

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

		March 31, 2017 ₹ (in Lakhs)	March 31, 2016 ₹ (in Lakhs)
(ii)	General expenses consist of the following :		
	Rent	**241**	217
	Licence Fees	**21**	25
	Rates and Taxes	**579**	423
	Insurance	**176**	109
	Advertising and Publicity	**2**	5
	Printing and Stationery	**89**	97
	Passage and Travelling	**98**	95
	Provision for Doubtful Debts	**94**	58
	Expenditure on Corporate Social Responsibility (Refer Footnote (ii))	**3**	-
	Professional Fees	**364**	447
	Outsourced Support Services	**3**	-
	Loss on Sale of Fixed Assets	**18**	14
	Payment made to Statutory Auditors (Refer Footnote (i))	**64**	61
	Directors' Fees and Commission	**4**	6
	Operating / Management Fees Paid	**48**	50
	Other Expenses	**242**	199
		2,047	1,806
	Total	**8,676**	7,945

Footnotes:

(i) Payment made to Statutory Auditors:

	March 31, 2017 ₹ (in Lakhs)	March 31, 2016 ₹ (in Lakhs)
As auditors	**50**	50
As tax auditors	**7**	8
For other services	**5**	2
For out-of pocket expenses	**2**	1
	64	61

(ii) During the year the Company has incurred ₹ 3 lakhs (Previous Year : NIL) towards Corpoarte Social Resposibility expenditure.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

The Company is involved in the following appellate, judicial and arbitration proceeding matters arising in the course of conduct of the Company's businesses. In few of the proceedings in respect of matters under litigation are in early stages, and in other cases, the claims are indeterminate.

(a) On account of matters in dispute:

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, etc. which are in dispute, are as under:

₹ (in Lakhs)

Nature of tax	Amounts claimed			
	Taxes	Interest and penalty	Total	Paid under protest
Service tax				
March 31, 2017	739	-	739	-
March 31, 2016	720	-	720	-
Sales tax and State value added taxes				
March 31, 2017	211	131	342	5
March 31, 2016	213	132	345	5
Profession Tax				
March 31, 2017	4	2	6	2
March 31, 2016	4	2	6	2

(b) Others:

1. The license fees for permission for water pipeline over the land belonging to Mumbai International Airport Private Limited has been enhanced by ₹ 9 Lakh (As at March 31, 2016: ₹ 9 Lakh) 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.

28. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 738 Lakhs (Previous year – ₹ 477 Lakhs).

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

29. Operating leases

Company has taken land on operating lease and has incurred total lease expense of ₹ 679 lakhs and ₹ 525 lakhs for the year ended March 31, 2017 and March 31, 2016 respectively, which has been debited to statement of Profit and Loss.

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

Particulars	**March 31, 2017 ₹ Lakh**	March 31, 2016 ₹ Lakh	April 1, 2015 ₹ Lakh
Not later than one year	**574**	525	481
Later than one year but not later than five years	**2,766**	2,633	2,411
Later than five years	**1,161**	1,867	2,615
Total	**4,501**	5,025	5,507
Paid during the year	**525**	481	
Contingent Rent Paid during the year	**154**	44	
Total	**679**	525	

30. Employee Benefits:

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

	March 31, 2017 ₹ (in Lakhs)	March 31, 2016 ₹ (in Lakhs)
Provident Fund	163	148
Gratuity Fund	184	172
Company's contribution to Family Pension Scheme	184	172
Employee Deposit Linked Insurance	7	6
Superannuation Fund	8	40
Total	546	538

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

Funded:

i. Post Retirement Gratuity

Unfunded:

ii. Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is unfunded.

(c) 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(d) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2017: -

(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 2017	**3,256**	**-**
31st March 2016	*2,871*	-
01st April 2015	*2,691*	-
Present Value of Unfunded Obligations		
31st March 2017	**-**	**26**
31st March 2016	-	*41*
01st April 2015	-	*53*
Fair Value of Plan Assets		
31st March 2017	**(3,053)**	**-**
31st March 2016	*(2,477)*	-
01st April 2015	*(2,374)*	
Net (Asset) / Liability		
31st March 2017	**203**	**26**
31st March 2016	*394*	*41*
01st April 2015	*317*	*53*

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

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Current Service Cost		
Year Ended 31st March 2017	**157**	**3**
Year Ended 31st March 2016	*150*	*3*
Interest Cost		
Year Ended 31st March 2017	**27**	**2**
Year Ended 31st March 2016	*21*	*3*
Total Expense		
Year Ended 31st March 2017	**184**	**5**
Year Ended 31st March 2016	*171*	*6*

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(iii) Reconciliation of Defined Benefit Obligation

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Opening Defined Benefit Obligation		
31st March 2017	**2,871**	**41**
31st March 2016	*2,691*	*53*
Current Service Cost		
31st March 2017	**157**	**3**
31st March 2016	*150*	*3*
Interest Cost		
31st March 2017	**209**	**3**
31st March 2016	*201*	*3*
Actuarial loss / (gain)		
31st March 2017	**171**	**11**
31st March 2016	*65*	*(18)*
Benefits Paid		
31st March 2017	**(152)**	**(32)**
31st March 2016	*(236)*	-
Closing Defined Benefit Obligation		
31st March 2017	**3,256**	**26**
31st March 2016	*2,871*	*41*

(iv) Reconciliation of Fair Value of Plan Assets

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Opening Fair Value of Plan Assets		
31st March 2017	**2,477**	**-**
31st March 2016	*2,374*	-
Interest on Plan Assets		
31st March 2017	**182**	**-**
31st March 2016	*180*	-
Actual return on Plan Assets less Interest on Plan Assets		
31st March 2017	**131**	**-**
31st March 2016	*(49)*	-
Contribution by Employer		
31st March 2017	**415**	**32**
31st March 2016	*208*	-

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

	Gratuity Funded ₹ (in Lakhs)	Pension Unfunded ₹ (in Lakhs)
Benefits Paid		
31st March 2017	**(152)**	**(32)**
31st March 2016	*(236)*	-
Closing Fair Value of Plan Assets		
31st March 2017	**3,053**	**-**
31st March 2016	*2,477*	-

(v) Description of Plan Assets (Managed by an Insurance Company)

Particulars	Gratuity - Funded			Pension - Unfunded		
	31.03.2017	31.03.2016	31.03.2015	31.03.2017	31.03.2016	31.03.2015
Government of India Securities	**20%**	43%	47%	-	-	-
Corporate Bonds	**42%**	28%	32%	-	-	-
Equity	**14%**	12%	14%	-	-	-
Money Market & Others	**24%**	17%	7%	-	-	-
Grand Total	**100%**	100%	100%	-	-	-

(vi) Actuarial Assumptions

Particulars	Gratuity - Funded			Pension - Unfunded		
	31.03.2017	31.03.2016	31.03.2015	31.03.2017	31.03.2016	31.03.2015
Discount rate (p.a.)	**6.95%**	7.70%	7.95%	6.95%	7.70%	7.95%
Salary Escalation Rate (p.a.)	**5.00%**	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality Table *						
Mortality in service	**Table 1**	Table 1	Table 1	Table 1	Table 1	Table 1
Mortality in retirement	**NA**	NA	NA	Table 2	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) Amount recorded in Other Comprehensive Income

Particulars	**Year Ended 31st March 2017**	Year Ended 31st March 2016
Opening amount recognized in OCI outside the profit & loss account	**97**	-
Remeasurements during the period due to		
Change in financial assumptions	**175**	54
Change in demographic assumptions	**-**	-
Experience adjustments	**7**	(6)
Experience adjustments on plan assets	**(131)**	49
Adjustment to recognize the effect of asset ceiling	**-**	-
	51	97
Closing amount recognized in OCI outside profit & loss account	**148**	97

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, 2017 (Contd.)

31. 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
Prabhat Pani	Executive Director (Resigned w.e.f. 30th December 2015)
Sagar Dighe	Chief Operating Officer
Sudeep Pal	Chief Financial Officer
Sanjeev Gujral	Manager
Neha Khanna	Company Secretary

(b) Details of related party transactions during the year ended March 31, 2017 and outstanding balances as at March 31, 2017:

₹ (in Lakhs)

Particulars	Venturers (IHCL and SATS Ltd.)	Key Management Personnel	Others (IHCL Subsidiaries)	Others (IHCL's Venture - TMFK)
Operating fees received/accrued	-	-	-	27
	-	*-*	*-*	*18*
Purchase of goods	2			
	4	*-*	*-*	*-*
Sale of goods	63		-	1
	55	*-*	*2*	*-*
Purchase of services	209		44	-
	269	*-*	*32*	*-*
Sale of services	24		1	31
	10	*-*	*3*	*31*
Interest Received	55			
	-	*-*	*-*	*-*
Deposit Placed	-	-	700	
	-	*-*	*-*	*-*
Remuneration Paid (See Footnote i)		304		
	-	*330*	*-*	*-*
Balance outstanding at the end of the year				
Trade Payables				
31st March 2017	11	-	-	-
31st March 2016	*16*	-	*6*	-
01st April 2015	24	-	2	-
Due from/(to) on Current A/c				
31st March 2017	-	-	-	16
31st March 2016	1	-	-	26
01st April 2015	*3*	-	-	-
Deposits Receivable				
31st March 2017	-	-	700	-
31st March 2016	-	-	-	-
01st April 2015	-	-	-	-

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(i) Remuneration paid to Key Management Personnel

Particulars	**Year ended March 31, 2017 ₹ (in Lakhs)**	Year ended March 31, 2016 ₹ (in Lakhs)
Prabhat Pani	**-**	88
Sagar Dighe	**191**	140
Sudeep Pal	**60**	58
Sanjeev Gujral	**44**	7
Neha Khanna	**9**	7
Total	**304**	330

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.**	**Taj Trade & Transport Ltd.**	**Roots Corporation Ltd.**	**United Hotels Ltd.**
Purchase of goods	2					
	4					
Sale of goods	63					-
	55					*2*
Purchase of services	209				41	
	269				*32*	
Sale of services	24	31	1	-		
	10	*31*	-	*3*		-
Operating fees received/accrued		27				
	-	*18*				
Deposits Placed					700	
					-	

Figures in Italic relate to previous year

32. 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.

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, 2017**	Year Ended March 31, 2016
Sale of food and beverages	**27,217**	25,876
Handling services	**3,043**	2,065
Hi-Lift services	**2,421**	2,068
Total	**32,681**	30,009

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Information about major customers

Included in revenue arising from operations of ₹ 34,243 Lakh (2015-16: ₹ 31,909 Lakh) (see note 22) are revenues of approximately ₹ 20,243 Lakh (2015-16: ₹ 19,049 Lakh) 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 2017 and 31st March 2016.

33. 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, 2017	March 31, 2016
Profit after tax –(₹ Lakh)	**1,409**	981
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	**8.10**	5.64
Diluted	**8.10**	5.64

34. Financial Instruments

a. 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.

b. Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

Fair Value Measurement:

₹ Lakhs

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 balances with bank		81	81
Investments	4,568	-	4,568
Loans	-	700	700
Trade Receivables	-	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**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

March 31, 2016	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	371	371
Other balance with banks	-	92	92
Investments	471	-	471
Loans	-	2,200	2,200
Trade Receivable	-	7,922	7,922
Other financial assets	-	360	360
Total	**471**	**10,945**	**11,416**
Financial liabilities:			
Borrowings	-	20	20
Trade Payables	-	2,974	2,974
Other financial liabilities	-	814	814
Total		3,808	3,808

April 1, 2015	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	283	283
Other balance with bank	-	27	27
Investments	2,525	-	2,525
Trade Receivables	-	6,846	6,846
Other financial assets	-	394	394
Total	**2,525**	**7,550**	**10,075**
Financial liabilities:			
Borrowings	-	162	162
Trade Payables	-	2,305	2,305
Other financial liabilities	-	810	810
Total	**-**	**3,277**	**3,277**

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.
- 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, 2017:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	4,568	-	-	4,568
Government securities	-	-	-	-
Total	**4,568**	**-**	**-**	**4,568**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

As of March 31, 2016:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	471	-	-	471
Government securities	-	-	-	-
Total	**471**	**-**	**-**	**471**

As of April 01, 2015:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	2,524	-	-	2,524
Government securities	1	-	-	1
Total	**2,525**	**-**	**-**	**2,525**

(c) Financial risk management:

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.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was INR 14,263/- Lakhs, INR 11,342/- Lakhs and INR 9,859/- Lakhs as of March 31, 2017, March 31, 2016 and April 1, 2015, respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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, 2017**	As at March 31, 2016	As at April 1, 2015
Customer count	**1**	1	2
Amount receivable (₹ Lakhs)	**3,629**	2,806	3,325

There is no other single customer contributing to more than 10% of the accounts receivable and unbilled revenue.

iii. 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.

(d) 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, 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**

₹ (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	**4,669**	**4,669**

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Mohammed Bengali
Partner

Mumbai, May 11, 2017

For and on behalf of the Board of Directors

Rakesh Sarna
Chairman
DIN :01875340

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Sudeep Pal
Chief Financial Officer

Neha Khanna
Company Secretary

DIRECTORS AND CORPORATE INFORMATION

TAJ ENTERPRISES LIMITED

Board of Directors

Mr. P.K. Bhatia

Mr. S Chakravarty

Mr. Ashok Binnani

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 Seventh Annual Report of the Company, together with the Audited Statements of Account for the year ended 31st March, 2017.

FINANCIAL RESULTS

The operations of the Company for the period under report reflect a profit of Rs.25.25 lakhs (previous year Profit Rs. 60.76 lakhs). An amount of Rs. 347.46 lakhs inclusive of Rs. 321.21 lakhs 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 MADE

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. 9 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.

BOARD MEETINGS

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

AUDITORS

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

M/s. Sahni Natarajan & Bahl, Chartered Accontants have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

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

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 2016-17.

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, 2016 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

Place : New Delhi
Dated : 2nd May, 2017

P K Bhatia
Director
(DIN: 00080285)

S Chakravarty
Director
(DIN:05250602)

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 financial year ended on 31.03.2017)

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U55101DL1979PLC009746
2.	Registration Date	18/07/1979
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.	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)

S. 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 -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Asso - ciate	% of Shares held	Applicable Section
1	The Indian Hotels Limited Company Mandlik House, Mandlik Road, Mumbai - 400 001	L74999MH1902PLC000183	Ultimate Holding	93.19% 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. Promoter s									
(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
(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

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	
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 Rs. 1 lakh	Nil	3404	3404	6.81	Nil	3404	3404	6.81	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 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	3404	3404	6.81	Nil	3404	3404	6.81	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	3404	3404	6.81	Nil	3404	3404	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-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	7,000	14.00	Nil	7,000	14.00	Nil	Nil
2	Tifco Holdings Limited	15,298	30.60	Nil	15,298	30.60	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 (please specify, if there is no change)

SN	Particulars	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	46,596	93.19	46,596	93.19
	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	46,596	93.19	46,596	93.19

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	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	Jagat Singh				
	At the beginning of the year	3000	6.00	3000	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	3000	6.00	3000	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

SN	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
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
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:

SN	Shareholding of each Directors and each 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
	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 2015-16.

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

SN.	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

Place : New Delhi
Dated : 2nd May, 2017

P K Bhatia
Director
(DIN: 00080285)

S Chakravarty
Director
(DIN:05250602)

Regd. Office:
Taj Palace Hotel
Sardar Patel Marg
New Delhi 110 021
CIN: U55101DL1979PLC009746
Annexure to Board's Report

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, 2017, and 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 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, 2017, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.

      iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 (Refer Note- 31).

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. : 002816N

(Sudhir Chhabra)
Partner
Membership No. 083762

Place: New Delhi
Date: April 28, 2017

ANNEXURE-A TO THE 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 and no material discrepancies have been noticed on such verification.

    c. 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.

6. As explained to us, 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, 2017 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: April 28, 2017

Balance Sheet as at March 31, 2017

₹ in Thousands

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
Non Current Assets				
Property, Plant and Equipment	2	**1,784**	1,801	1,821
Financial Assets				
Investments	3	**720**	720	720
Other Financial Assets	4	**-**	-	-
Deferred Tax Assets (net)	5	**-**	-	174
Other Non-Current Assets	6	**49**	-	-
Current Assets				
Financial Assets				
Cash and Cash Equivalents	7	**1,113**	517	82
Bank Balances	8	**25,704**	24,033	19,992
Loans	9	**10,000**	10,000	6,000
Other Financial Assets	10	**607**	588	456
Current Tax Assets (Net)	11	**-**	39	39
Other Current Assets	12	**-**	-	1,963
TOTAL		**39,977**	37,698	31,247
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	13	**5,000**	5,000	5,000
Other Equity	14	**34,746**	32,221	26,145
Liabilities				
Current Liabilities				
Financial Liabilities	-	**-**	-	-
Other Financial Liabilities	15	**231**	457	102
Current Tax Liabilities(net)	16	**-**	20	-
TOTAL		**39,977**	37,698	31,247
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's Registration No. 002816N

Sudhir Chhabra
Partner
Membership No. : 083762

Place: New Delhi
Date: April 28, 2017

For and on behalf of the Board

Subhrangsu Chakravarty Director
(DIN:05250602)

PK Bhatia Director
(DIN: 00080285)

Place: New Delhi
Date: May 2, 2017

Profit and Loss Statement for year the year ended March 31, 2017

₹ in Thousands

Particulars	Note No.	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Income			
Other Income	17	4,187	9,592
Total Income		**4,187**	9,592
Expenses			
Finance costs	18	-	970
Depreciation and amortisation expense	2	17	20
Other expenses	19	741	671
Total Expenses		**758**	1,661
Profit Before Tax		3,429	7,931
Tax Expense			
- Current Tax	20	904	850
- Taxes for Earlier Years	20	-	1,005
Profit for the period		**2,525**	6,076
Other Comprehensive income		**-**	-
Total Comprehensive income for the period		**2,525**	6,076
Earnings Per Share:			
Basic and Diluted		**50.50**	121.52
(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's Registration No. 002816N

Sudhir Chhabra
Partner
Membership No. : 083762

Place: New Delhi
Date: April 28, 2017

For and on behalf of the Board

Subhrangsu Chakravarty Director
(DIN:05250602)

PK Bhatia Director
(DIN: 00080285)
Place: New Delhi
Date: May 2, 2017

Statement of Changes in Equity for the year ended March 31, 2017

₹ in Thousands

	Equity Share Capital	Retained Earnings	Total
Balance as at 1st April 2015	5,000	26,145	31,145
Changes in accounting policy/prior period errors	-	-	-
Restated balance at 1st April 2015	**5,000**	**26,145**	**31,145**
Profit for the year	-	6,076	6,076
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	6,076	6,076
Balance as at 31st March 2016	**5,000**	**32,221**	**37,221**
Balance as at 1st April 2016	5,000	32,221	37,221
Changes in accounting policy/prior period errors	-	-	-
Restated balance at 1st April 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 31st March 2017	**5,000**	**34,746**	**39,746**

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's Registration No. 002816N

Sudhir Chhabra
Partner
Membership No. : 083762

Place: New Delhi
Date: April 28, 2017

For and on behalf of the Board

Subhrangsu Chakravarty Director
(DIN:05250602)

PK Bhatia Director
(DIN: 00080285)
Place: New Delhi
Date: May 2, 2017

Statement of Cash Flow for the year ended March 31, 2017

₹ in Thousands

Particulars		For the year ended 31st March 2017	For the year ended 31st March 2016
A)	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	**3,429**	7,931
	Adjustment for:		
	Depreciation	**17**	20
	Dividend Income	**(1,260)**	(6,840)
	Interest on Income Tax	**-**	970
	Interest Income	**(2,927)**	(2,752)
	Operating Profit before Working Capital Changes (1)	**(741)**	(671)
	Increase/(Decrease) in Trade and Other Payables	**(226)**	355
	Changes in Working Capital (2)	**(226)**	355
	Cash generated/(used in) Operations (1+2)	**(967)**	(316)
	Direct Tax Paid	**(934)**	(669)
	Net Cash Flow from/(used in) Operating Activities (A)	**(1,901)**	(985)
B)	**Cash Flow from Investing Activities**		
	Interest Received	**2,909**	2,620
	Fixed Deposit made	**(1,672)**	(4,040)
	Dividend Received	**1,260**	6,840
	Inter Corporate Deposits Made	**-**	(4,000)
	Net Cash Flow from/(used in)Investing Activities (B)	**2,497**	1,420
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)		**596**	435
Cash & Cash Equivalents as at the begining of the year		**517**	82
Cash & Cash Equivalents as at the end of the year (Refer Note- 6)		**1,113**	517

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.
4. There were no adjustment items between cash flows prepared under Indian GAPP and those prepared under Ind AS.

As per our report of even date attached

For Sahni Natarajan and Bahl
Chartered Accountants
Firm's Registration No. 002816N

Sudhir Chhabra
Partner
Membership No. : 083762

Place: New Delhi
Date: April 28, 2017

For and on behalf of the Board

Subhrangsu Chakravarty Director
(DIN:05250602)

PK Bhatia Director
(DIN: 00080285)

Place: New Delhi
Date: May 2, 2017

Notes to Financial Statements for year ended March 31, 2017

CORPORATE INFORMATION

Taj Enterprises Limited ("the Company"), is a public limited company incorporated in 1993 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 2nd May, 2017.

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.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2017 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2015.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 22. This note includes reconciliations of equity, total comprehensive income and cash flows for comparative years under Indian GAAP to those reported for those years under Ind AS.

Exemptions applied

Ind AS 101 on First Time Adoption of Ind AS allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(i) 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.

(ii) The Company has elected to continue with the carrying value of its Investment in fellow subsidiary 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.

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

- **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.

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

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.

(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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

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:

<u>Classification</u>

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.

<u>Initial Recognition and measurement</u>

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.

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

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

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

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

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in Subsidiaries (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.

For transition to Ind AS, the Company has elected to continue with the carrying value of its Investment in fellow subsidiary 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.

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.

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.

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

2 : Property, Plant and Equipment

₹ in Thousands

Particulars	**Land (Freehold)**	**Buildings**	**Total Assets**
Gross Block at Cost			
At April 1, 2015	1,692	310	2,002
Opening Adjustments	-	(181)	(181)
Additions	-	-	-
Disposals	-	-	-
At March 31, 2016	**1,692**	**129**	**1,821**
At April 1, 2016	1,692	129	1,821
Additions	-	-	-
Disposals	-	-	-
At March 31, 2017	**1,692**	**129**	**1,821**
Depreciation			
At April 1, 2015	-	181	181
Opening Adjustment	-	(181)	(181)
Charge for the Year	-	20	20
Disposals	-	-	-
At March 31, 2016	**-**	**20**	**20**
At April 1, 2016	-	20	20
Charge for the year	-	17	17
Disposals	-	-	-
At March 31, 2017	**-**	**37**	**37**
Net Block			
At April 1, 2015	**1,692**	**129**	**1,821**
At March 31, 2016	**1,692**	**109**	**1,801**
At March 31, 2017	**1,692**	**92**	**1,784**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

3 : INVESTMENTS

₹ in Thousands

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investment carried at Cost			
Investment in Unquoted Equity Shares			
Inditravel Limited (Fellow Subsidiary Company)	**720**	720	720
72,000 (Previous years 72,000) Equity Shares of ₹ 10/- each fully paid up			
TOTAL	**720**	720	720
Notes:			
Aggregate amount of Investments			
a) Unquoted	**720**	720	720
b) Quoted			
Market Value of Quoted Investments	**-**	-	-
c) Aggregate amount of impairment in value of investments	**-**	-	-

4 : OTHER FINANCIAL ASSETS- NON CURRENT

₹ in Thousands

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Other Advances			
(Unsecured and considered Doubtful)			
Private Club Consultants	**1,000**	1,000	1,000
Less: Provision for doubtful advances	**1,000**	1,000	1,000
TOTAL	**-**	-	-

5 : DEFERRED TAX ASSETS (NET)

₹ in Thousands

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
MAT Credit Entitlement	**-**	-	174
TOTAL	**-**	-	174

6 : OTHER NON-CURRENT ASSETS

₹ in Thousands

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance Tax and TDS Recoverable	**10**	-	-
Income Tax Refundable	**39**	-	-
TOTAL	**49**	-	-

7 : CASH AND CASH EQUIVALENTS

₹ in Thousands

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Bank Balances			
- Balances with Banks			
In Current Account	**1,113**	517	82
TOTAL	**1,113**	517	82

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

8 : BANK BALANCES ₹ in Thousands

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Bank Balances			
- Fixed Deposit having maturity period more than 3 months but less than 12 months	25,704	24,033	19,992
TOTAL	25,704	24,033	19,992

9 : LOANS ₹ in Thousands

Particulars	**As at 31st March 2017**	As at 31st March 2016	As at 1st April 2015
Inter-Corporate Deposit (Unsecured and Considered good)			
Taj Air Limited*	**10,000**	10,000	6,000
TOTAL	**10,000**	10,000	6,000

* For General Business Purposes.

10 : OTHER FINANCIAL ASSETS- CURRENT ₹ in Thousands

Particulars	**As at 31st March 2017**	As at 31st March 2016	As at 1st April 2015
Interest Accrued on Deposits	**607**	588	456
TOTAL	**607**	588	456

11 : CURRENT TAX ASSETS (NET) ₹ in Thousands

Particulars	**As at 31st March 2017**	As at 31st March 2016	As at 1st April 2015
Income Tax Refundable	**-**	39	39
TOTAL	**-**	39	39

12 : OTHER CURRENT ASSETS ₹ in Thousands

Particulars	**As at 31st March 2017**	As at 31st March 2016	As at 1st April 2015
Deposit-Appeals	-	-	1,963
TOTAL	-	-	1,963

13 : EQUITY SHARE CAPITAL ₹ in Thousands

Particulars	**As at 31st March 2017**	As at 31st March 2016	As at 1st April 2015
Authorised Capital			
Equity Shares			
100,000 (Previous Years 100,000) Equity Shares of Rs. 100/- each	**10,000**	10,000	10,000
	10,000	10,000	10,000
Issued, Subscribed and Fully Paid Up Capital			
50,000 (Previous Years 50,000) Equity Shares of Rs.100/- each, fully paid up	**5,000**	5,000	5,000
TOTAL	**5,000**	**5,000**	**5,000**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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 Rs. 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	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of Shares	**%**	No. of Shares	%	No. of Shares	%
The Indian Hotels Company Limited	**7,000**	**14.0%**	7,000	14.0%	7,000	14.0%
TIFCO Holdings Limited	**15,298**	**30.6%**	15,298	30.6%	15,298	30.6%
Piem Hotels Limited	**10,548**	**21.1%**	10,548	21.1%	10,548	21.1%
Inditravel Limited	**12,450**	**24.9%**	12,450	24.9%	12,450	24.9%
Mr. Jagat Singh*	**3,000**	**6.0%**	3,000	6.0%	3,000	6.0%

* In the process of transmission.

Equity Shares held by the Holding Company and by Subsidiaries of the Holding Company

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	No. of Shares	**No. of Shares**	**No. of Shares**
The Indian Hotels Company Limited (Holding Company)	7,000	7,000	7,000
TIFCO Holdings Limited (Fellow Subsidiary Company)	15,298	15,298	15,298
Piem Hotels Limited (Fellow Subsidiary Company)	10,548	10,548	10,548
Inditravel Limited (Fellow Subsidiary Company)	12,450	12,450	12,450
TOTAL	**45,296**	**45,296**	**45,296**

Reconciliation of Issued, Subscribed and Fully Paid up Equity Share Capital

Particulars	No. of Shares	No. of Shares	No. of Shares
Number of Equity Shares at the beginning of the year	50,000	50,000	50,000
Number of Equity Shares at the end of the year	50,000	50,000	50,000

14 : OTHER EQUITY **₹ in Thousands**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Retained Earnings			
Balance brought forward from previous year	32,221	26,145	21,021
Add:- Profit for the year	2,525	6,076	5,124
TOTAL	**34,746**	**32,221**	**26,145**

Note 15 : OTHER FINANCIAL LIABILITIES- CURRENT **₹ in Thousands**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Other Financial Liabilities			
Expenses Payable	231	457	102
TOTAL	231	457	102

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 16 : CURRENT TAX LIABILITIES (NET)

₹ in Thousands

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Income Tax	-	20	-
TOTAL	**-**	20	-

17 : OTHER INCOME

₹ in Thousands

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Interest		
- Inter Corporate Deposit	**1,085**	950
- Fixed Deposits with Bank	**1,842**	1,802
Dividend		
- Long Term Trade Investments-Fellow Subsidiary	**1,260**	6,840
TOTAL	**4,187**	9,592

18 : FINANCE COST

₹ in Thousands

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Interest on Income Tax	**-**	970
TOTAL	**-**	970

19 : OTHER EXPENSES

₹ in Thousands

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Security Services	**584**	537
Bank Charges	**2**	2
Travelling & Conveyance	**1**	1
Miscellaneous Expenses	**-**	0
Printing & Stationery	**2**	5
Legal & Professional	**152**	123
Filing Fee	**-**	3
TOTAL	**741**	671

20 : RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT

A) Income Tax recognised in Profit or loss:

₹ in Thousands

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Current Tax		
In respect of the current year	**904**	850
In repect of earlier years	**-**	1,005
Total tax expense recognised in the current year	**904**	1,855

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

B) Reconciliation of tax expense with the effective tax **₹ in Thousands**

Particulars	**For the Year Ended 31st March 2017**	For the Year Ended 31st March 2016
Profit before tax (a)	3,429	7,931
Income tax rate as applicable (b)	30.90%	30.90%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	1,059	2,451
Permanent tax differences due to:		
Effect of income that is exempt from taxation (Dividend income)	(389)	(2,114)
Effect of expenses that are not deductible in determining taxable profit	234	513
Tax expense for Current Year	904	850
Prior year taxes as shown above	-	1,005
Income tax expense recognised in Profit or loss	904	1,855

21: FINANCIAL INSTRUMENTS BY CATEGORY

The carrying value and fair value of instruments by categories as on March 31,2017

Particulars	**Amortised cost**	**Fair Value through Profit or Loss**	**Fair Value through OCI**	**Total Carrying Value**	**Total Fair value**
Financial assets:					
Other financial assets Non-Current (Net of Provision) (Refer Note 4)	-	-	-	-	-
Cash and Cash Equivalents (Refer Note 7)	1,113	-	-	1,113	1,113
Bank Balances (Refer Note 8)	25,704	-	-	25,704	25,704
Short Term Loans & Advances (Refer Note 9)	10,000	-	-	10,000	10,000
Other financial assets-Current (Refer Note 10)	607	-	-	607	607
Total - Financial Assets	**37,424**	**-**	**-**	**37,424**	**37,424**
Financial liabilities:					
Other financial liabilities (Refer Note 15)	231	-	-	231	231
Total - Financial Liabilities	**231**	**-**	**-**	**231**	**231**

The carrying value and fair value of instruments by categories as on March 31,2016

Financial assets:					
Other financial assets-Non-Current (Net of Provision) (Refer Note 4)	-	-	-	-	-
Cash and Cash Equivalents (Refer Note 7)	517	-	-	517	517
Bank Balances (Refer Note 8)	24,033	-	-	24,033	24,033
Short Term Loans & Advances (Refer Note 9)	10,000	-	-	10,000	10,000
Other financial assets-Current (Refer Note 10)	588	-	-	588	588
Total - Financial Assets	**35,138**	**-**	**-**	**35,138**	**35,138**
Financial liabilities:					
Other financial liabilities (Refer Note 15)	457	-	-	457	457
Total - Financial Liabilities	**457**	**-**	**-**	**457**	**457**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

The carrying value and fair value of instruments by categories as on April 1, 2015

Particulars	Amortised cost	Fair Value through Profit or Loss	Fair Value through OCI	Total Carrying Value	Total Fair value
Financial assets:					
Other financial assets-Non-Current (Net of Provision) (Refer Note 4)	-	-	-	-	-
Cash and Cash Equivalents (Refer Note 7)	82	-	-	82	82
Bank Balances (Refer Note 8)	19,992	-	-	19,992	19,992
Short Term Loans & Advances (Refer Note 9)	6,000	-	-	6,000	6,000
Other financial assets-Current (Refer Note 10)	456	-	-	456	456
Total - Financial Assets	**26,530**	**-**	**-**	**26,530**	**26,530**
Financial liabilities:					
Other financial liabilities (Refer Note 15)	102	-	-	102	102
Total - Financial Liabilities	**102**	**-**	**-**	**102**	**102**

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.

22 (a) : Reconciliation of Equity **₹ In Thousands**

	March 31, 2016			April 1, 2015		
	Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
ASSETS						
Non Current Assets						
Property, Plant and Equipment	1,801	-	1,801	1,821	-	1,821
Non Current Financial Assets						
Investments*	720	-	720	720	-	720
Other Financial Assets	-	-	-	-	-	-
Deferred Tax Assets (net)	-	-	-	174	-	174
Current Assets						
Financial Assets						
Cash and Cash Equivalents	517	-	517	82	-	82
Bank Balances	24,033	-	24,033	19,992	-	19,992
Loans	10,000	-	10,000	6,000	-	6,000
Other Financial Assets	588	-	588	456	-	456
Current Tax Assets (Net)	39	-	39	39	-	39
Other Current Assets	-	-	-	1,963	-	1,963
TOTAL	**37,698**	**-**	**37,698**	**31,247**	**-**	**31,247**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	5,000	-	5,000	5,000	-	5,000
Other Equity	32,221	-	32,221	26,145	-	26,145
Liabilities						
Current Liabilities						
Financial Liabilities						
Other Financial Liabilities	457	-	457	102		102
Current Tax Liabilities(net)	20	-	20	-	-	-
TOTAL	**37,698**	**-**	**37,698**	**31,247**	**-**	**31,247**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Footnote to the reconciliation as at 31st Marh 2016 and 1st April 2015 (date of transition to Ind As)

* **Investment in Fellow Subsidiary**

Under Indian GAAP the Company accounted for long term investments in unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments at original cost. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its Investment in fellow subsidiary 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.

22 (b) : Reconciliation of Total Comprehensive Income **₹ In Thousands**

	For the Year Ended March 31, 2016		
	Indian GAAP	**Adjustments**	**Ind AS**
Income			
Other Income	9,592	-	9,592
Total Revenue	**9,592**	-	**9,592**
Expenses			
Finance costs	970	-	970
Depreciation & amortisation expense	20	-	20
Other expenses	671	-	671
Total Expenses	**1,661**	-	**1,661**
Profit Before Tax	7,931	-	7,931
Tax Expense			
- Current Tax	850	-	850
- Taxes for Earlier Years	1,005	-	1,005
Profit for the period	**6,076**	**-**	**6,076**
Other Comprehensive income	**-**	**-**	**-**
Total Comprehensive income for the period	**6,076**		**6,076**

Note 22 (c) : Reconciliation of Cash Flow Statement

There were no adjustment items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

23. 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 seventeen years.

24. 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).

25. Segment Reporting:

As the Company is not carrying any operations, there are no reportable segments, as required by Ind AS- 108 “Operating Segments”.

26. The Company does not have any employee on its payroll during the period under report.

27. Auditor’s Remuneration (Excluding Service Tax) **₹ In Thousands**

Particulars	**Year Ended 31st March, 2017**	Year Ended 31st March, 2016
Statutory Audit	40	40
Taxation Matters	15	15
Total	**55**	**55**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

28. Earnings Per Share (EPS) **₹ In Thousands**

Particulars		**Year Ended 31st March, 2017**	Year Ended 31st March, 2016
Number of Ordinary Shares at the beginning of the year		50,000	50,000
Number of Ordinary Shares at the end of the year		50,000	50,000
Weighted average number of Ordinary Shares outstanding during the year	A	50,000	50,000
Nominal Value of Each Ordinary Share (Rs.)		100	100
Profit After Tax attributable to Equity Shareholders (Rupees in Thousands)	B	2525	6076
Earnings Per Share (Basic and Diluted) (Rs.)	B/A	50.50	121.52

29. Related Party Disclosures:

a) The names of the Related Parties of the Company are as under:

Holding Company

1. The Indian Hotels Company Limited

Fellow Subsidiary Company

1. Inditravel Limited
2. TIFCO Holdings Limited
3. PIEM Hotels Limited

b) The details of transactions with related parties are as follows:

₹ In Thousands

Particulars	**Year Ended 31st March, 2017**	Year Ended 31st March, 2016
The Indian Hotels Company Limited		
- Reimbursements Paid	1,209	1,068
- Balance Receivable/ (Payable)	-	(356)
Inditravel Limited		
- Dividend received	1,260	6,840

30. 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 MEMED Act, have not been given.

31. The details of Specified Bank Notes (SBNs) (as per the requirement of MCA notification GSR 308(e) dated 30th March 2017) held and transacted during the period 8th November, 2016 to 30st December 2016 is provided in the Table below:-

Particulars	**SBNs**	**Other Denomination Notes**	**Total**
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-)Amount Deposited in Banks	-	-	-
Closing cash in Hand as on 30.12.2016	-	-	-

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

32. Financial Risk Management Objectives and Policies

1. 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.

2. 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.

33. 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.

34. Previous Year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date attached		
For Sahni Natarajan and Bahl	**For and on behalf of the Board**	
Chartered Accountants		
Firm's Registration No. 002816N	**Subhrangsu Chakravarty**	Director
Sudhir Chhabra	(DIN:05250602)	
Partner		
Membership No. : 083762	**PK Bhatia**	Director
	(DIN: 00080285)	
Place: New Delhi	Place: New Delhi	
Date: April 28, 2017	Date: May 2, 2017	

CORPORATE INFORMATION

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Board of Directors

Farhat Jamal - Chairman
Faisal Momen
Rajeev Newar
Sudhir Nagpal

Registered Office & Share Department

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN: U60300MH1977PLC019952
Tel.: 022 66395515
Fax: 022 22027442
Email: investorrelations@tajhotels.com

Auditors

M/s. Chandrashekhar Iyer & Co
Chartered Accountants

Bankers

HDFC Bank Limited
State Bank of India
Central Bank of India

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Fortieth Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2017.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2017 is summarized below:

Particulars	2016-17 (₹)	2015-16 (₹)
Total Income	**145,920,550**	207,557,142
Operating Profit/(Loss) for the year	**9,637,253**	3,996,974
Depreciation	**(3,826,489)**	(7,473,618)
Provision for Impairment	-	–
Assets Written Off	-	(1,278,597)
Profit / (Loss) Before Tax	**5,810,764**	**(4,755,241)**
Provision for Current Tax	**(701,000)**	-
Provision for Deferred Tax	-	(12,760,628)
Minimum alternative tax credit	**701,000**	–
Excess / (Short) Provision for Taxation relating to earlier years	-	–
Profit After Tax	**5,810,764**	(17,515,869)
Balance brought forward from previous year	**2,91,57,539**	57,109,124
Profit available for appropriation	**34,968,303**	39,593,255
APPROPRIATIONS :		
Dividend		
- Proposed Dividend	**3,468,225**	8,670,563
- Tax on Dividend	**706,061**	1,765,153
Transfer to General Reserve	-	–
Profit & Loss Account Balance	**30,794,017**	29,157,539

REVIEW OF BUSINESS OPERATIONS AND STATE OF COMPANY'S AFFAIRS

During the year under review, the Total Income of the Company was ₹ 1,459 Lakhs. Profit/ (Loss) before Tax was ₹ 58 lakhs and Profit/ (Loss) after Tax was ₹ 58 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

Your Directors recommend a Dividend of 10% i.e. ₹ 1/- per Equity Share (Previous Year ₹ 2.5/- per Equity Share on 3,468,225 Equity Shares.) The dividend payment shall be subject to approval of the Members at the ensuing Annual General Meeting (AGM).

SHARE CAPITAL

As on March 31, 2017 the issued, subscribed and paid-up share capital of your Company comprised 3,468,225 Equity Shares of ₹ 10 each aggregating ₹ 34,682,250. 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, 2017.

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

In accordance with the Act and the Articles of Association of the Company, one of your Director viz. Mr. Sudhir Nagpal retires by rotation and is eligible for re-appointment.

Your approval for his re-appointment as Director has been sought in the Notice convening the 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 viz. on April 22, 2016; July 19, 2016; October 20, 2016 and January 23, 2017 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. 33 of notes to the Accounts.

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.

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 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 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.

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.

AUDITORS

At the AGM, the Members will be requested to ratify the appointment of 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.

The report of the Statutory Auditors along with the notes to Schedules is enclosed to this report and does not contain any qualification, reservation, adverse remark or disclaimer.

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 2016-17.

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, 2017:

(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, 2017 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) The directors have laid down internal financial controls for the Company, which are adequate and operating effectively;

(vi) 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

Farhat Jamal
Chairman
DIN: 01875688

Mumbai, April 25, 2017

Registered Office:
Mandlik House,
Mandlik Road,
Mumbai 400 001
Maharashtra.
CIN: U60300MH1977PLC019952
Tel.: 022 6639 5515
Fax: 022 2202 7442
Email: investorrelations@tajhotels.com

ANNEXURE 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[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:-

Sl. 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

Sl. 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	92.40	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 (i.e 01/04/2016)				No. of Shares held at the end of the year (i.e 31/03/2017)				% 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.	-	32,04,763	32,04,763	92.40	-	32,04,763	32,04,763	92.40	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**-**	**32,04,763**	**32,04,763**	**92.40**	**-**	**32,04,763**	**32,04,763**	**92.40**	**-**

(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)	**-**	**32,04,763**	**32,04,763**	**92.40**	**-**	**32,04,763**	**32,04,763**	**92.40**	**-**
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	-	12,499	12,499	0.36	-	12,499	12,499	0.36	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1lakh	-	2,50,963	2,50,963	7.24	-	2,50,963	2,50,963	7.24	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
1) Directors and Relatives	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**-**	**263,462**	**263,462**	**7.60**	**-**	**263,462**	**263,462**	**7.60**	**-**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**-**	**263,462**	**263,462**	**7.60**	**-**	**263,462**	**263,462**	**7.60**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**-**	**34,68,225**	**34,68,225**	**100**	**-**	**34,68,225**	**34,68,225**	**100**	**-**

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e 01/04/2016)			Shareholding at the end of the Year (i.e. 31/03/2017)			
		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 shareholding during the year
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**	**-**	**-**

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

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year (i.e 01/04/2016)		Cumulative Shareholding during the year (i.e 01/04/2016 to 31/03/2017)	
		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):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (i.e 01/04/2016)/end of the year (31/03/2017)		Cumulative Shareholding during the year (i.e. 01/04/2016 to 31/03/2017)	
	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	10867	0.31	10867	0.31
2.	D Shriya Reddy	9375	0.27	9375	0.27
3.	D Divya Reddy	9375	0.27	9375	0.27
4.	Phiroze Dinshaw Lam jointly Mrs. Khursheed Lam	7502	0.22	7502	0.22
5.	Phiroze D. Lam jointly Mrs. Khursheed Lam	7500	0.22	7500	0.22
6.	B. Arvind Kumar	6750	0.19	6750	0.19
7.	Keith Michael Louis jointly Mrs. C. M. Louis	6000	0.17	6000	0.17
8.	Radhika Mehta Arora	5200	0.15	5200	0.15
9.	Arvind Suri	4999	0.14	4999	0.14
10.	Khushroo Dastur jointly Ms. Prabha Dastur	3750	0.11	3750	0.11

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Names of Director	Shareholding at the beginning of the year (i.e 01/04/2016)		Cumulative Shareholding during the year (i.e. 01/04/2016 to 31/03/2017)	
		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:

Sl. 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 under Section 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 (A)			

B. Remuneration to other directors:

Non-Executive Directors

Sl. 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

Sl. 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 under Section 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, 2017

On behalf of the Board of Directors

Farhat Jamal
Chairman
DIN: 01875688

Mumbai, April 25, 2017

Registered Office:
Mandlik House,
Mandlik Road,
Mumbai 400 001
Maharashtra
CIN: U60300MH1977PLC019952
Tel.: 022 6639 5515
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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 2017, 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, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER :

The financial information of the company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules , 2006 (as amended) which were audited by other auditors who expressed an unmodified opinion dated April 22, 2016 and April 29, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 26 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company .

      iv. the Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. -Refer Note 41 to the Ind AS financial statements.

For Chandrashekhar Iyer & Co
Chartered Accountants

(Chandrashekhar Iyer)
Proprietor
Firm Registration No. 114260W
Membership No.47723

Mumbai , April 25 2017

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 2017, 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, custom duty, excise duty, and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of service tax , customs duty, excise duty were outstanding, as at March 31, 2017 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, 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	15,232,340/-	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 to us, no fraud on or by the company 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.

The salon business of the company was operated within the hotel premises taken on lease. The hotels have since terminated the lease agreement with the Company. Consequently, the Company had significantly scaled down its salon business. The Company had transferred the assets along with the skilled work force pertaining to the respective salon on a going concern basis to the owners of the hotels.. Negotiations are in progress between concerned parties and reporting on this matter during the current period does not arise.

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 Chandrashekhar Iyer & Co
Chartered Accountants
(Chandrashekhar Iyer)

Proprietor
Firm Registration No. 114260W
Membership No.47723

Place : Mumbai
Dated : April 25, 2017

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 2017 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 2017, 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 Chandrashekhar Iyer & Co
Chartered Accountants
(Chandrashekhar Iyer)

Proprietor
Firm Registration No. 114260W
Membership No.47723

Place : Mumbai
Dated : April 25, 2017

Balance Sheet as at March 31, 2017

	Note	March 31, 2017 ₹	March 31, 2016 ₹	April 1, 2015 ₹
Assets				
Non-current assets				
Property, plant and equipment	3	**20,881,065**	24,711,411	34,451,584
Capital work-in-progress	3	**1,451,274**	86,105	-
Intangible assets	4	**78,913**	143,679	770,814
		22,411,252	24,941,195	35,222,398
Financial assets				
Investments	5	**19,444,221**	19,444,221	19,444,221
Loans	6	**14,380,171**	14,440,730	17,706,445
Other financial assets	7	**2,119,361**	1,400,000	2,040,570
Deferred Tax Assets (Net)	8	**-**	-	12,760,628
Total non-current assets		**58,355,005**	60,226,146	87,174,262
Current assets				
Inventories	10	**65,184,565**	80,002,846	84,967,118
Financial assets				
Investments	9	**47,733,823**	45,534,425	53,417,773
Trade receivables	11	**1,358,250**	4,115,919	6,829,665
Cash and cash equivalents	12	**15,499,692**	12,411,323	33,548,815
Bank balances other than cash and cash equivalents	13	**36,523,701**	53,343,539	7,834,184
Loans	6	**17,472,198**	6,958,028	6,357,917
Other current assets	14	**830,738**	967,674	1,865,880
Total current assets		**184,602,967**	203,333,754	194,821,352
Total Assets		**242,957,972**	263,559,900	281,995,614
Equity and Liabilities				
Equity				
Equity share capital	15	**34,682,250**	34,682,250	34,682,250
Other equity	16	**112,777,576**	117,402,528	145,354,113
Total equity		**147,459,826**	152,084,778	180,036,363
Liabilities				
Non-current liabilities				
Provisions	17	**2,515,494**	1,000,824	1,566,942
Total non current liabilities		**2,515,494**	1,000,824	1,566,942
Current Liabilities				
Financial liabilities				
Trade payables	18	**78,862,861**	95,406,427	80,715,214
Provisions	17	**395,955**	290,140	2,410,611
Other current liabilities	19	**13,723,836**	14,777,731	17,266,484
Total current liabilities		**92,982,652**	110,474,298	100,392,309
Total Equity and Liabilities		**242,957,972**	263,559,900	281,995,614
Summary of significant accounting policies	2			

The accompanying notes form an integral part of the financial statements from 1 to 42

As per our report attached	**For and on behalf of the Board**	
For Chandrashekhar Iyer & Co. **Chartered Accountants**	**Farhat Jamal** DIN : 01875688	**Director**
Chandrashekhar Iyer **Proprietor**	**Faisal Momen** DIN:00064878	**Director**
M. No. 47723 **Firm Registration No. 114260W** Place : Mumbai Dated : April 25, 2017	**Rajeev Newar** DIN:00468125	**Director**

Statement of Profit and Loss for the year ended March 31, 2017

	Note	March 31, 2017 ₹	March 31, 2016 ₹
Income			
Revenue from operations	20	**134,990,494**	192,317,363
Other income	21	**10,930,056**	15,239,779
Total Income		**145,920,550**	207,557,142
Expenses			
Material Purchased	22	**50,121,038**	89,622,771
Changes in Inventories	23	**16,711,338**	3,435,176
Employee benefit expenses	24	**31,299,862**	55,907,051
Depreciation and amortisation expense		**3,826,489**	7,473,618
Other expenses	25	**37,502,771**	55,159,156
Total Expenses		**139,461,498**	211,597,772
Profit/ (Loss) before exceptional items and tax		**6,459,052**	(4,040,630)
Exceptional items		**-**	-
Profit/ (Loss) before tax		**6,459,052**	(4,040,630)
Tax expense			
Current tax		**701,000**	-
MAT Credit utilised		**(701,000)**	-
Deferred tax		**-**	12,760,628
Total		**-**	12,760,628
Profit/ (Loss) after tax		**6,459,052**	(16,801,258)
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**(648,288)**	(714,611)
		(648,288)	(714,611)
Total comprehensive Income for the period		**5,810,764**	(17,515,869)
Profit/ (Loss) for the period attributable to:			
Owners of the Company		**6,459,052**	(16,801,258)
Total Comprehensive Income for the period attributable to			
Owners of the Company		**5,810,764**	(17,515,869)
Earnings per share:			
Basic - (₹)		**1.86**	(4.84)
Diluted - (₹)		**1.86**	(4.84)
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 42

As per our report attached

For Chandrashekhar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Proprietor

M. No. 47723
Firm Registration No. 114260W

Place : Mumbai
Dated : April 25, 2017

For and on behalf of the Board

Farhat Jamal **Director**
DIN : 01875688

Faisal Momen **Director**
DIN:00064878

Rajeev Newar **Director**
DIN:00468125

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	March 31, 2017 ₹	March 31, 2016 ₹
Cash Flow From Operating Activities		
Profit Before Tax	**6,459,052**	(4,040,630)
Adjustments For :		
Depreciation and Amortisation	**3,826,489**	7,473,618
Provision for Doubtful Debts and Advances	**386,608**	
Loss/(profit) on sale of assets	**(1,120,659)**	(231,062)
Assets written off		1,278,597
Dividend Income	**(3,793,733)**	(10,123,883)
Interest Income	**(3,591,738)**	(2,693,134)
Provision for Contingencies	**1,117,046**	
Provision for devaluation of stock	**(1,893,058)**	1,529,095
Provision for Employee Benefits	**1,620,485**	(3,401,200)
	(3,448,560)	(6,167,969)
Cash Operating Profit before working capital changes	**3,010,492**	(10,208,599)
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**12,925,223**	3,435,177
Trade Receivables	**2,757,669**	2,713,746
Short-term loans and advances	**(10,800,025)**	(257,147)
Loans and advances	**1,086,955**	4,195,631
Other Current Assets	**136,936**	898,206
Other Non-Current Assets	**(719,361)**	640,570
	5,387,397	11,626,183
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**(16,543,566)**	15,290,795
Short term provisions	**105,815**	
Long-term Provisions	**1,514,670**	
Other Liabilities	**(1,053,895)**	(3,088,335)
	(15,976,976)	12,202,460
Cash Generated from Operating Activities	**(7,579,087)**	13,620,044
Direct Taxes (Paid)/ Refunded	**(926,602)**	(1,026,396)
Net Cash Generated From Operating Activities (A)	**(8,505,689)**	12,593,648
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	**(575,058)**	(4,145,640)
Sale of Property, Plant and Equipment	**1,764,340**	5,991,795
Capital Work in Progress	**(1,451,274)**	(86,105)
Purchase of current Investments	**(2,199,398)**	-
Sale of current Investments	**-**	7,883,348
Interest Received	**3,877,593**	2,446,650
Dividend Received	**3,793,733**	10,123,883
Bank Balances not considered as Cash and Cash Equivalents	**16,819,838**	(45,509,355)
Net Cash Generated/(Used) In Investing Activities (B)	**22,029,774**	(23,295,424)

Cash Flow From Financing Activities		
Dividend paid (Including tax on dividend)	**(10,435,716)**	(10,435,716)
Net Cash Generated/ (Used) In Financing Activities (C)	**(10,435,716)**	(10,435,716)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**3,088,369**	(21,137,492)
Cash and Cash Equivalents - Opening	**12,411,323**	33,548,815
Cash and Cash Equivalents - Closing	**15,499,692**	12,411,323

Summary of Significant Accounting Policies 2
The accompanying notes form an integral part of the Financial Statements from 1 to 42

As per our report attached

For Chandrashekhar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Proprietor

M. No. 47723
Firm Registration No. 114260W

Place : Mumbai
Dated : April 25, 2017

For and on behalf of the Board

Farhat Jamal **Director**
DIN : 01875688

Faisal Momen **Director**
DIN:00064878

Rajeev Newar **Director**
DIN:00468125

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 1: Corporate Information

Taj Trade and Transport Co Ltd is incorporated and domiciled in India and has its registered office at Mandlik House, Mandlik Road, Colaba, Mumbai 400 001. The Company is primarily engaged in the business of Retailing Merchandise under the brand name of Taj Khazana.

Note 2.1: 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.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2017 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2015.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 2.2 a, b & c. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

Refer Note 2.2 a, b & c for the details of first-time adoption exemptions availed by the Company.

(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, 2017 (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 incidentals 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, 2017 (Contd.)

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 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.[1]

(i) Non-current assets held for sale

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

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

(j) Inventories:

Traded goods and consumables are valued at lower of cost and net realisable value. Cost of traded goods is arrived on the basis of specific identification method. In the case of stocks of beauty salons, the same is valued under FIFO method.

(k) Income Taxes:

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

(i) Current tax:

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

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

(ii) Deferred tax :

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

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

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

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

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

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

Contingent assets are not recognized in the financial statements.

(m) Employee Benefits

(i) Provident Fund:

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

(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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

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

(o) Cash Flow Statement:

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

(p) Earnings Per Share:

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

(q) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the decision-maker who are responsible for allocating resources and assessing performance of the operating segments and have been identified as the committee that makes strategic decisions.

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

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

(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.

Notes to Financial Statements for year ended March 31, 2017 (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 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.

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, 2017 (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. 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, 2017 (Contd.)

NOTE 2.2 (A) - FIRST-TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2017 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed

(a) Deemed Cost The Company has opted paragraph D7 AA and accordingly considered the carrying value of property, plant and equipments and Intangible assets as deemed cost as at the transition date.

(b) Investments in subsidiaries, joint ventures and associates The Company has opted para D14 and D15 and accordingly considered the Previous GAAP carrying amount of Investments as deemed cost as at the transition date.

B. Applicable Mandatory Exceptions

(a) Estimates
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

I. Reconciliation of Balance sheet as at April 1, 2015 (Transition Date)

II. A. Reconciliation of Balance sheet as at March 31, 2016

B. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

III. Reconciliation of Equity as at April 1, 2015 and as at March 31, 2016

IV. Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

2.2 (b) The following explains the material adjustments made while transition from previous accounting standards to IND AS

A. Proposed dividend :

Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and tax on dividend amount of Rs 1,04,35,716/- as at 1st April, 2015 and Rs 1,04,35,716/- as at 31st March 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

B. Remeasurements of post employment benefit obligation :

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increase by Rs 714,611/-. There is no impact on the total equity as at 31st March, 2016.

C. Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

D. Other comprehensive income

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

E. The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2016 as compared with the previous GAAP.

b) Reconciliation of equity as previously reported under IGAAP to Ind AS

	March, 2016 ₹			March, 2015 ₹		
Assets	**IGAAP**	**INDAS Adjustments**	**INDAS Total**	**IGAAP**	**INDAS Adjustments**	**INDAS Total**
Non-current Assets						
Property, Plant and Equipment	**24,711,411**	**-**	**24,711,411**	34,451,584	-	34,451,584
Capital work-in-progress	**86,105**	**-**	**86,105**	-	-	-
Intangible Assets	**143,679**	**-**	**143,679**	770,814	-	770,814
	24,941,195	**-**	**24,941,195**	35,222,398	-	35,222,398
Non-current financial Assets						
Non-current Investments	**19,444,221**	**-**	**19,444,221**	19,444,221	-	19,444,221
Long-term Loans and Advances	**14,440,730**	**-**	**14,440,730**	17,706,445	-	17,706,445
Other non-current financial assets	**1,400,000**	**-**	**1,400,000**	2,040,570	-	2,040,570
Deferred Tax Assets (Net)	**-**	**311,295**	**311,295**	12,760,628	-	12,760,628
Advance Tax (Net)	**-**	**(311,295)**	**(311,295)**		-	-
	60,226,146	**-**	**60,226,146**	87,174,262	-	87,174,262
Current Assets						
Inventories	**80,002,846**	**-**	**80,002,846**	84,967,118	-	84,967,118
Financial Assets	**-**		**-**			-
Current Investments	**45,534,425**	**-**	**45,534,425**	53,417,773	-	53,417,773
Trade and other receivables	**4,115,919**	**-**	**4,115,919**	6,829,665	-	6,829,665
Cash and Cash Equivalents	**65,754,862**	**-**	**65,754,862**	41,382,999	-	41,382,999
Other current financial assets	**6,958,028**	**-**	**6,958,028**	6,357,917	-	6,357,917
Other Current Assets	**967,674**	**-**	**967,674**	1,865,880	-	1,865,880
	203,333,754	**-**	**203,333,754**	194,821,352	-	194,821,352
Total	**263,559,900**	**-**	**263,559,900**	281,995,614	-	281,995,614

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Equity and Liabilities	IGAAP	INDAS Adjustments	INDAS Total	IGAAP	INDAS Adjustments	INDAS Total
Equity						
Equity Share capital	**34,682,250**	**-**	**34,682,250**	34,682,250	-	34,682,250
Other Equity	**106,966,812**	**10,435,716**	**117,402,528**	134,918,397	10,435,716	145,354,113
Equity attributable to equity holders of the parent	**141,649,062**	**10,435,716**	**152,084,778**	169,600,647	10,435,716	180,036,363
Non-controlling interests	**-**	**-**	**-**	-	-	-
Total Equity	**141,649,062**	**10,435,716**	**152,084,778**	169,600,647	10,435,716	180,036,363
Non-current Liabilities						
Long-term provisions	**1,000,824**	**-**	**1,000,824**	1,566,942	-	1,566,942
	1,000,824	**-**	**1,000,824**	1,566,942	-	1,566,942
Current Liabilities						
Financial Liabilities						
Micro enterprises and small enteprises	**125,700**	**-**	**125,700**	15,600	-	15,600
Trade Payables	**95,280,727**	**-**	**95,280,727**	80,699,614	-	80,699,614
Other current financial Liabilities	**14,777,731**	**-**	**14,777,731**	17,266,484	-	17,266,484
Short-term Provisions	**10,725,856**	**(10,435,716)**	**290,140**	12,846,327	(10,435,716)	2,410,611
	120,910,014	**(10,435,716)**	**110,474,298**	110,828,025	(10,435,716)	100,392,309
Total	**263,559,900**	**-**	**263,559,900**	281,995,614	-	281,995,614
			-			-

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS

Provision

Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.

Other Equity

In addition, as per Ind AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

c) Reconciliation statement of Profit and Loss as previously reported under IGAAP to Ind AS

	March, 2016 ₹			March, 2015 ₹		
Income	**IGAAP**	**INDAS Adjustments**	**INDAS Total**	**IGAAP**	**INDAS Adjustments**	**INDAS Total**
Revenue						
Revenue from operations	**192,317,363**		**192,317,363**	269,038,218	-	269,038,218
Other Income	**15,239,779**	**-**	**15,239,779**	12,953,261	-	12,953,261
Total	**207,557,142**	**-**	**207,557,142**	281,991,479	-	281,991,479

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Expenses	IGAAP	INDAS Adjustments	INDAS Total	IGAAP	INDAS Adjustments	INDAS Total
Material Purchased	**89,622,771**	**-**	**89,622,771**	83,324,315	-	83,324,315
Change in inventory	**3,435,176**		**3,435,176**	18,236,868		18,236,868
Employee Benefit Expenses	**56,621,662**	**(714,611)**	**55,907,051**	82,424,265	-	82,424,265
Finance Costs		**-**	**-**	16,116	-	16,116
Depreciation and Amortisation	**7,473,618**	**-**	**7,473,618**	7,974,488	-	7,974,488
Other Operating and General Expenses	**55,159,156**	**-**	**55,159,156**	67,157,205	-	67,157,205
Total	**212,312,383**	**(714,611)**	**211,597,772**	259,133,257	-	259,133,257
Profit/ (Loss) Before Tax and Exception items	**(4,755,241)**	**714,611**	**(4,040,630)**	22,858,222	-	22,858,222
Exceptional Items	**-**	**-**	**-**	-	-	-
Profit/ (Loss) Before Tax	**(4,755,241)**	**714,611**	**(4,040,630)**	22,858,222	-	22,858,222
Tax Expenses						
Current Tax	**-**	**-**	**-**	5,500,000	-	5,500,000
Deferred Tax	**12,760,628**	**-**	**12,760,628**	(614,442)	-	(614,442)
Minimum Alternative Tax Credit	**-**	**-**	**-**	(2,888,475)	-	(2,888,475)
Prior Years Tax Over/Under Provision Expenses	**-**	**-**	**-**	-	-	-
Total	**12,760,628**	**-**	**12,760,628**	1,997,083	-	1,997,083
Profit/ (Loss) for the period after tax and before share of associates and joint ventures	**(17,515,869)**	**714,611**	**(16,801,258)**	20,861,139	-	20,861,139
Add : Share of Profit / (Loss) of Associates	**-**	**-**	**-**	-	-	-
Add : Share of Profit / (Loss) of Joint ventures	**-**	**-**	**-**	-	-	-
Profit/ (Loss) After Tax and share of associates and joint ventures before Minority	**(17,515,869)**	**714,611**	**(16,801,258)**	20,861,139	-	20,861,139
Less: Minority Interest	**-**	**-**	**-**	-	-	-
NET PROFIT	**(17,515,869)**	**714,611**	**(16,801,258)**	20,861,139	-	20,861,139

Other Comprehensive income, net of tax	IGAAP	INDAS Adjustments	INDAS Total	IGAAP	INDAS Adjustments	INDAS Total
Items that will not be reclassified subsequently to profit and loss						
Remeasurement of defined benefit obligation	**-**	**(714,611)**	**(714,611)**	-	-	-
	-	**(714,611)**	**(714,611)**	-	-	-
Total Comprehensive Income for the period	**(17,515,869)**	**-**	**(17,515,869)**	20,861,139	-	20,861,139
Profit/ (Loss) for the period attributable to:						
Owners of the Company	**(17,515,869)**	**714,611**	**(16,801,258)**	20,861,139	-	20,861,139
	(17,515,869)	**714,611**	**(16,801,258)**	20,861,139	-	20,861,139
Total Comprehensive Income for the period attributable to						
Owners of the Company	**(17,515,869)**	**-**	**(17,515,869)**	20,861,139	-	20,861,139
	(17,515,869)	**-**	**(17,515,869)**	20,861,139	-	20,861,139

Explanations for reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

A) Employee benefit expenses

a) **As per Ind AS 19 employee benefits, actuarial gains and losses are recognized in other comprehensive income** and not reclassified to profit and loss in a subsequent period.

b) **Adjustment reflect unamortised negative past service cost arising on modification of the gratuity plan in an** earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings.

B) Deferred and contingent consideration pertaining to acquisition

Adjustments reflect impact of discounting pertaining to deferred consideration and contingent consideration payable for business combinations.

C) Current Tax

Tax component on actuarial gains and losses which is transferred to other comprehensive income under Ind AS

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, 2015	5,595,976	10,120,716	18,728,962	4,730	1,200	3,44,51,584	-
Additions	176,854	3,849,348	119,438	-	-	41,45,640	86,105
Adjustment	-	-	-	-	-	-	-
Disposals/ Transfer	984,616	6,718,258	273,499	4,730	-	79,81,103	-
At March 31, 2016	**4,788,214**	**7,251,806**	**1,8574,901**	**-**	**1,200**	**3,06,16,121**	**86,105**
Additions	96,900	372,925	105,233	-	-	5,75,058	14,51,274
Adjustments	-	-	-	-	-	-	-
Disposals/ Transfer	-	-	10,07,310	-		10,07,310	86,105
At March 31, 2017	**48,85,114**	**76,24,731**	**1,76,72,824**	**-**	**1,200**	**3,01,83,869**	**14,51,274**
Depreciation							
At April 1, 2015	-	-		-	-	-	-
Charge for the year	27,20,469	26,63,814	19,29,198	-	-	73,13,481	-
Adjustments						-	-
Disposals	77,756	13,15,712	15,303		-	14,08,771	-
At March 31, 2016	**26,42,713**	**13,48,102**	**19,13,895**	**-**	**-**	**59,04,710**	**-**
Charge for the year	10,05,222	12,28,892	15,27,609	-	-	37,61,723	-
Adjustments	-	-	-	-	-	-	-
Disposals	-	-	3,63,629	-	-	3,63,629	-
At March 31, 2017	**36,47,935**	**25,76,994**	**30,77,875**	**-**	**-**	**93,02,804**	**-**
Net Block							
At March 31, 2016	**21,45,501**	**5,903,704**	**16,661,006**	**-**	**1,200**	**24,711,411**	**86,105**
At March 31, 2017	**12,37,179**	**5,047,737**	**14,594,949**	**-**	**1,200**	**20,881,065**	**14,51,274**

Footnotes :

1. On transition to Ind AS, carrying value of all the property, plant and equipments under the previous GAAP is considered as the deemed cost under Ind AS.

2. *Cars & Vehicles including Leased Cars upto March 31, 2003 costing ₹ 4,939,770/- (Previous Year ₹ 4,939,770/-), WDV ₹ 1,200/- (Previous Year ₹ 4,939,770/-), 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 4 : Intangible Assets (Acquired)

₹

	Software (Refer Footnote (i)	Goodwill	Total
Cost (Refer Footnote (i)			
At April 1, 2015	770,814	10,574,151	11,344,965
Additions	-	-	-
Adjustments	-	-	-
Disposals	493,849	-	493,849
At March 31, 2016	276,965	10,574,151	10,851,116
Additions	-	-	-
Adjustments	-	-	-
Disposals	-	-	-
At March 31, 2017	276,965	10,574,151	10,851,116
Amortisation			
At April 1, 2015	-	10,574,151	10,574,151
Charge for the year	160,137	-	160,137
Adjustments			-
Disposals	26,851	-	26,851
At March 31, 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**
Net Block			
At March 31, 2016	**143,679**	-	**143,679**
At March 31, 2017	**78,913**	-	**78,913**

Footnote:

1. 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.

Note 5 : Investments

	March 31, 2017		March 31, 2016		April 1, 2015	
	Holdings As at	₹	Holdings As at	₹	Holdings As at	₹
Non Current Investments						
Fully Paid Quoted Equity Instruments						
Investments in Associate of Holding Companies (At Cost)						
Oriental Hotels Limited shares of Rs.1 each fully paid	**1,664,090**	**18,608,480**	1,664,090	18,608,480	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)						

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

	March 31, 2017		March 31, 2016		April 1, 2015	
	Holdings As at	**₹**	**Holdings As at**	**₹**	**Holdings As at**	**₹**
Inditravel Limited shares of ₹10 each fully paid	**72,001**	**720,750**	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	680	68,000
	72,681	**788,750**	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	333	9,990
Saraswat Co-op Bank Ltd	**1,000**	**10,000**	1,000	10,000	1,000	10,000
	1,333	**19,990**	1,333	19,990	1,333	19,990
Total Investment in Equity instruments		**19,417,220**		19,417,220	-	19,417,220
Investment in Others						
National Saving Certificate *		**95,000**		95,000		95,000
		95,000		95,000		95,000
Total Non-current Investments - Gross		**19,512,220**		19,512,220		19,512,220
Less : Provision for Diminution in value of Investments **		**(67,999)**		(67,999)		(67,999)
Total Non-current Investments - Net		**19,444,221**		19,444,221		19,444,221

Footnotes :

	March 31, 2017	March 31, 2016	April 1, 2015
1) Aggregate value of cost of Quoted Investments	**18,608,480**	18,608,480	18,608,480
2) Aggregate market value of Quoted Investments	**59,075,195**	34,280,254	33,115,391
3) Aggregate value of Unquoted Investments	**903,740**	903,740	903,740
4) Aggregate amount of provision for diminution in value of investments	**(67,999)**	(67,999)	(67,999)

5) * Security Deposit for VAT

6) **Provision for diminution in value has been made on the basis of book value of the shares of the respective Companies as per last audited Balance sheet.

Note 6 : Loans

	March 31, 2017 ₹	March 31, 2016 ₹	April 01, 2015 ₹
A) Non Current			
(Unsecured, considered good unless stated otherwise)			
Capital Advances	**-**	-	2,249,379
Security Deposit to related parties	**-**	-	2,614,950
Loans and advances to Employees	**42,226**	128,330	252,990
Security Deposit	**55,956**	61,950	-
	98,182	190,280	5,117,319
Other loans and advances			
Advance income tax paid (net of provision for tax)	**13,269,694**	14,226,909	12,277,831
MAT Credit entitlement	**1,012,295**	311,295	311,295
	14,281,989	14,538,204	12,589,126
Less: Provision for Advances doubtful of recovery	**-**	287,754	-
	-	287,754	-
	14,380,171	14,440,730	17,706,445

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

	March 31, 2017	March 31, 2016	April 01, 2015
B) Current	₹	₹	₹
(Unsecured, considered good unless stated otherwise)			
Loans and Advances to Employees	**-**	4,220	41,333
Related Parties	**11,331,501**	291,848	202,900
Interest Receivable	**1,150,218**	1,436,073	1,093,109
Others	**4,990,479**	5,225,887	5,020,575
	17,472,198	6,958,028	6,357,917

Note 7 : Other Financial Assets

	March 31, 2017	March 31, 2016	April 01, 2015
	₹	₹	₹
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)	**2,087,586**	1,400,000	1,944,090
Interest receivable	**31,775**	-	96,480
	2,119,361	1,400,000	2,040,570

Note 8 : Deferred Tax Assets (Net)

	March 31, 2017	March 31, 2016	April 01, 2015
	₹	₹	₹
Deferred Tax Assets:			
Property, Plant and equipment & Intangible Assets	-	-	10,012,670
Provision for diminution of Inventory	-	-	2,229,856
Others	-	-	518,102
Total (A)	-	-	12,760,628
Deferred Tax Liabilities:	-	-	-
Total (B)	-	-	-
Net Deferred Tax Assets (A-B)	-	-	12,760,628

Note 9 : Investments

	March 31, 2017		March 31, 2016		April 1, 2015	
	Holdings As at	₹	Holdings As at	₹	Holdings As at	₹
Current Investments						
Investments in Mutual Fund Units (Quoted)						
ICICI Prudential Mutual Fund	**353,427**	**35,388,509**	332,708	33,759,507	319,806	32,021,975
Birla Sun Life Cash Plus	**118,520**	**11,854,419**	111,531	11,304,740	107,170	10,722,356
JPMorgan India	**48,953**	**490,895**	46,338	470,178	1,064,375	10,673,442
TOTAL		**47,733,823**		45,534,425		53,417,773
1) Aggregate amount of cost of quoted Investments		**47,733,823**		45,534,425		53,417,773
2) Aggregate market value of quoted Investments		**47,733,823**		45,534,425		53,417,773

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 10 : Inventories (At lower of cost and net realisable value)

	March 31, 2017	March 31, 2016	April 01, 2015
	₹	₹	₹
Stock in Trade *	**71,693,327**	88,404,666	91,839,843
Less: Provision for Devaluation of Stock	**6,508,762**	8,401,820	6,872,725
	65,184,565	80,002,846	84,967,118

*Stock in Trade is valued at lower of Cost & Market Value

Note 11 : Trade receivables

	March 31, 2017	March 31, 2016	April 01, 2015
	₹	₹	₹
Outstanding over six months from the date they were due for payment:			
Considered good	**-**	-	6,171,542
	-	-	6,171,542
Others :			
Considered good	**1,358,250**	4,115,919	658,123
	1,358,250	4,115,919	658,123
	1,358,250	4,115,919	6,829,665

Note 12 : Cash and Cash Equivalents

	March 31, 2017	March 31, 2016	April 01, 2015
	₹	₹	₹
Cash on hand	**192,574**	413,222	454,865
Cheques, Drafts on hands	**-**	1,188,694	2,772,579
Balances with bank in current account	**6,265,743**	5,255,549	13,993,595
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**9,041,375**	5,553,858	16,327,776
	15,499,692	12,411,323	33,548,815

Note 13 : Bank Balances Other than Cash and Cash Equivalents

	March 31, 2017	March 31, 2016	April 01, 2015
	₹	₹	₹
Other Balances with banks			
Call and Short-term deposit accounts (Of which Rs.544,090 (Previous year Rs. 544,090) is held as security against Bank Guarantee)	**36,523,701**	53,343,539	7,834,184
Long Term Bank Deposit held as security against Bank guarantee	**2,087,586**	1,400,000	1,944,090
	38,611,287	54,743,539	9,778,274
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)	**2,087,586**	1,400,000	1,944,090
	36,523,701	53,343,539	7,834,184

Note 14 : Other Assets

	March 31, 2017	March 31, 2016	April 01, 2015
	₹	₹	₹
Current			
Prepaid expenses	**830,738**	967,674	18,65,880
	830,738	967,674	18,65,880

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 15 : Equity Share Capital

	March 31, 2017	March 31, 2016	April 01, 2015
	₹	₹	₹
Authorised Share Capital			
Equity Shares			
40,00,000 (Previous Year 4,000,000) Equity Shares of ₹ 10 each	**40,000,000**	40,000,000	40,000,000
	40,000,000	40,000,000	40,000,000
Issued Share Capital			
Equity Shares			
3,468,225 (Previous Year 3,468,225) Equity Shares of ₹ 10 each fully paid.	**34,682,250**	34,682,250	34,682,250
	34,682,250	34,682,250	34,682,250

The authorised equity shares were 4,000,000 and the issued shares were 3,468,225 as of 1st April, 2015.

Footnotes:

i) Reconcilation of the share outstanding at the begining at the end of the year.

	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	**₹**	**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	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	3,468,225	34,682,250

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

	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	**% of Holding**	**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%	1,254,000	36.16%
TIFCO Holdings Limited	362,999	10.47%	362,999	10.47%	362,999	10.47%
Inditravel Limited	550,766	15.88%	550,766	15.88%	550,766	15.88%
Piem Hotels Limited	886,500	25.56%	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, 2017		March 31, 2016		April 01, 2015	
	No. of shares	**% of Holding**	**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%**	1,254,000	36.16%	1,254,000	36.16%
Shares held by Subsidiaries of Ultimate Holding Company						
TIFCO Holdings Limited	**362,999**	**10.47%**	362,999	10.47%	362,999	10.47%
Inditravel Limited	**550,766**	**15.88%**	550,766	15.88%	550,766	15.88%
Piem Hotels Limited	**886,500**	**25.56%**	886,500	25.56%	886,500	25.56%
Northern India Hotels Limited	**49,998**	**1.44%**	49,998	1.44%	49,998	1.44%
	1,850,263	**53.35%**	1,850,263	53.35%	1,850,263	53.35%
Shares held by Associates of Ultimate Holding Company						
Oriental Hotels Limited	**100,500**	**2.90%**	100,500	2.90%	100,500	2.90%
	100,500	**2.90%**	100,500	2.90%	100,500	2.90%

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(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 22nd April,2016 proposed a dividend of ₹ 2.50 per equity share and the same was approved by the share holders at the Annual General Meeting held on 8th August, 2016, this resulted in cash out flow of ₹ 10,435,716 including corporate dividend tax (Refer note no 2.2 for impact on transition to Ind AS.

(vi) The Board of Directors, in its meeting on 25th April, 2017 proposed dividend of ₹ 1/- per quity share for the financial year ended 31st March,2017. The proposal is subject to the approval of the shareholders at the Annual General Meeting to be held on 9th August,2017 and if approved would result in a cash outflow of approximately of ₹ 4,174,286/- Including corporate dividend tax.

(vii) 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.

Note 16: Statement of Changes in Equity

Particulars	**Equity Share Capital Subscribed**	**Other Equity Reserves and Surplus**				**Total**
		Securities Premium Account	**General Reserve**	**Other reserves**	**Retained Earnings**	
	₹	₹	₹	₹	₹	₹
Balance as at April 1, 2015	**34,682,250**	**28,125,000**	**46,866,523**	**2,817,750**	**67,544,840**	**180,036,363**
Profit/(Loss) for the year ended March 31, 2016					(16,801,258)	(16,801,258)
Other Comprehensive Income for the year ended March 31, 2016, net of taxes (excluding actuarial gain/ losses, given below)						-
Remeasurements of post employment benefit obligation, net of tax					(714,611)	(714,611)
Total Comprehensive Income for the year ended March 31, 2016	-	-	-	-	(17,515,869)	(17,515,869)
Add/ Less:						
Dividends					(8,670,563)	(8,670,563)
Tax on Dividend					(1,765,153)	(1,765,153)
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**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 17 : Provisions

		March 31, 2017	March 31, 2016	April 01, 2015
A)	**Non- Current**	₹	₹	₹
	Employee Benefit Obligation			
	Leave Encashment	**1,429,801**	1,000,824	1,566,942
	Gratuity	**1,085,693**	-	-
		2,515,494	1,000,824	1,566,942
B)	**Current**			
	Employee Benefit Obligation			
	Leave Encashment	**395,955**	95,777	172,496
	Gratuity	**-**	194,363	2,238,115
		395,955	290,140	2,410,611

Note 18 : Trade Payables

	March 31, 2017	March 31, 2016	April 01, 2015
	₹	₹	₹
Micro and Small Enterprises	-	125,700	15,600
Others	**73,620,598**	90,439,155	75,258,460
Accrued expenses and others	**5,242,263**	4,841,572	5,441,154
	78,862,861	95,406,427	80,715,214

Note 19 : Other current Liabilities

		March 31, 2017	March 31, 2016	April 01, 2015
		₹	₹	₹
A)	**Current**			
	Statutory dues	**10,228,998**	10,620,056	11,316,671
	Related Parties	**-**	-	289,392
	Others	**3,494,838**	4,157,675	5,660,421
		13,723,836	14,777,731	17,266,484

Note 20: Revenue from Operations

	March 31, 2017	March 31, 2016
	₹	₹
Sale of Goods	**127,578,596**	136,892,997
Sale of Services	**7,411,898**	55,424,366
Total	**134,990,494**	192,317,363

Note 21 : Other Income

	March 31, 2017	March 31, 2016
	₹	₹
Interest Income from financial assets at amortised cost		
Deposits with banks (Tax deducted at source Rs.360,760/- (Previous Year Rs.269,313/-)	**3,591,738**	2,693,134
Total	**3,591,738**	2,693,134
Dividend received on Investment carried at cost		
Dividend Income - Non-Current (Trade)	**332,818**	665,636
Dividend Income - Non-Current (Non Trade)	**1,261,517**	6,841,595
Dividend Income - Current Investment	**2,199,398**	2,616,652
Profit on sale of assets (Net)	**1,120,659**	231,062
Exchange Gain (Net)	**271,596**	152,274
Others	**2,152,330**	2,039,426
Total	**10,930,056**	15,239,779

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 22 : Materials Purchased

	March 31, 2017	March 31, 2016
	₹	₹
Purchase of stock in trade - Trading	**50,121,038**	78,360,381
Purchase of stock in trade - Salon	-	11,262,390
Total Material purchased	**50,121,038**	89,622,771

Note 23 : Changes in Inventories

	March 31, 2017	March 31, 2016
	₹	₹
(i) Trading		
Opening Stock	**88,404,665**	81,219,238
Closing Stock	**71,693,327**	88,404,666
Total (i)	**16,711,338**	(7,185,428)
(ii) Salon		
Opening Stock	**-**	10,620,604
Closing Stock	**-**	-
Total (ii)	**-**	10,620,604
Total (i + ii)	**16,711,338**	3,435,176

Note 24 : Employee Benefit Expenses

	March 31, 2017	March 31, 2016
	₹	₹
Salaries, Wages, Bonus etc.	**19,958,980**	35,414,649
Company's Contribution to Provident and Other Funds	**1,485,994**	2,619,842
Reimbursement of Expenses on Personnel Deputed to the Company	**5,459,259**	10,792,312
Staff Welfare Expenses	**4,395,629**	7,080,248
Total	**31,299,862**	55,907,051

Note 25 : Other expenses

	March 31, 2017	March 31, 2016
	₹	₹
Other expenses consist of the following :		
Electricity	**995,812**	4,082,981
Repairs to Machinery	**143,845**	142,077
Repairs - Others	**565,146**	1,659,242
Commission to others	**42,643**	4,932
Rent	**21,766,719**	30,618,881
Rates and Taxes	**38,183**	720,273
Insurance	**642,699**	1,941,545
Busniess Promotion Expenses	**2,579,139**	1,613,366
Travelling and Conveyance Expenses	**1,369,588**	1,443,764
Credit Cards Charges	**2,040,058**	2,619,115
Legal and Professional Charges	**2,220,437**	4,101,836
Payment made to Statutory Auditors (Refer Footnote (i))	**431,250**	668,298
Assets Written Off	**-**	1,278,597
Miscellaneous Expenses	**4,667,252**	4,264,249
Total	**37,502,771**	55,159,156

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Footnotes:

(I) Payment made to Statutory Auditors:	**March 31, 2017**	March 31, 2016
	₹	₹
As auditors	**345,000**	486,625
As tax auditors	**86,250**	115,000
For out-of pocket expenses	**-**	66,673
	431,250	668,298

Note 26: Contingent Liabilities:

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

Particulars	**March 31, 2017**	March 31, 2016
	₹	₹
Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
(i) Sales tax demand under appeal	**15,269,448**	15,269,448
(ii) Income tax demand under appeal	**942,450**	1,107,750
	16,211,898	16,377,198
(b) Other money for which the company is contingently liable		
Employee Related Matters	**85,49,920**	7,987,804
(c) Guarantees given by banks on behalf of the company	**5,44,090**	544,090
	9,094,010	8,531,894
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	**397,859**	-
	397,859	-
	25,703,767	24,909,092

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

Note 27. The Company is carrying slow-moving/non-moving inventory of ₹ 6,508,762 (P.Y. ₹ 8,401,820) which is more than one year old in its books. An amount of ₹ 6,508,762 (P.Y. ₹ 8,401,820) is being carried forward as provision for obsolescence against this stock.

Note 28. The Company is carrying forward a provision of ₹ 750,450 (P.Y ₹ 750,450) on account of shortages/damages in the consignment stocks.

Note 29. 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 ₹ 117,320,662 (P.Y. ₹ 44,327,981).

Note 30. Assets held for disposal:

Particulars	**Original Cost (₹)**	**Book Value (₹)**	**Book Value of Previous Year (₹)**
Cars & Vehicles	4,939,770 (P.Y. 4,939,770)	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, 2017 (Contd.)

31. Employee Benefits

Applicable Disclosures as per IND AS-19 :

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

(A) Defined contribution plans

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

Particulars	**March 31, 2017** ₹	March 31, 2016 ₹
Provident fund	**890,873**	1,519,865

(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, 2017: -

Principal Actuarial Assumptions as at 31st March 2017

Amount to be recognised in Balance Sheet and Movement

		March 31, 2017	March, 31, 2016
(i)	in net liability	₹	₹
	Present Value of Funded obligation	6,956,276	10,456,210
	Fair Value of Plan Assets	5,870,582	10,261,846
	Net (Assets) / Liability	1,085,694	194,364
(ii)	Expense recognised in Statement of Profit & Loss		
	Current service cost	427,512	589,428
	Interest Cost	15,530	177,930
	Total	443,042	767,358
(iii)	Expense recognised in Other Comprehensive Income		
	Remeasurements due to:		
	Changes in financial assumptions	213,901	(17252)
	Experience adjustment	48,522	155,626
	Actual return on plan assets less interest on plan assets	385,865	576,237
	Adjustment to recognise the effect of assets ceiling		
	Total	648,288	714,611
(iv)	Recondilitation of Defined Benefit Obligation		
	Opening Defined Benefit Obligation	10,456,210	12,269,928
	Current service cost	427,512	589,428
	Interest cost	835,451	975,459
	Remeasurements due to actuarial loss/(gain) arising from		
	Changes in financial assumption	213,901	(17,252)
	Experience adjustment	48,522	155,626
	Benefit Paid	(5,025,320)	(3,516,979)
	Closing Defined Benefit Obligation	6,956,276	10,456,210
(v)	Recondiliation of Fair value of Plan Assets		
	Opening of Fair Value of Plan Assets	10,261,846	10,031,813
	Interest on plan assets	819,921	797,529
	Remeasurements due for		
	Actual return on plan assets less interest on plan assets	(385,865)	(576,237)
	Contribution by Employer	200,000	3,525,720
	Benefits Paid	(5,025,320)	(3,516,979)
	Closing of Fair Value of Plan Assets	5,870,582	10,261,846
(vi)	Acturial Assumption		
	Discount rate (p.a.)	7.30%	7.99%
	Salary Escalation rate (p.a.)	7%	7%
	Pension Escalation Rate (p.a.)	-	-
	Annual Increase in healthcare costs (p.a.)	-	-
	Mortality table (LIC)	-	-

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(vii) Disaggregation of Plan Assets

	March 31, 2017				March 31, 2016			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
	₹	₹	₹		₹	₹	₹	
Government Debt Instruments	2,017,752		2,017,752	34%	3,041,683		3,041,683	29%
Insurer managed funds	-	1,254,003	1,254,003	21%	-	5,370,761	5,370,761	52%
Cash and cash equivalents	-	1,194,747	1,194,747	20%	-	373,369	373,369	4%
Investments funds	-	1,374,896	1,374,896	23%	-	1,593,369	1,593,369	15%
Other	-	29,184	29,184	0%	-	29,184	29,184	0%
Total	**2,017,752**	**3,852,830**	**5,870,582**	**100%**	**3,041,683**	**7,366,683**	**10,408,366**	**100%**

(viii) Sensitivity Analysis

	March 31, 2017	
	Discount Rate	**Salary Escalation**
	(%)	(%)
impact of increase in 50 bps on DBO	-2.38%	2.50%
impact of decrease in 50 bps on DBO	2.50%	-2.40%

(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.

32. Current, Deferred tax asset / (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 2017**	**Year ended 31st March 2016**
Current Tax	₹	₹
In respect of the current year	**701,000**	
In repect of earlier years		
MAT Credit	**(701,000)**	
	-	-
Deferred Tax		
In respect of the current year		
MAT credit		
Other items		12,760,628
	-	12,760,628
Total tax expense recognised in the current year relating to continuing operations	**-**	12,760,628

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Reconciliation of tax expense with the effective tax

Particulars	Year ended 31st March 2017 ₹	Year ended 31st March 2016 ₹
Profit before tax from continuing operations (a)	**6,459,052**	(4,040,630)
Income tax rate as applicable (b)	**25.75%**	30.90%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)] - c	**1,663,206**	(1,248,555)
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	**(976,886)**	(3,128,280)
Permanent disallowances	**377,681**	106,440
Deferred tax liability not reversed since deferred tax assets not created due to no probable certainty in earlier years	**(1,064,001)**	
Deferred tax assets not created due to no probable certainty		4,270,395
Deferred tax assets reversed due to no probable certainty		12,760,628
d	**(1,663,206)**	14,009,183
Tax for current year (c+d)	**-**	12,760,628
Prior year taxes as shown above	**-**	-
Income tax expense recognised in profit or loss (relating to continuing operations)	**-**	12,760,628

Movement in Deferred Tax Asset and Liability during the year ended March 31, 2016 and March 31, 2017

Particulars	**Closing Balance as on 31st March 2015** ₹	**Credit / (charge) in statement of profit and loss a/c** ₹	**Closing Balance as on 31st March 2016** ₹	**Credit / (charge) in statement of profit and loss a/c** ₹	**Closing Balance as on 31st March 2017** ₹
Deferred tax liabilities/ assets in relation to:					
Provision for Diminution of inventory	2,229,856	(2,229,856)	-	-	-
Others	518,102	(518,102)	-	-	-
Depreciation on Fixed Assets	10,012,670	(10,012,670)	-	-	-
Total	12,760,628	(12,760,628)	-	-	-
Capital Gain					
Total Deferred Tax Assets /(Liabilities)	12,760,628	(12,760,628)	-	-	-

No provisions has been made in respect of deferred tax assets as their no probable certainty of having adequate taxable profit in the near future to realize such assets.

33. Additional information

Sr. No.	Particulars	**March 31, 2017 (₹)**	March 31, 2016 (₹)
(i)	Value of imports on CIF basis :- Trading Goods	Nil	Nil
(ii)	Expenditure in Foreign Currency –		
	- Passage and Travelling	-	-
	- Professional Fees	-	-
(iii)	Earnings in foreign exchange		
	(a) Value of sales at shops including value of goods sold on consignment basis and settled in foreign currency or through foreign based credit card agencies (As certified by the management and not verified by the auditors)	71,934,097	63,743,115
	(b) Export – F.O.B. value	1,687,269	1,524,189

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

34-A. Details of opening stock, purchases, sales and closing stock of traded items for the year ended March 31, 2017

Particulars	Opening Stock (₹)	Purchases (₹)	Sale (₹)	Closing Stock (₹)
Crafts and wall coverings	**11,699,304**	**14,005,990**	**23,128,493**	**16,875,809**
Previous year	16,422,517	11,854,609	20,834,951	11,699,304
Costume Jewellery	**5,998,669**	**5,442,100**	**9,016,658**	**7,033,461**
Previous year	3,996,161	4,426,632	11,604,299	5,998,669
Fabric/ Garments/ Leather	**10,332,595**	**9,383,923**	**22,195,012**	**8,126,428**
Previous year	10,408,349	13,426,330	23,580,402	10,332,595
Saree and stoles	**35,293,937**	**18,014,875**	**48,294,745**	**30,652,202**
Previous year	37,322,615	27,134,190	50,261,215	35,293,937
Assorted	**25,080,161**	**3,107,616**	**24,943,690**	**9,005,426**
Previous year	13,069,596	21,518,620	30,612,130	25,080,161
Total	**88,404,666**	**49,954,504**	**127,578,598**	**71,693,326**
Previous year	81,219,238	78,360,381	136,892,997	88,404,666

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.

34-(B). Financial Risk Management

The Management co-ordinates access to domestic markets , monitor and manages the financial risks relating to the operations of the company. These risks include market risk , credit risk and liquidity risk.

The company does not enter into or trade in derivative financial instruments.

Market risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company does not enter into derivative financial instruments to manage its exposure to foreign currency risks including forward exchange contracts to hedge the exchange rate risk arising on revenue.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the company. The Company has adopted a policy of creditworthy counter parties as a means of mitigating the risks of financial loss from defaults.

The Company's maximum exposure to credit risk is analysed below:-

Particulars	March 31,2017 ₹	March 31,2016 ₹	April 1, 2015 ₹
Trade Receivable	**1,358,250**	415,919	6,829,665
Total	**1,358,250**	4115,919	6,829,665

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and liabilities.

March 31, 2017				₹
Liabilities				
Particulars	**0-3 months**	**3-12 months**	**Beyond 12 months**	**Total**
Trade payables	73,620,598	-	-	73,620,598
Accrued expenses & others	5,242,263	-	-	5,242,263
Total	78,862,861	-	-	78,862,861
Assets				
Trade Receivable	1,358,250	-	-	1,358,250
Cash & Cash Equivalents	15,499,692	-	-	15,499,692
Bank Balances	-	36,523,701	-	36,523,701
Loans	-	17,472,198	-	17,472,198
Total	16,857,942	53,995,899	-	70,853,841
March 31, 2016				
Liabilities				
Trade payables	90,564,855	-	-	90,564,855
Accrued expenses & others	4,841,572	-	-	4,841,572
Total	95,406,427	-	-	95,406,427
Assets				
Trade Receivable	4,115,919	-	-	4,115,919
Cash & Cash Equivalents	12,411,323	-	-	12,411,323
Bank Balances	-	53,343,539	-	53,343,539
Loans	-	6,958,028	-	6,958,028
Total	16,527,242	60,301,567	-	76,828,809
April 1, 2015				
Liabilities				
Trade payables	75,274,060	-	-	75,274,060
Accrued expenses & others	5,441,154	-	-	5,441,154
Total	80,715,214	-	-	80,715,214
Assets				
Trade Receivable	6,829,665	-	-	6,829,665
Cash & Cash Equivalents	33,548,815	-	-	335,48,815
Bank Balances	-	7,834,184	-	7,834,184
Loans	-	6,357,917	-	6,357,917
Total	40,378,480	14,192,101	-	54,570,581

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

34-(C) : Event Occurring after Balance Sheet Date :

The Board of Directors has recommended equity dividend of Rs 1/- per share (Previous year : Rs 2.50/- per share) for the financial year 2016-17

34-(D): The financial statements were authorised for issue by the Directors on 25th April 2017.

35. Earnings per share

		March 31, 2017	March 31, 2016
		(₹)	(₹)
A	Numerator used for calculating basic and diluted Earnings per share Profit/(Loss) after taxation	**6,459,052**	(16,801,258)
B	Weighted average number of shares used as denominator for calculating basic and diluted Earnings per share	**3,468,225**	3,468,225
C	Nominal value per share (Rs.)	**10**	10
D	Basic and diluted earnings per share (Rs.)	**1.86**	(4.84)

36. The details of provisions as required by the provisions of Accounting IND AS 37 "Provision, Contingent Liabilities and Contingent Assets are as under;

Nature of Provision	**Leave Encashment and Gratuity (₹)**
Opening Balance	**1,290,964**
Additional provisioning	1,907,823
Benefits paid during the year	287,337
Closing Balance	**2,911,450**

37. Amounts due to Micro, Small and Medium Enterprises:

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

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

		March 31, 2017	March 31, 2016
		(₹)	(₹)
(a)	Principal amount due thereon remaining unpaid to any supplier at end of each accounting year.		125,700/-
(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		

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

38. The company has identified the following business segments (industry practice) as its primary Segment and there are no geographic segments.

Business segments are primarily Retail outlets (Khazana) and Beauty Salons.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been shown as unallocated expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

There are no geographical segments.

Taj Khazana – Retail outlets

Salon - Beauty Salons

Particulars	**Business Segments**		
			₹
	Khazana	**Salon**	**Total**
Revenue	134,990,496	-	134,990,496
Previous Year	133,020,831	59,296,532	192,317,363
Segment Result	8,248,417	-	8,248,417
Previous Year	(7,556,346)	(1,838,674)	(9,395,020)
Unallocable Expenses	-	-	9,527,047
Previous Year	-	-	10,600,000
Other Income	-	-	7,737,682
Previous Year	-	-	15,239,779
Proft / (Loss) before Tax	-	-	6,459,052
Previous Year	-	-	(4,755,241)
Tax Expenses	-	-	-
Previous Year	-	-	12,760,628
Net Profit / (Loss) for the period	-	-	6,459,052
Previous Year	-	-	(17,515,869)

Particulars	**Business Segments**		
	Khazana	**Salon**	**Total**
	₹	₹	₹
Segment Assets	92,645,785	-	92,645,785
Previous Year	112,892,215	246,429	113,138,644
Unallocable Assets	-	-	150,312,188
Previous Year	-	-	150,421,256
Total Assets	-	-	242,957,973
Previous Year	-	-	263,559,900
Segment Liabilities	84,397,368	-	84,397,368
Previous Year	120,448,564	1,031,107	121,479,671
Unallocable Liabilities	-	-	10,452,490
Previous Year	-	-	431,167
Total Liabilities	-	-	94,849,858
Previous Year	-	-	121,910,838

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

39. Related Party Disclosure under IND AS – 24, 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
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. Associates of Holding Company	Oriental Hotels Limited. Taj Madurai Limited

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(b) The details of related parties transactions during the year and outstanding balances as at 31st March 2017 are as follows:

Particulars	Holding Company		Subsidiaries of Holding Company	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	₹	₹	₹	₹
Deputed Staff cost	-	1,231,550	-	944,839
Operating / Licence fees paid	15,170,629	23,095,042	-	1,595,109
Dividend received	-	-	1,260,017	6,840,095
Sale of Inventory	-	8,565,317	-	2,935,777
Sale of Fixed Assets	-	4,757,940	-	1,293,415
Other operating Income	249,747	-	-	-
Dividend Paid	3,135,000	3,135,000	4,625,658	4,625,658
Purchase of services	4,632,509	4,201,614	-	730,050
Current account dues	9,938,424	872,265	(185,903)	(108,674)

Particulars	Associates of Holding Company		Joint Ventures	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	₹	₹	₹	₹
Operating / Licence fees paid	1,183,385	1,289,853	211,197	281,952
Dividend received	332,818	665,636	-	-
Dividend Paid	251,250	251,250	-	-
Purchase of services	130,570	170,139	-	-
Current account dues	29,827	81,892	-	328,122

(c) Statement of material transactions:

	March 31 2017	March 31 2016
Holding Company	₹	₹
The Indian Hotels Company Ltd.		
Dividend paid	3,135,000	3,135,000
Lease Rentals for Hotel/Factory Premises	15,170,629	23,095,042
Reimbursement of Deputed Staff Salary	-	1,231,550
Reimbursement of Fuel, Power, Light Etc	1,016,916	1,205,749
Reimbursement of Laundary expenses	340,282	719,417
Reimbursement of Other expenses	3,275,311	2,276,448
Sale of Inventory	-	8,565,317
Sale of Fixed Assets	-	4,757,940
Other Operating Income	249,747	-
Current account dues	9,938,424	872,265
Subsidiaries of Holding Company		
Piem Hotels Limited		

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Dividend paid	2,216,250	2,216,250
Lease Rentals for Hotel/Factory Premises	-	1,595,109
Reimbursement of Deputed Staff Salary	-	641,652
Reimbursement of Fuel, Power, Light Etc	-	583,891
Reimbursement of Laundary expenses	-	83,159
Reimbursement of Other expenses	-	63,000
Sale of Inventory	-	2,935,777
Sale of Fixed Assets	-	1,293,415
Current account dues	-	(221)
Inditravel Limited		
Dividend Income - Non-Current Investment	1,260,017	6,840,095
Dividend paid	1,376,915	1,376,915
Reimbursement of Deputed Staff Salary	3,574,010	4,588,139
Current account dues	-	86,603
St. James Courts Hotels Limited		
Current account dues	(185,903)	(195,056)
Taj Sats Air Catering Limited		
Reimbursement of Deputed Staff Salary & Wages	-	303,187
TIFCO Holdings Limited		
Dividend paid	907,498	907,498
Northern India Hotels Limited		
Dividend paid	124,995	124,995
Associates of Holding Company		
Oriental Hotels Ltd.		
Lease Rentals for Hotel/Factory Premises	1,183,385	1,289,853
Dividend Income - Non-Current Investment	332,818	665,636
Dividend paid	251,250	251,250
Reimbursement of Laundary expenses	61,180	64,987
Reimbursement of Other expenses	69,390	105,152
Current account dues	29,827	81,892
Joint Ventures		
Kaveri Retreat & Resorts Limited- Corporate		
Lease Rentals for Hotel/Factory Premises	211,197	281,952
Current account dues	-	328,122

40. The salon business of the company was operated within the hotel premises taken on lease. The hotels have since terminated the lease agreement with the Company. Consequently, the Company had significantly scaled down its salon business. The Company had transferred the assets along with the skilled work force pertaining to the respective salon on a going concern basis to the owners of the hotels. The company is in the process of a settlement on this matter which is under negotiation.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

41. Disclosure on Specified Bank Notes (SBN's)

During the year, the company had specified Bank Notes or other denomination note as defined in the MCA Notifications G.S.R.308 (E) dated March 31, 2017 on the details of Specified Bank Notes(SBN's) held and transacted during the period from November 8, 2016 to December 30, 2016. The denomination wise SBN's and other notes as per notification is given below:-

Particulars	SBN's*	Other denomination Notes	Total
Closing Cash in hand as on November 8, 2016	424,500	144,770	569,270
Add: Permitted Receipt	-	2,326,155	2,326,155
Less: Permitted Payments	-	1,291,194	1,291,194
Less: Amount Deposited in Bank	424,500	895,453	1,319,953
Closing Cash in hand as on December 30, 2016	NIL	284,278	284,278

* For the purpose of this clause the terms Specified Bank Notes shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance, Department of Economic affairs no.SO 3407 (E) dated 8th November 2016.

42. 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 42

For Chandrashekhar Iyer & Co.	For and behalf of the Board		
Chartered Accountants			
Chandrashekhar Iyer	**Farhat Jamal**	**Faisal Momen**	**Rajeev Newar**
Proprietor	**Director**	**Director**	**Director**
Firm Registration No. 114260W	**DIN:01875688**	**DIN:00064878**	**DIN: 00468125**
Membership No. 47723			

Place: Mumbai

Date: April 25, 2017

DIRECTORS AND CORPORATE INFORMATION

United Hotels Limited

Board of Directors

Rohit Khosla	Chairman
Rajinder Kumar	Working Director
Virinder Kumar	Working Director
Narinder Kumar	Working Director
Rajeev Newar	Director
Gaurav Pokhariyal	Director
Satyajeet Krishnan	Director

Audit Committee

Rohit Khosla
Rajinder Kumar
Rajeev Newar

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 Sixth Annual Report of the Company together with the Financial Statement (Audited Statements of Account) for the year ended 31st March, 2017.

Financial Results	Current Year 2016-17 ₹	Previous Year 2015-16 ₹
Income	**3950.08**	3752.21
Expenditure	**3445.64**	2982.41
Operating Profit	**504.44**	769.80
Less:		
Depreciation	**137.10**	131.97
Profit before Tax	**367.35**	637.82
Provision for Taxation	**150.00**	240.00
Deferred Tax trf. to P&L Account	**(13.02)**	(16.74)
Minimum Alternate Tax Credit	**-**	(22.72)
Net Profit after Tax	**230.36**	437.28
Add/(Less) :		
(i) Profit brought forward from Previous Year	**249.67**	222.01
(ii) Ind AS- OCI Movements – Net Defined Benefit Plans	**(0.52)**	(5.22)
Balance available for appropriation	**479.51**	654.07
Appropriation:		
(i) Dividend @ 10% i.e. ₹ 84 lakhs, {Previous year dividend @ 40%} on 84,00,000 Equity Shares, which, if approved, by the shareholders at the Annual General Meeting to be held on July 31, 2017 will be paid.	**84.00**	336.00
(ii) Tax on Dividend	**17.10**	68.40
(iii) General Reserves	**-**	-
(iv) Balance carried forward	**378.41**	249.67

OPERATIONS

The Company achieved a Total Income of ₹ 39.50 crores during 2016-17 as against the Total Income of ₹ 37.52 crores in the previous year. The Profit before Tax for the current year was as ₹ 3.67 crores against ₹ 6.37 crores in the previous year. The Profit after Tax was ₹ 2.30 crores as against ₹ 4.37 crores in the previous year.

DIVIDEND

In view of the performance of the Company, your Directors recommend the payment of a dividend @10% i.e. ₹ 1.00 per share on 84,00,000 Equity Shares of ₹ 10/- each amounting to ₹ 0.84 crores.

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

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajeev Newar, Mr. Gaurav Pokhariyal and Mr. Rajinder Kumar, Directors of the Company are liable to retire by rotation and being eligible seeks reappointment.

Your approval for his appointment as Director 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 Directors has an Audit Committee with Mr. Rohit Khosla, Mr. Rajinder Kumar and Mr. Rajeev Newar as its members.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013 (the Act), your Directors has an 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 2016-17, the Company received one complaint on sexual harassment. The Complaint has been redressed and the Investigation for the same has been completed.

LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186

During the year under report, the Company was within the limits prescribed under Section 186 of the Companies Act, 2013. Details of Investments made are given in the notes to the Financial Statements.

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 controls and compliance systems established and maintained by your Company, work performed by the Internal, Statutory Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that your Company's internal financial controls were adequate and effective during the financial year 2016-17.

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, 2017 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.

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	**March 31, 2017** ₹	March 31, 2016 ₹
Earnings in foreign exchange receipt (excluding taxes)	**9,85,33,910**	8,31,07,142
Expenses in foreign exchange including capital expenditures	**70,74,317**	62,10,298

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 for the current year 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: April 28, 2017

Regd. Office:
Vivanta by Taj - Ambassador
Sujan Singh Park
New Delhi 110 003

Chairman
Rohit Khosla
(DIN: 07163135)

Annexure 1

Annual Report on Corporate Social Responsibility Activities
[Pursuant to (Companies Corporate Social Responsibility Policy) Rules, 2014]

1. **A Brief Outline of the Policy**
In line with the CSR theme of the Company "Building Livelihoods", 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: - ₹ 690.65 lakhs
4. Prescribed CSR expenditure: - ₹ 13.81 lakhs
5. Details of CSR spent for the financial year is: - ₹ 13.93 lakhs
A) Manner in which the amount spent during financial year, is detailed below:-

Sl. 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, 2017 (₹ 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	2.00	2.00	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	9.00	9.01	9.01	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	1.50	1.40	1.40	Direct
4	Contribution to Swachh Bharat Kosh	SWACHH BHARAT KOSH set up by the Central government	Local area/ others	1.00	1.00	1.00	Direct
5	Contribution to support Education by reimbursement of Annual School fees for 2 girls through NGO.	Promotion of Education	Local area/ others	0.50	0.52	0.52	through implementing agency
			TOTAL	14.00*	13.93	13.93	

* Rounded off

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

Rajinder Kumar
Director
(DIN: 00053878)
Place: New Delhi
Date: April 28, 2017

Rohit Khosla
Chairman, CSR Committee
(DIN: 07163135)

Annexure 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March, 2017)
[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	07/11/1950
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:-

Sl. 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-

S. 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**

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	
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 Rs 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

Sl No.	Shareholder's 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	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	786240	9.36	Nil	Nil
5	Veena Khanna	651840	7.76	Nil	651840	7.76	Nil	Nil
6	Pawan Prashad	651840	7.76	Nil	651840	7.76	Nil	Nil
7	Rajinder Kumar	651840	7.76	Nil	651840	7.76	Nil	Nil
8	Virinder Kumar	651840	7.76	Nil	651840	7.76	Nil	Nil

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

Sl. 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	**8316000**	**99**	**8316000**	**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	**8316000**	**99**	**8316000**	**99**

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

Sl. 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	84000	1.00	84000	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)	84000	1.00	84000	1.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. 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	651840	7.76	651840	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	651840	7.76	651840	7.76
2	Mr. Narinder Kumar (Working Director)				
	At the beginning of the year	786240	9.36	786240	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	786240	9.36	786240	9.36
3	Mr. Virinder Kumar (Working Director)				
	At the beginning of the year	651840	7.76	651840	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	651840	7.76	651840	7.76

V. INDEBTEDNESS

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2016-17.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager (Working Directors)			(₹ In Lakhs)
		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 under Section 17(3) of Income Tax Act, 1961	 28.50 0.29 -	 27.50 0.29 -	 25.15 0.29 -	 81.15 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) Ceiling as per the Act	28.79	27.79	25.44	82.02 (As per Schedule V – ₹ 84.00 Lakhs)

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				(₹ In Lakhs)
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	
	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

Sl. 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 under section 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

Rohit Khosla
Chairman
(DIN: 07163135)

Place : New Delhi
Date : April 28, 2017
Regd. Office:
Vivanta by Taj - Ambassador
Sujan Singh Park

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, 2017, 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, 2017, 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 2017 and taken on record by Board of Directors, none of the directors is disqualified as on 31st March 2017, 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.

iv. The company has provided requisite disclosers in the Ind AS financial statements as to holdings as well as dealings in specified bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation we report that the disclosers are in accordance with books of account Maintained by the company and as produced to us by the Management- refer Note 32 to the Ind AS financial statements.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M.No. 083436

Place: New Delhi
Date: April 28, 2017

Annexure A of our Independent Auditor's Report

Report of even date on the Ind AS financial statements as at and for the year ended 31st March 2017 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. 2014-15	23,06,900	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: April 28, 2017

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 United Hotels Limited ("the Company") as of March 31, 2017 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, 2017, 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: April 28, 2017

Balance Sheet as at March 31, 2017

	Note	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Assets				
Non-current Assets				
Property, Plant and Equipment	3	**929.25**	953.29	916.42
Capital Work-in Progress		-	4.16	8.61
Intangible Assets	4	**27.16**	23.29	14.28
		956.41	**980.74**	**939.31**
Non-current Financial Assets				
Investments	5	**1.14**	0.83	0.73
Other Financial Assets	6	**16.24**	17.11	15.94
Deferred Tax Assets(Net)	7	**77.05**	64.03	24.57
Advance Income Tax (Net)	8	**75.99**	55.03	131.59
Other Non Current Assets	14	**54.01**	23.19	19.37
		224.43	**160.20**	**192.20**
Current Assets				
Inventories	9	**49.96**	51.78	39.26
Current Financial Assets				
Trade Receivables	10	**110.46**	114.79	124.37
Cash and Cash Equivalents	11	**1,463.39**	1,605.79	1,541.14
Loans	12	**175.00**	175.00	175.00
Other Financial Assets	13	**40.62**	51.33	152.50
Other Current Assets	14	**106.24**	93.48	97.40
		1,945.66	**2,092.17**	**2,129.68**
Total		**3,126.51**	**3,233.12**	**3,261.19**
Equity and Liabilities				
Equity				
Equity Share Capital	15	**840.00**	840.00	840.00
Other Equity	16	**1,418.75**	1,593.01	1,615.80
Total Equity		**2,258.75**	2,433.01	2,455.80
Non-current Liabilities				
Provisions	20	**30.49**	16.49	22.92
		30.49	**16.49**	**22.92**
Current Liabilities				
Financial Liabilities				
Trade Payables	17	**205.98**	182.96	226.38
Other Financial Libalities	18	**179.48**	223.83	224.90
Other Current Liabilities	19	**123.67**	98.90	103.43
Provisions	20	**328.14**	277.93	227.76
		837.26	**783.62**	**782.47**
Total		**3,126.51**	**3,233.12**	**3,261.19**
Summary of significant Accounting Policies	2			
The accompanying notes form an integral part of the Financial Statements	1-37			

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N
Vipin Bali
Partner
M. No.083436
Date : April 28, 2017
Place : New Delhi

For and on behalf of the Board

Rajinder Kumar	**Rajeev Newar**	**P. K. Bhatia**
Director	Director	Company Secretary
DIN 00053878	DIN 00468125	

Statement of Profit and Loss for the year ended March 31, 2016

	Note	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Income			
Room, Restaurants, Banquets and Income from Operations	21	**3,844.69**	3,604.82
Other Income	22	**105.40**	147.39
Total Income		**3,950.08**	3,752.21
Expenses			
Food and Beverages Consumed	23	**426.40**	384.48
Employee Benefits Expense and Payment to Contractors	24	**1,004.43**	836.53
Depreciation and amortisation expenses	3&4	**137.10**	131.97
Other Operating and General Expenses	25	**2,014.80**	1,761.40
Total Expenses		**3,582.74**	3,114.38
Profit before Tax		**367.35**	637.82
Tax Expenses:			
Current Tax		**150.00**	240.00
Deferred Tax		**(13.02)**	(39.46)
Total Taxes		**136.98**	200.54
Profit after Tax for the year		**230.36**	437.28
Other comprehensive income, net of tax			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**(0.52)**	(5.22)
Change in fair value of equity instruments designated irrevocably as FVTOCI		**0.31**	0.11
Less:- Income tax expenses		**-**	-
		(0.21)	(5.12)
Item that will be reclassified subsequently to profit and loss		**-**	-
Other Comprehensive Income for the period, net of tax		**(0.21)**	(5.12)
Total Comprehensive Income for the period		**230.15**	432.17
Earnings Per Equity Share:			
Basic and Diluted	26	**2.74**	5.21
Summary of significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1-37		

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N
Vipin Bali
Partner
M. No.083436
Date : April 28, 2017
Place : New Delhi

For and on behalf of the Board

Rajinder Kumar	**Rajeev Newar**	**P. K. Bhatia**
Director	Director	Company Secretary
DIN 00053878	DIN 00468125	

Statement of Changes in Equity as at March 31, 2017

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 April 1, 2015	840.00	11.41	1,551.75	-	676.96	(624.32)	2,455.80
Profit for the year ended March 31, 2016	-	-	-	-	437.28	-	437.28
Other Comprehensive Income for the year ended March 31, 2016, net of taxes (excluding actuarial gain/ losses, given below)	-	-	-	-	-	0.11	0.11
Remeasurements of post employment benefit obligation, net of tax	-	-	-	-	(5.22)	-	(5.22)
Total Comprehensive Income for the year ended March 31, 2016	**-**	**-**	**-**	**-**	**432.06**	**0.11**	**432.17**
Add/ Less:							
Dividends	-	-	-	-	(378.00)		(378.00)
Tax on Dividend	-	-	-	-	(76.95)		(76.95)
Balance as at March 31, 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**

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N
Vipin Bali
Partner
M. No.083436
Date : April 28, 2017
Place : New Delhi

For and on behalf of the Board

Rajinder Kumar
Director
DIN 00053878

Rajeev Newar
Director
DIN 00468125

P. K. Bhatia
Company Secretary

Cash Flow Statement for the period ended March 31, 2017

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs
Cash Flow From Operating Activities		
Net Profit Before Tax	**367.35**	637.82
Adjustments For:		
Depreciation	**137.10**	131.97
Loss/(Profit) on sale of Property, Plant & Equipments	**(0.02)**	(2.45)
Provision for Doubtful Debts	**1.22**	1.52
Interest	**(102.23)**	(129.64)
Accrual of SEIS Income	**(27.44)**	(23.07)
Provision for Employee Benefits	**13.69**	(11.48)
	22.32	(33.15)
Cash Flow From Operations Before Working Capital Changes	**389.66**	604.67
Adjustments for Increase/(decrease) in operating assets/liabilities		
Trade and Other Receivables	**(53.80)**	86.35
Inventories	**1.83**	(12.52)
Trade and Other Payables	**53.44**	0.98
	1.46	74.81
Cash Flow From Operating Activities	**391.12**	679.48
Income Tax Refunds	**1.40**	81.44
Direct Taxes Paid	**(120.00)**	(200.00)
Net Cash From Operating Activities	**272.52**	560.91
Cash Flow From Investing Activities		
Purchase of Property,Plant & Equipments	**(112.82)**	(173.87)
Sale of Property,Plant & Equipments	**0.08**	2.92
Interest Received	**102.23**	129.64
Long Term Deposits Refunded by Companies	**-**	-
Net Cash Used in Investing Activities	**(10.52)**	(41.32)
Cash Flow from Financing Activities		
Dividend Paid (Including tax on dividend)	**(404.40)**	(454.95)
Net Cash Used In Financing Activities	**(404.40)**	(454.95)
Net Increase / (Decrease) in Cash and Cash Equivalents	**(142.40)**	64.64
Cash and Cash Equivalents- Opening-1st April	**1,605.79**	1,541.14
Cash and Cash Equivalents-closing -31st March	**1,463.39**	1,605.79

As per our report of even date attached
For R K Khanna & Co.
Chartered Accountants
FRN 000033N
Vipin Bali
Partner
M. No.083436
Date : April 28, 2017
Place : New Delhi

For and on behalf of the Board

Rajinder Kumar	**Rajeev Newar**	**P. K. Bhatia**
Director	Director	Company Secretary
DIN 00053878	DIN 00468125	

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2017 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2015.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 36. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

Refer Note 36 for the details of first-time adoption exemptions availed by the Company.

(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, 2017 (Contd.)

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

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

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

(d) Revenue recognition :

Revenue is 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.

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

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 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 are as under:

Class of Assets	Estimated Useful Life
Software and Licences	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.

(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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

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

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

(i) Foreign Currency Translation :

Initial Recognition

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

Subsequent Recognition

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

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

(j) Assets taken on lease:

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

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

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

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 net realisable value. Cost include the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(l) Government Grants

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

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(m) Income Taxes:

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

(i) Current tax:

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

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

(ii) Deferred tax :

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

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

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

(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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(o) Borrowing Costs:

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

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

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

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

(q) Cash Flow Statement:

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

(r) Earnings Per Share:

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

(s) Segment Reporting:

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

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

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

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

(t) Financial Instruments:

Financial Assets:

<u>Classification</u>

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

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

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Debt instruments at amortised cost

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

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

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

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

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

Equity investments

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

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

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

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

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

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

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

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

Impairment of financial assets

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

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

b) Trade receivables.

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Loans and borrowings

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

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

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

Derecognition

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

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, 2017 (Contd.)

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, 2015	738.55	154.37	23.50	916.42	8.61
Additions	95.99	56.55	13.00	165.54	161.09
Disposals	0.51	0.06	-	0.58	-
Adjustments	0.00	(0.48)	0.48	-	-
Transfer					165.54
At March 31, 2016	**834.04**	**210.38**	**36.97**	**1,081.38**	**4.16**
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)	(0.00)	
Transfer					105.62
At Mar 31, 2017	**912.04**	**225.10**	**49.50**	**1,186.64**	**-**
Depreciation					
Charge for the Year	85.98	33.13	9.09	128.20	
Disposals	0.11		-	0.11	
At March 31, 2016	**85.88**	**33.13**	**9.09**	**128.09**	**-**
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**	**-**
Net Block					
At March 31, 2016	**748.16**	**177.24**	**27.89**	**953.29**	**-**
At March 31, 2017	**737.09**	**160.73**	**31.43**	**929.25**	**-**

Footnote :

On transition to Ind AS, carrying value of all the property, plant and equipments under the previous GAAP is considered as the deemed cost under Ind AS. Also refer Note 2

Note 4 : Intangible Assets

Particulars	**Software ₹ Lakhs**
Gross Block at Cost	
At April 1, 2015	**14.28**
Additions	12.78
Disposals	
At 31 March, 2016	**27.06**
At April 1, 2016	27.06
Additions	11.37
Disposals	-
At 31 March, 2017	**38.43**
Depreciation	
At April 1, 2015	-
Charge for the Year	3.77
Disposals	-
At 31 March, 2016	**3.77**
At April 1, 2016	3.77
Charge for the year	7.49
Disposals	-
At 31 March, 2017	**11.26**
Net Block	
At 31 March, 2016	**23.29**
At 31 March, 2017	**27.16**

Footnotes :

(i) Software includes Customer Reservation System and other licensed software.

(ii) 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. Also refer Note -2.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 5 : Investments

Investment at fair value through OCI (Fully paid)	**Face Value**	**Holding as at 31.03.2017 (nos.)**	**₹ Lakhs**	**Holding as at 31.03.2016 (nos.)**	**₹ Lakhs**	**Holding as at 01.04.2015 (nos.)**	**₹ Lakhs**
Fully Paid Unquoted Equity Instruments							
Taj Air Limited	10/-	6,250,000	-	6,250,000	-	6,250,000	-
Fully Paid Quoted Equity Investments							
Graviss Hospitality Limited	2/-	4,500	1.14	4,500	0.83	4,500	0.73
TOTAL			**1.14**		0.83		0.73
Notes:-							
Aggregate of Unquoted Investments - Gross	Cost		625.00		625.00		625.00
Aggregate of Quoted Investments - Gross	Cost		0.05		0.05		0.05
	Market Value		1.14		0.83		0.73

Note 6 : Other Financial Assets	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Non Current			
Deposits with Public Bodies and Others			
with related parties	**-**	-	-
with Public Bodies and Others	**6.92**	7.79	6.61
	6.92	7.79	6.61
Deposits with Banks	**9.32**	9.32	9.32
(Term deposit with banks maturing after 12 months from the Balance Sheet date and pledged with Sales Tax Authorities)			
Total	**16.24**	17.11	15.94

Note 7 : Deferred Tax Assets(Net)	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Deferred Tax Assets:			
Provision for doubtful debts	**5.05**	5.66	5.15
Provision for Employee Benefits	**9.27**	6.42	8.49
Provision for Contingencies	**89.55**	90.92	74.39
	103.86	103.00	88.04
Deferred Tax Liabilities:			
Depreciation on Property, Plant & Equipment and Intangible Assets	**49.54**	61.69	63.47
Total	**54.33**	41.31	24.57
Unused Tax Credit (MAT Credit Entitlement)	**22.72**	22.72	-
Total	**77.05**	64.03	24.57

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 8 : Advance Income Tax (Net)	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Advance Income Tax Paid (net)	**75.99**	55.03	131.59
Total	**75.99**	55.03	131.59

Note 9 : Inventories (At lower of cost or net realisable value)	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Food and Beverages	**38.74**	41.73	33.48
Stores and Operating Supplies	**11.21**	10.06	5.78
Total	**49.96**	51.78	39.26

Note 10 : Trade Receivables	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Outstanding over six months from the date they were due for payment:			
Unsecured, considered good	**3.86**	9.84	4.96
Considered doubtful	**18.32**	17.11	15.59
	22.18	26.95	20.55
Others:			
Unsecured, considered good	**106.60**	104.95	119.41
	128.78	131.90	139.96
Less: Allowance for doubtful debts	**18.32**	17.11	15.59
Total	**110.46**	114.79	124.37
Allowance for doubtful debts			
Opening Balance	**17.11**	15.59	17.70
Add:- Allowance for the year	**6.42**	8.34	2.63
	23.52	23.93	20.32
Bad debts written off	**(2.08)**	(5.55)	(4.49)
Reversal of allowance	**(3.13)**	(1.27)	(0.24)
Total	**18.32**	17.11	15.59

Note 11 : Cash and Cash equivalents	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Cash on Hand	**1.50**	2.47	2.50
Balance with bank in current accounts	**161.89**	203.32	138.64
Short-term deposits (Original maturity less than 3 months)	**1,300.00**	1,400.00	1,400.00
Total	**1,463.39**	1,605.79	1,541.14

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 12 : Loans	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Current			
(Unsecured, considered good unless stated otherwise)			
Related Parties			
Taj Air Ltd.	**175.00**	175.00	175.00
Others	**-**	-	-
Total	**175.00**	175.00	175.00

Note 13 : Other Financial Assets	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Current			
Deposit with public bodies and others	**2.39**	2.39	3.04
Other Advances			
Considered good	**12.83**	19.79	(0.28)
Considered doubtful	**-**	-	
	12.83	19.79	(0.28)
Interest Receivable			
Related Parties	**2.52**	2.25	1.96
Others	**17.51**	11.05	9.53
	20.03	13.29	11.49
On Current Account dues :			
Related Parties	**0.25**	-	3.19
Others	**5.13**	15.86	135.07
	5.38	15.86	138.26
Total	**40.62**	51.33	152.50

Note 14: Other Non Financial Assets	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Non Current			
Capital Advances	**3.50**	0.12	19.37
Export Incentive (SEIS) Receivable	**50.51**	23.07	-
	54.01	23.19	19.37
Current			
Prepaid Expenses	**39.01**	34.77	40.35
Advance to Suppliers	**62.12**	54.49	52.59
Advance to Employees	**1.63**	2.14	2.36
Others	**3.48**	2.08	2.10
	106.24	93.48	97.40

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 15 : Equity Share Capital

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ 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	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	840.00	840.00

a) Reconciliation of Equity Shares outstanding at the beginning and at the end of the period.

	No. of Shares	**March 31, 2017 ₹ Lakhs**	No. of Shares	March 31, 2016 ₹ Lakhs	No. of Shares	April 1, 2015 ₹ Lakhs
As at the beginning of the Year	**8,400,000**	**840.00**	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	8,400,000	840.00

b) Shareholders holding more than 25% Equity Shares in the Company

	March 31, 2017		March 31, 2016		April 1, 2015	
Shareholder	**No. of Shares**	**% holding**	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	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	2,101,680	25.02
(Shares held by Holding Company along with subsidiaries)						
Total	**4,620,000**	**55.00**	4,620,000	55.00	4,620,000	55.00

The Indian Hotels Company Limited is the Holding Company

c) Shareholders holding more than 5% Equity Shares in the Company

	March 31, 2017		March 31, 2016		April 1, 2015	
Shareholder	**No. of Shares**	**% holding**	No. of Shares	% holding	No. of Shares	% holding
Mr. Rajinder Kumar	**651,840**	**7.76**	651,840	7.76	537,600	6.40
Mr. Narinder Kumar	**786,240**	**9.36**	786,240	9.36	672,000	8.00
Mrs.Veena Khanna	**651,840**	**7.76**	651,840	7.76	537,600	6.40
Mr. Pawan Pershad	**651,840**	**7.76**	651,840	7.76	537,600	6.40
Mr. Virender Kumar	**651,840**	**7.76**	651,840	7.76	537,600	6.40
Mrs. Bimla Devi	**-**	**0.00**	-	0.00	571,200	6.80
Total	**3,393,600**	**40.40**	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 Financial Statements for year ended March 31, 2017 (Contd.)

Note 16: Other Equity	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Capital Reserve			
Opening and Closing Balance	**11.41**	11.41	11.41
General Reserve			
Opening Balance	**1,551.75**	1,551.75	1,551.75
Add: Transferred from Surplus in Statement of Profit and Loss	**-**	-	-
Closing Balance	**1,551.75**	1,551.75	1,551.75
Retained Earnings			
Opening Balance	**654.07**	676.96	676.96
Add:-Net Profit for the current year	**230.36**	437.28	-
Less:-Dividend Paid	**336.00**	378.00	-
Less:-Tax on Dividend	**68.40**	76.95	-
Less:-Transfer to General Reserves	**-**	-	-
Less: Ind AS- OCI Movements - Net Defined Benefit Plans	**0.52**	5.22	-
Less: Ind AS- OCI Movements - Tax on Net Defined Benefit Plans	**-**	-	-
Closing Balance	**479.51**	654.07	676.96
FVOCI - Equity Instruments			
Opening Balance	**(624.21)**	(624.32)	(624.32)
Add: Change in fair value of equity instruments designated irrevocably as FVTOCI	**0.31**	0.11	-
Closing Balance	**(623.91)**	(624.21)	(624.32)
TOTAL	**1,418.75**	1,593.01	1,615.80

Note 17 : Trade Payables	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Micro and Small Enterprises	**1.65**	1.55	1.42
Vendor Payables other than above	**110.80**	85.19	44.55
Accured expenses and others	**93.53**	96.22	480.40
Total	**205.98**	182.96	226.38

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, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
(a) The principal amount remaining unpaid to suppliers as at the end of accounting year	**1.65**	1.55	1.42
(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	**1.65**	1.55	

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 18 : Other Current Financial Liabilities	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Current			
On Current Account dues :			
Holding Company	**5.81**	41.66	1.84
Fellow Subsidiaries	**1.29**	0.28	-
Others	**0.04**	1.65	55.84
	7.14	43.59	17.69
Deposit from others	**26.53**	22.72	10.60
Creditors for Capital goods & services	**24.40**	13.13	23.69
Unclaimed share application money	**0.06**	0.06	0.06
Employee Related Liabilities	**115.26**	99.51	80.70
Other Liabilities	**6.08**	44.82	92.17
Total	**179.48**	223.83	224.90

Note 19 : Other Current Liabilities	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Current			
Advance collected from Customers	**37.62**	21.53	24.33
Statutory Dues	**86.04**	77.37	79.20
Total	**123.67**	98.90	103.43

Note 20 : Provisions	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Long Term Provisions			
Employee Benefit Obligation (Non-current)			
Compensated absences	**30.49**	16.49	22.92
Others			
	30.49	16.49	22.92
Short Term Provisions			
Employee Benefit Obligation (Current)			
Compensated absences	**3.14**	2.93	2.76
Provisions - Others			
Provision for Contingencies	**325.00**	275.00	225.00
Total	**328.14**	277.93	227.76

Provision for Contingencies	Opening Balance ₹ Lakhs	Addition / (Deletion) ₹ Lakhs	Closing Balance ₹ Lakhs
Legal and Statutory matters	**275.00**	50.00	325.00

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 21 : Rooms, Restaurants, Banquets and Income from Operations

Particulars	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Rooms Income	**1,799.60**	1,702.53
Food, Restaurants and Banquet Income	**1,842.40**	1,764.09
Shop Rental	**28.02**	7.73
Others	**174.67**	130.46
Total	**3,844.69**	3,604.82

Note 22 : Other Income

Particulars	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Interest Income		
Inter-corporate deposits	**19.26**	19.34
Deposits with banks	**82.97**	99.27
Interest on Income Tax Refunds	**-**	11.03
	102.23	129.64
Profit on Sale of Fixed Assets	**0.02**	2.45
Others	**3.14**	15.30
Total	**105.40**	147.39

Note 23 : Food and Beverages Consumed

Particulars	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Food and Beverages Consumed		
Opening Stock	**33.48**	33.48
Add:- Purchases *	**431.66**	392.73
	465.14	426.21
Less:- Closing Stock	**38.74**	41.73
Food and Beverages Consumed	**426.40**	384.48

***Purchase cost of Food and Beverages is after adjusting sale of empties**

Particulars	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Sale of Empties	**3.01**	3.03

Note 24 : Employee Benefits Expense and Payment to Contractors

Particulars	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Salaries, Wages, Bonus etc.	**568.80**	432.97
Company's Contribution to Provident and Other Funds	**37.20**	27.22
Reimbursement of Expenses on Personnel Deputed to the Company	**203.79**	179.92
Payment to Contractors	**51.30**	60.58
Staff Welfare Expenses	**143.35**	135.84
Total	**1,004.43**	836.53

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

i The Company has recognised the following amount under the head "Company's Contribution to Provident Fund and Other Funds"

Particulars	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Provident Fund	**33.69**	29.75
Gratuity Fund	**3.51**	(2.52)
Total	**37.20**	27.22

ii Managerial Remuneration

Particulars	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Salaries, HRA, LTA, Medical & others	**82.01**	78.86
Contribution of Provident Fund and Other Funds	**5.08**	5.08
Total	**87.09**	83.94

Note 25 : Other Operating and General Expenses

i Operating Expenses consist of the following

Particulars	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Linen and Room Supplies	**52.43**	54.45
Catering Supplies	**35.75**	30.29
Other Supplies	**2.24**	0.70
Fuel, Power & Light	**248.20**	262.24
Repairs to Buildings	**348.34**	198.76
Repairs to Machinery	**78.57**	78.90
Repairs to Others	**28.41**	19.15
Linen and Uniform Washing and Laundry Expenses	**59.02**	46.79
Payment to Orchestra Staff and Artistes and Others	**78.61**	78.32
Guest Transportation	**4.09**	5.33
Travel Agent's Commission	**55.67**	38.56
Credit/Debit Card Commission	**33.41**	33.74
Other Operating Expenses	**66.07**	52.21
Total	**1,090.82**	899.45

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

ii General Expenses consist of the following:

Particulars	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Rent	**19.35**	22.52
Lease & License Fees	**169.74**	145.07
Rates & Taxes	**126.63**	113.33
Insurance	**11.73**	3.73
Advertising & Publicity	**188.23**	173.97
Printing & Stationery	**15.08**	14.79
Passage & Traveling	**4.81**	10.26
Bad Debts written off	**2.08**	5.55
Provision for Doubtful Debts	**1.22**	1.52
Professional Fees	**34.08**	36.75
Support Services	**14.37**	14.57
Expenditure on Corporate Social Responsibility	**13.93**	15.06
Foreign Exchange Loss (Net)	**0.61**	0.61
Operating/Management Fees	**193.84**	184.27
Central Reservation System/Customer Information System	**77.54**	73.60
Other Expenses	**48.95**	44.64
Payment Made to statutory Auditors	**1.80**	1.72
TOTAL	**923.98**	861.95
GRAND TOTAL (i+ii)	**2,014.80**	1,761.40

Footnotes:

(i) Expenses recovered from other parties :-		
Fuel, Power and Light	**4.21**	6.55
Rent	**1.41**	1.05
TOTAL	**5.61**	7.60
(ii) Payment Made to Statutory Auditors :-		
As Auditors	**1.45**	1.41
As Tax Auditors	**0.30**	0.28
Service tax on above (Net of Credit availed)	**0.05**	0.03
TOTAL	**1.80**	1.72

Note 26: Earning Per Equity share

Particulars	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Profit after Tax	**230.36**	437.28
No. of Equity Shares	**8400000**	8400000
Basic and Diluted	**2.74**	5.21

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
(i)	**Amount to be recognised in Balance Sheet and movement in net liability**		
	Present Value of Funded obligation	**90.18**	86.57
	Fair Value of Plan Assets	**97.87**	90.99
	Net (Assets) / Liability	**(7.69)**	(4.42)
(ii)	**Expense recognised in Statement of Profit & Loss**		
	Current service cost	**5.36**	4.79
	Interest cost	**(0.69)**	(1.04)
	Total	**4.67**	3.76
(iii)	**Expense recognised in Other Comprehensive Income**		
	Opening amount recognized in OCI outside P&L account	**5.22**	-
	Remeasurements due to:		
	Changes in financial assumptions	**4.50**	-
	Experience adjustments	**(4.44)**	5.02
	Actual return on plan assets less interest on plan assets	**0.46**	0.20
	Total	**5.74**	5.22
(iv)	**Reconciliation of Defined Benefit Obligation :**		
	Opening Defined Benefit Obligation	**86.57**	87.31
	Current service cost	**5.36**	4.79
	Interest cost	**6.59**	6.77
	Remeasurements due to actuarial loss/ (gain) arising from		
	Changes in financial assumptions	**4.50**	-
	Experience adjustments	**(4.44)**	5.02
	Benefits Paid	**(8.40)**	(17.32)
	Closing Defined Benefit Obligation	**90.18**	86.57
(v)	**Reconciliation of Fair Value of Plan Assets**		
	Opening of Fair Value of Plan Assets	**90.99**	100.71
	Employer contributions	**8.45**	
	Interest on plan assets	**7.28**	7.80
	Remeasurements due to:		
	Actual return on plan assets less interest on plan assets	**(0.46)**	(0.20)
	Benefits Paid	**(8.40)**	(17.32)
	Closing of Fair Value of Plan Assets	**97.87**	90.99
(vi)	**Acturial Assumptions**		
	Discount rate (p.a.)	**7.3%**	8.0%
	Salary Escalation rate (p.a.)	**3.0%**	3.0%

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(vii) Disaggregation of Plan Assets	March 31, 2017		March 31, 2016	
	Unquoted	**%**	Unquoted	%
Name of the fund	**₹ Lakhs**		₹ Lakhs	
LIC Ultimate policy	**97.87**	**100**	90.99	100
Total	**97.87**		90.99	

(viii) Sensitivity Analysis	March 31, 2017		March 31, 2016	
Particulars	**Discount rate**	**Salary Escalation rate**	Discount rate	Salary Escalation rate
Retiring Gratuity Benefit Plan	**7.3%**	**3.0%**	8.0%	3.0%

28. 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 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, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Not Later than one year	**164.72**	169.57
Later than one year but not later than five years	**834.00**	824.72
Later than Five years	**522.00**	696.00
Total	**1,520.72**	1,690.29

(ii) Expenses recognised in the Statement of Profit and Loss

Particulars	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Minimum Lease Payments	**169.74**	145.07
Contingent rents (state basis)	**-**	-
Total	**169.74**	145.07

29. Capital Commitments

Particulars	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for.	**18.00**	39.21

30. Under schedule III of Companies Act, 2013 quantitatives details are not required to disclose.

31. Contingent Liabilities

Particulars	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs
Claim against company not acknowledged as debts:-		
Property Tax	**941.66**	806.22
Income Tax*	**122.25**	157.39

*In Assessment Year 1998-99, Appeal has been filed in High Court by Income Tax Department against order of ITAT in favour of the company, amount of Tax dispute amount is 99,18,571/- In Assessment Year 2014-15, Assessing officer has made two additions and appeal has been filed before CIT(A), amount of net tax liability is ₹ 23,06,900/-

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

32. Disclosure regarding the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016 is given below :-

Particulars	SBNs	Other denomination notes	Total
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Closing Cash in hand as on 08.11.2016	3.69	0.44	4.13
(+) Permitted receipts	-	22.31	22.31
(-) Amount deposited into bank	3.69	22.25	25.94
Closing Cash in hand as on 30.12.2016	-	0.50	0.50

33. Income Tax Disclosures (Ind AS 12)

(a) Income Tax recognised in Profit or loss:

Particulars	March 31, 2017	March 31, 2016
	₹ Lakhs	₹ Lakhs
Current Tax		
In respect of the current year	**150.00**	240.00
	150.00	240.00
Deferred Tax		
In respect of the current year	**(13.02)**	(16.74)
MAT credit	**-**	(22.72)
	(13.02)	(39.46)
Total tax expense recognised in the current year relating to continuing operations	**136.98**	200.54

(b) Reconciliation of tax expense with the effective tax

Particulars	March 31, 2017	March 31, 2016
	₹ Lakhs	₹ Lakhs
Profit before tax from continuing operations (a)	**367.35**	637.82
Income tax rate as applicable (b)	**33.06%**	33.06%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**121.46**	210.88
Permanent tax differences due to:		
Corporate social responsibility expenditure	**4.61**	4.98
On account of bonus disallowance	**0.05**	8.50
Others	**(0.01)**	(1.10)
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	**-**	(22.72)
	136.98	200.54
Prior year taxes as shown above	**-**	-
Income tax expense recognised in profit or loss (relating to continuing operations)	**136.98**	200.54

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

33. Income Tax Disclosures (Ind AS 12)

(d) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet

Particulars	**March 31, 2017**	March 31, 2016	April 1, 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Deferred Tax assets	**126.58**	125.72	88.04
Deferred Tax liabilities	**(49.54)**	(61.69)	(63.47)
Total	**77.05**	64.03	24.57

(e) Reconciliation of Deferred Tax Asset and Deferred Tax Liability

2016-17	**Opening Balance**	**Recognised in profit or loss**	**Closing balance**
	₹ Lakhs	**₹ Lakhs**	**₹ 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
Receivables, Financial Assets at amortised cost	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**

2015-16	**Opening Balance**	**Recognised in profit or loss**	**Closing balance**
	₹ Lakhs	**₹ Lakhs**	**₹ Lakhs**
Deferred tax liabilities/ assets in relation to:			
Property. Plant & equipment and Intangible Assets	(63.47)	1.78	(61.69)
Provision for Employee Benefits	8.49	(2.07)	6.42
Receivables, Financial Assets at amortised cost	5.15	0.50	5.66
MAT Credit Entitlement	-	22.72	22.72
Provision for Contingencies	74.39	16.53	90.92
Total Deferred Tax Assets	**24.57**	**39.46**	**64.03**

34. Financial Instruments (Ind AS 109)

(a) Financial Assets & Liabilities

	March 31, 2017			March 31, 2016			April 1, 2015		
Particulars	**FVOCI**	**Amortised cost**	**Total**	FVOCI	Amortised cost	Total	FVOCI	Amortised cost	Total
	₹ Lakhs	**₹ Lakhs**	**₹ Lakhs**	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Financial assets:									
Investments									
Equity Investment									
- External Companies	**1.14**	**-**	**1.14**	0.83	-	0.83	0.73	-	0.73
Trade Receivables	**-**	**110.46**	**110.46**	-	114.79	114.79	-	124.37	124.37
Cash and cash equivalents	**-**	**1,463.39**	**1,463.39**	-	1,605.79	1,605.79	-	1,541.14	1,541.14
Loans	**-**	**175.00**	**175.00**	-	175.00	175.00	-	175.00	175.00
Other financial assets*	**-**	**56.87**	**56.87**	-	68.45	68.45	-	168.44	168.44
Total - Financial Assets	**1.14**	**1,805.71**	**1,806.85**	0.83	1,964.02	1,964.86	0.73	2,008.95	2,009.68
Financial liabilities:									
Trade Payables including capital creditors		**205.98**	**205.98**		182.96	182.96		226.38	226.38
Other financial liabilities		**179.48**	**179.48**		223.83	223.83		224.90	224.90
Total - Financial Liabilities	**-**	**385.46**	**385.46**	-	406.79	406.79	-	451.28	451.28

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

34. Financial Instruments (Ind AS 109)

(b) Fair value of Financial instruments on a recurring basis:

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**

As of March 31, 2016:	**Level 1 ₹ Lakhs**	**Level 2 ₹ Lakhs**	**Level 3 ₹ Lakhs**	**Total ₹ Lakhs**
Financial assets:				
Equity shares				
Listed equity investment				
- Graviss Hospitality Limited	0.83	-	-	0.83
Unquoted equity investment				
- Taj Air Limited	-	-	-	-
Total	**0.83**	**-**	**-**	**0.83**

As of April 1, 2015:	**Level 1 ₹ Lakhs**	**Level 2 ₹ Lakhs**	**Level 3 ₹ Lakhs**	**Total ₹ Lakhs**
Financial assets:				
Equity shares				
Listed equity investment				
- Graviss Hospitality Limited	0.73	-	-	0.73
Unquoted equity investment				
- Taj Air Limited	-	-	-	-
Total	**0.73**	**-**	**-**	**0.73**

(c) Contractual maturity of financial liabilities:

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**

March 31, 2016	**Due in 1st year ₹ Lakhs**
Non-derivative financial liabilities:	
Trade and other payables	182.96
Other financial liabilities	223.83
Total	**406.79**

April 1, 2015	**Due in 1st year ₹ Lakhs**
Non-derivative financial liabilities:	
Trade and other payables	226.38
Other financial liabilities	224.90
Total	**451.28**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

35 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 Financial Statements for year ended March 31, 2017 (Contd.)

35(b) Details of related party transaction during the period ended March 31, 2017 and outstanding balances as at March 31, 2017.

Particulars	Company having Significant Influence	Holding Company	Key Management Personnel	Fellow Subsidiaries	Associates & Joint Ventures of Holding Co.	Key Management Personnel interested
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Dividend Paid	-	100.73	83.60	84.07	-	12.10
Operating Fees Paid / Provided	-	187.89	-	-	-	-
Advertisement/CRS & CIS Paid / Provided	-	150.31	-	-	-	-
Purchase of goods & Services	21.13	60.85	-	-	-	-
Sale of goods & Services	40.71	-	-	-	-	0.73
Directors Remuneration	-	-	87.09	-	-	-
Trade Receivables	2.00	-	-	-	-	-
Trade Payables	-		-	-	-	-
Receivable Due on Current A/c	-	-	-	0.05	0.20	-
Payable Due on Current A/c	-	5.81	-	1.29	-	-

35(c) Statement of Material Transactions

Particulars	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Company having Significant Influence		
Tata Consultancy Services		
Purchase of goods & services	21.13	19.51
Sale of goods & services	40.71	35.06
Trade Receivable	2.00	3.57
Holding Company		
The Indian Hotels Company Limited		
Operating/Licence Fee Paid	187.89	179.34
Advertisement/Brand Cost/CRS/CIS Paid	150.31	143.48
Purchase of goods & services	60.85	42.32
Payable due on current account	5.81	41.66
Dividend Paid	100.73	113.32
Remuneration to Key Management Personnel		
Mr. Rajnder Kumar		
Remuneration	30.56	29.06
Dividend Paid	26.07	29.33
Mr. Virinder Kumar		
Remuneration	29.48	27.97
Dividend Paid	26.07	29.33
Mr. Narinder Kumar		
Remuneration	27.05	26.90
Dividend Paid	31.45	35.38
Fellow Subsidiaries		
TIFCO Holdings Ltd		
Dividend Paid	84.07	94.58
PIEM Hotels Limited		
Payable due on current account	1.29	0.28

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Particulars	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Benares Hotels Limited		
Receivable due on current account	0.05	-
Associates/Joint Ventures		
Taj Sats Air Catering Limited		
Purchase of goods & services	-	1.65
Receivable due on current account	0.20	0.13
Key Management Personnel interested		
New Delhi Hotels Ltd.		
Sale of goods & Services	0.73	0.73
Dividend Paid	12.10	13.61

Note 36: Reconciliations on transition to Ind AS

Equity Reconciliations

Particulars	Notes	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Equity under Previous GAAP		**2,882.66**	**2,652.82**	**2,625.16**
Fair Valuation of Investments	(a)	(623.91)	(624.21)	(624.32)
Proposed dividend (including tax on dividend) reversed		-	404.40	454.95
Equity under Ind AS		**2,258.75**	2,433.01	2,455.80
Total Comprehensive income reconciliations				
Profit after tax under Previous GAAP		**230.36**	**437.28**	**534.16**
Profit after tax under Ind AS		230.36	437.28	534.16
Other comprehensive income, net of taxes	(b)	(0.21)	(5.12)	0.68
Total comprehensive income as per Ind AS		**230.15**	432.17	534.84

(a) Under the previous GAAP, long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. Fair value changes with respect to investments in equity instruments designated as at fair value through Other Comprehensive Income (FVTOCI) have been recognised in Equity instrument through OCI as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2017.

(b) Under Ind AS, certain items of income and expense that are not recognised in profit or loss but shown in the statement of profit or loss as 'other comprehensive income' includes remeasurement of defined benefit plans and fair value gains or losses on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

37. 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

Rajeev Newar
Director
DIN 00468125

P. K. Bhatia
Company Secretary

Vipin Bali
Partner
M.No.083436
Date : April 28, 2017
Place : New Delhi

DIRECTORS AND CORPORATE INFORMATION

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED

Board of Directors:

Mr. R. H. Parekh

Mr. Ashok Binnani

Mr. Kishor Kulkarni

Ms. Aban Rupa

Registered Office:

Mandlik House, Mandlik Road
Mumbai–400 001
Tel.: 66395515, Fax: 22027442
CIN: U45200MH1998PTC114881
Email: investorrelations@tajhotels.com

Auditors:

M/s. PKF Sridhar and Santhanam LLP

Chartered Accountants, Mumbai

Bankers:

HDFC Bank Limited

IDBI Bank Limited

Standard Chartered Bank

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting the Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2017.

FINANCIAL RESULTS

Pursuant to the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. The financial information for the preceding year ended March 31, 2016 has been restated to conform to Ind AS.

The Company's financial performance, for the year ended March 31, 2017 is summarized below:

₹ in lakhs

Particulars	**2016-17**	2015-16
Total Income	**0.49**	7.85
Profit / (Loss) before Interest, Depreciation & Tax (EBITDA)	**(1.45)**	6.13
Less : Depreciation	**-**	-
Less : Finance Charges	**7,684.81**	7,665.68
Profit / (Loss) Before Tax	**(7,686.26)**	(7,659.55)
Less : Provision for Income Tax	**-**	-
Profit / (Loss) After Tax	**(7,686.26)**	(7,659.55)
Basic & Diluted Earnings Per Share (₹) (Face Value - ₹10/-)	**(7,820.14)**	(7,792.97)

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

No Dividend has been declared for the current financial year due to loss incurred by the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, Lands End Properties Private Limited (LEPPL) the Company's holding company was amalgamated with The Indian Hotels Company Limited (IHCL) pursuant to Order dated October 13, 2016 passed by the Hon'ble High Court of Judicature at Bombay, consequent to which the Company has become a wholly-owned subsidiary of IHCL.

The Financial Statements of the Company's three Subsidiaries, viz. 'Sheena Investments Private Limited', 'ELEL Hotels and Investments Limited' and 'Luthria and Lalchandani Hotel and 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 statements of the Company's Subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

The Company does not have 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 MADE

There were no Loans, Guarantees and Investments made by the Company under Section 186 of the Act during the year under review.

BORROWINGS

The Company has obtained new term loan of ₹ 750 crores from Housing Development Finance Corporation Limited on January 28, 2016, carrying interest at the rate of 10% p.a., which shall be compounded on an annual basis, to be paid on the maturity. The term loan is repayable on January 27, 2019 with an option to prepay the outstanding principal of the loan in part or full, without any prepayment premium at the end of 6th month, 12th month, 18th month, 24th month from the date of 1st disbursement in multiples of ₹ 50 crores after giving a prior written notice of at least 15 days.

The said loan had been utilised to repay the previous term loan of ₹ 508 crores along with interest, taken from the same lender Housing Development Finance Corporation Limited.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were in the ordinary course of business and at arms' length basis, the details of which are given in the Notes to the Financial Statements.

DIRECTORS

The Board comprises of Mr. R. H. Parekh, Mr. Ashok Binnani, Ms. Aban Rupa and Mr. Kishor Kulkarni.

In accordance with the Act, one of your Directors viz. Mr. Ashok Binnani 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.

Board Meetings:

During the year, four Board Meetings were convened and held viz. on May 11, 2016, August 1, 2016, October 26, 2016 and January 31, 2017. The intervening gap between the meetings did not exceed the period prescribed under the Act.

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 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 Nomination and Remuneration Committee 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.

AUDITORS

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

The Members of the Company had at the Annual General Meeting ("AGM") held on September 28, 2015, appointed M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm No. 003990S/S200018) as the Statutory Auditors of the Company for four financial years 2015-16 to 2018-19, to hold office till the conclusion of the AGM of the Company adopting the Financial Statements of the Company for the year ended March 31, 2019 (subject to ratification of their appointment at each AGM).

Accordingly, at the AGM, the Members will be requested to ratify the re-appointment of M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm No. 003990S/S200018) as the Statutory Auditors of the Company for the current financial year 2017-18 and authorise the Board of Directors to fix their remuneration.

SHARE CAPITAL

As on March 31, 2017, the issued, subscribed and paid-up share capital of the Company comprised of 98,288 Equity Shares of ₹ 10 each aggregating ₹ 9,82,880/-. 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 further shares or 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.

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 2016-17.

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) 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, 2017 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 laid down internal financial controls for the Company which are adequate and are operating effectively; and

(vi) 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 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 15, 2016

Registered Office:
Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U45200MH1998PTC114881
Tel. No.: 022 66395515
Fax No.: 022 22027442
Email : investorrelations@tajhotels.com

Annexure to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as at the financial year ended on March 31, 2017

[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:	**13/05/1998**
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:	**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:-

Sl. 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	N.A.	N.A.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. 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. SHARE HOLDING 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				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	Nil	1	1	Nil	Nil	1	1	Nil	Nil
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	Nil	98287	98287	100	Nil	98287	98287	100	Nil
e) Banks / FIs									
f) Any Other									
Sub-total (A)(1):-	**Nil**	**98288**	**98288**	**100**	**Nil**	**98288**	**98288**	**100**	**Nil**
2. Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FIs									
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**	**98288**	**98288**	**100**	**Nil**	**98288**	**98288**	**100**	**Nil**
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):-	**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):-									
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	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Grand Total (A+B+C)	**Nil**	**98288**	**98288**	**100**	**Nil**	**98288**	**98288**	**100**	**Nil**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's 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.	Lands End Properties Private Limited	98287	100	Nil	Nil	Nil	Nil	(100)
2.	Mr. Ashok Binnani jointly with Lands End Properties Private Limited	1	Nil	Nil	Nil	Nil	Nil	(100)
3.	The Indian Hotels Company Limited	Nil	Nil	Nil	98287	100	Nil	100
4.	Mr. Ashok Binnani jointly with The Indian Hotels Company Limited	Nil	Nil	Nil	1	Nil	Nil	100
TOTAL		**98288**	**100**	**Nil**	**98288**	**100**	**Nil**	**Nil**

Note: Lands End Properties Private Limited was amalgamated with The Indian Hotels Company Limited vide order dated October 13, 2016 passed by the Hon'ble High Court of Judicature at Bombay.

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

Sl. No.	Particulars	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.	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):**

Sl. No.	Particulars	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.	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:**

Sl. No.	Mr. Ashok Binnani jointly with The Indian Hotels Company Limited*	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.	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

*At the beginning of the year, held jointly with Lands End Properties Private Limited. However, Lands End Properties Private Limited was amalgamated with The Indian Hotels Company Limited vide order dated October 13, 2016 passed by the Hon'ble High Court of Judicature at Bombay.

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	1,283.84			1,283.84
Total (i+ii+iii)	**76,283.84**	**-**	**-**	**76,283.84**
Change in Indebtedness during the financial year				
• Addition	-			-
• (Interest accrued but not due)	7,628.39			7,628.39
• Reduction	-			-
Net Change	7,628.39	-	-	7,628.39

Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 75,000.00 - 8,912.23			 75,000.00 - 8,912.23
Total (i+ii+iii)	**83,912.23**	**-**	**-**	**83,912.23**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sl. 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 (A)	**Nil**	**Nil**
	Ceiling as per the Act		

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 (B)		
Total Managerial Remuneration	**Nil**	**Nil**
Overall Ceiling as per the Act		

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

Sl. 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		
2.	Stock Option		
3.	Sweat Equity		

4.	Commission - as % of profit - others, specify…		
5.	Others, please specify		
	Total (C)	**N.A.**	**N.A.**

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					

On behalf of the Board of Directors

R. H. Parekh
Director
(DIN: 01942405)

Ashok Binnani
Director
(DIN: 03326335)

Mumbai, May 15, 2016

Registered Office:
Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U45200MH1998PTC114881
Tel. No.: 022 66395515
Fax No.: 022 22027442
Email: investorrelations@tajhotels.com

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, 2017, 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 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, 2017, and its loss (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 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 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.

      iv. Based on the information and explanations provided to us, the Company has provided the requisite disclosures in its Ind AS financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained 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 15, 2017

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, 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, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2017 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, which have not been deposited on account of any dispute as at 31st March 2017.

(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 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 15, 2017

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, 2017 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, 2017, 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 15, 2017

Balance Sheet as at March 31, 2017

	Note	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Assets				
Non-current assets				
Financial assets				
Investments	3	**52,861.00**	52,861.00	52,861.00
Advance income tax (net)		**2.32**	2.27	1.48
		52,863.32	52,863.27	52,862.48
Current assets				
Cash and cash equivalents	4	**10.50**	2.03	1.27
Bank balances other than cash and cash equivalents	5	**-**	15.00	-
		10.50	17.03	1.27
Total		**52,873.82**	52,880.30	52,863.75
Equity and liabilities				
Equity				
Equity share capital	6	**9.83**	9.83	9.83
Other equity	7	**(38,875.91)**	(31,189.65)	(23,530.10)
Total equity		**(38,866.08)**	(31,179.82)	(23,520.27)
Non-current liabilities				
Financial liabilities				
Borrowings	8	**74,845.08**	74,788.65	-
		74,845.08	74,788.65	-
Current Liabilities				
Financial liabilities				
Trade payables	9	**1.36**	1.38	69.34
Other financial liabilities	10	**16,893.33**	9,269.96	76,314.68
Other current liabilities	11	**0.13**	0.13	-
		16,894.82	9,271.47	76,384.02
Total		**52,873.82**	52,880.30	52,863.75

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 and on behalf of the Board

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

Ramanarayanan J
Partner
Membership No.220369

Ashok Binnani
Director

R. H. Parekh
Director

Place : Mumbai
Date : May 15, 2017

Statement of Profit and Loss for year ended as at March 31, 2017

	Note	Year Ended March 31, 2017 ₹ Lakhs	Year Ended March 31, 2016 ₹ Lakhs
Income			
Other income	12	**0.49**	7.85
Total Income		**0.49**	7.85
Expenses			
Finance costs	13	**7,684.81**	7,665.68
Other operating and general expenses	14	**1.94**	1.72
Total Expenses		**7,686.75**	7,667.40
Profit/ (Loss) before exceptional items and tax		**(7,686.26)**	(7,659.55)
Exceptional items		**-**	-
Profit/ (Loss) before tax		**(7,686.26)**	(7,659.55)
Tax expenses			
Current tax		**-**	-
Deferred tax		**-**	-
Total		**-**	-
Profit/ (Loss) after tax		**(7,686.26)**	(7,659.55)
Other comprehensive income, net of tax			
Other comprehensive income for the year		**-**	-
Total comprehensive Income for the year		**(7,686.26)**	(7,659.55)
Earnings per share:	15		
Basic - (₹)		**(7,820.14)**	(7,792.97)
Diluted - (₹)		**(7,820.14)**	(7,792.97)
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 and on behalf of the Board

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

Ramanarayanan J
Partner
Membership No.220369

Ashok Binnani
Director

R. H. Parekh
Director

Place : Mumbai
Date : May 15, 2017

Statement of Changes in Equity as at March 31, 2017

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus Retained Earnings	Total
Balance as at April 1, 2015	9.83	(23,530.10)	(23,520.27)
Profit for the year ended March 31, 2016	-	(7,659.55)	(7,659.55)
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the year ended March 31, 2016	**-**	**(7,659.55)**	**(7,659.55)**
Add/Less: Other adjustments	-	-	-
Balance as at March 31, 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 for the year	-	-	-
Total Comprehensive Income for the year ended March 31, 2017	**-**	**(7,686.26)**	**(7,686.26)**
Add/Less: Other adjustments	-	-	-
Balance as at March 31, 2017	**9.83**	**(38,875.91)**	**(38,866.08)**

Cash Flow Statement for the year ended March 31, 2017

	Year Ended March 31, 2017 ₹ Lakhs	Year Ended March 31, 2016 ₹ Lakhs
Cash Flow From Operating Activities		
Profit Before Tax	**(7,686.26)**	(7,659.55)
Adjustments For :		
Interest Income	**(0.49)**	(7.85)
Finance Costs	**7,684.81**	7,665.68
	7,684.32	7,657.83
Cash Operating Profit before working capital changes	**(1.94)**	(1.72)
Adjustments for (increase)/ decrease in operating assets:		
Other Current Assets	**-**	-
	-	-
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**(0.02)**	0.20
	(0.02)	0.20
Cash Generated from Operating Activities	**(1.96)**	(1.52)
Direct Taxes (Paid)/ Refunded	**(0.05)**	(0.79)
Net Cash Generated From Operating Activities (A)	**(2.01)**	(2.31)
Cash Flow From Investing Activities		
Interest Received	**0.49**	7.85
Bank Balances not considered as Cash and Cash Equivalents	**15.00**	(15.00)
Net Cash Generated/(Used) In Investing Activities (B)	**15.49**	(7.15)
Cash Flow From Financing Activities		
Loan Borrowing cost	**-**	(224.69)
Interest on ICD borrowed	**-**	(30.16)
Repayment of long-term borrowings	**(5.01)**	(74,734.93)
Proceeds from short-term borrowings	**-**	75,000.00
Net Cash Generated/ (Used) In Financing Activities (C)	**(5.01)**	10.22
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**8.47**	0.76
Cash and Cash Equivalents - Opening	**2.03**	1.27
Cash and Cash Equivalents - Closing	**10.50**	2.03

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 and on behalf of the Board

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

Ramanarayanan J
Partner
Membership No.220369

Ashok Binnani
Director

R. H. Parekh
Director

Place : Mumbai
Date : May 15, 2017

Notes to Financial Statements for year ended March 31, 2017

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) 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. Previous period have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

c) Critical accounting estimates and judgements:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

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

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

- **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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

d) **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.

e) **Taxes on income:**

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

(i) **Current tax:**

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

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

(ii) **Deferred tax:**

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

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

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

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

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

f) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

g) 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.

h) 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.

i) 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.

j) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

Classification:

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

Initial Recognition and measurement:

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Subsequent Measurement:

Debt instruments

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

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

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

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

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

Equity investments

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

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

Impairment of financial assets

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

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

b) Trade receivables.

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

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

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Loans and borrowings

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Equity instruments

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

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

k) Recent accounting pronouncements

(i) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendment to IND AS 7 is applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires 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.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

3: Investments

	Face Value	**March 31, 2017**		March 31, 2016		April 1, 2015	
		Holdings no. of Shares	**₹ Lakhs**	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	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	1,309,896	29,660.95
Luthria and Lalchandani Hotels and Properties Private Limited	100.00	50	0.05	50	0.05	50	0.05
Total Investments			**52,861.00**		52,861.00		52,861.00

4: Cash and Cash Equivalents

	March 31, 2017	March 31, 2016	April 1, 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Balances with bank in current account	10.50	2.03	1.27
	10.50	2.03	1.27

5: Bank Balances Other than Cash and Cash Equivalents

	March 31, 2017	March 31, 2016	April 1, 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Other Balances with banks			
Call and Short-term deposit accounts	-	15.00	-
	-	15.00	-
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			
	-	15.00	-

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

6: Share Capital

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Authorised Share Capital			
Equity Shares			
1,00,000 (Previous year - 1,00,000) Equity Shares of ₹ 10/- each	**10.00**	10.00	10.00
	10.00	10.00	10.00
Issued Share Capital			
98,288 (Previous year - 98,288) Equity Shares of ₹ 10/- each	**9.83**	9.83	9.83
	9.83	9.83	9.83
Subscribed and Paid Up			
98,288 (Previous year - 98,288) Equity Shares of ₹ 10/- each, Fully Paid	**9.83**	9.83	9.83
	9.83	9.83	9.83

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) Shares held by Holding Company along with its subsidiaries and associates Companies

	No. of Shares March 31, 2017	No. of Shares March 31, 2015	No. of Shares April 1, 2016
Name of the Company			
Holding Company			
The Indian Hotels Company Limited ("IHCL") (Prior to this held by LEPPL which is Amalgamated on December 19, 2016 w.e.f March 31, 2016 with IHCL)	**98,288**	98,288	-
Lands End Properties Private Limited ("LEPPL") (Amalgamated on December 19, 2016 w.e.f the appointed date of March 31, 2016 with IHCL)	**-**	-	98,288

iii) Shareholders holding more than 5% shares in the Company

The Indian Hotels Company Limited	**98,288**	98,288	
% of Holding	**100%**	100%	
Lands End Properties Private Limited	**-**	-	98,288
% of Holding	**-**	-	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. 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

7: Other Equity

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Retained Earnings		
Opening and Closing Balance	**(31,189.65)**	(23,530.10)
Add: Current year profits	**(7,686.26)**	(7,659.55)
Total	**(38,875.91)**	(31,189.65)

8: Borrowings

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Term Loan from Others			
Secured	**74,845.08**	74,788.65	50,666.02
Unsecured			
Total Long term borrowings			
Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities)	**-**	-	50,666.02
Total Long term borrowings	**74,845.08**	74,788.65	-

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 and to be paid on the maturity. The term loan is repayable on January 26, 2019

Security

i. Pledge of the Company's investment in 1,309,896 equity shares of ELEL Hotels & Investments Limited.

ii. Pledge of 581,291 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.

9: Trade Payables

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Micro and Small Enterprises	**-**	-	-
Others			
Vendor Payables	**-**	0.05	68.03
Accrued expenses and others	**1.36**	1.33	1.31
	1.36	1.38	69.34

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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".

10: Other financial liabilities

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Current financial liabilities			
Current maturities of long term borrowings			
Term Loans from Others	**-**	-	50,666.02
	-	-	50,666.02
Other Payables :-			
Related Parties (Refer footnote below)	**7,980.10**	7,985.12	11,780.11
Others			
	7,980.10	7,985.12	11,780.11
Interest accrued but not due on borrowings (Refer Footnote below)	**8,912.23**	1,283.84	13,867.55
Others	**1.00**	1.00	1.00
	16,893.33	9,269.96	76,314.68

Footnote:

Inlcuding ₹ 7,980.06 Lakhs outstanding as at March 31, 2017 (₹ 7,980.06 Lakhs as at March 31, 2016) on account of purchase of ELEL Hotels and Investments Limited' Shares.

11: Other current Liabilities

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Statutory dues	**0.13**	0.13	-
	0.13	0.13	-

12: Other Income

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Interest Income from financial assets at amortised cost		
Deposits with banks	**0.49**	7.85
Total	**0.49**	7.85

13: Finance costs

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Interest Expense at effective interest rate on borrowings	**7,684.81**	7,665.68
Total	**7,684.81**	7,665.68

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

14: General expenses

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
General expenses consist of the following :		
Rates and Taxes	**0.06**	0.08
Professional Fees	**0.10**	0.05
Payment made to Statutory Auditors (Refer Footnote below)	**1.67**	1.49
Other Expenses	**0.11**	0.10
Total	**1.94**	1.72

Footnote:

Payment made to Statutory Auditors:

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
As auditors	**1.44**	1.49
For other services	**0.23**	-
	1.67	1.49

15: Earnings Per Share (EPS)

	Year Ended March 31, 2017 ₹ Lakhs	Year Ended March 31, 2016 ₹ Lakhs
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax - (₹ Lakhs)	**(7,686.26)**	(7,659.55)
Weighted Average Number of Equity Shares	**98,288**	98,288
Face Value per Equity Share	**10.00**	10.00
Earning Per Share - (₹) Basic and Diluted	**(7,820.14)**	(7,792.97)

16. Transition to Ind AS

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards' along with the reconciliations of equity, total comprehensive income and cash flows in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Company has applied the following exemptions:

i. **Business combinations exemption**

The Company has elected not to apply Ind AS 103, Business Combinations, to business combinations occurred before the transition date.

Reconciliations between Previous GAAP and Ind AS:

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(a) Equity reconciliation

₹ Lakhs

	As at March 31, 2016	As at April 1, 2015
Equity under Previous GAAP	(31,179.82)	(23,520.27)
Adjustment on account of transition	-	-
Equity under Ind AS	(31,179.82)	(23,520.27)

(b) Total Comprehensive income reconciliations

	Year Ended March 31, 2016
Profit after tax under Previous GAAP	(7,659.55)
Adjustments on account of transition	-
Profit after tax under Ind AS	(7,659.55)
Other comprehensive income	-
Total comprehensive income as per Ind AS	(7,659.55)

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 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,.

18. 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.

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 approach to managing liquidity

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

March 31, 2017	Due in 1st year	Due in 2nd year	Total
			₹ Lakhs
Non-derivative financial liabilities			
Borrowings	-	75,000.00	75,000.00
Interest on Borrowings	-	24,825.00	24,825.00
Other Financial liabilities	-	-	-
Total	-	99,825.00	99,825.00

March 31, 2016	Due in 1st year	Due in 2nd year	Due in 3rd year	Total
				₹ Lakhs
Non-derivative financial liabilities				
Borrowings	-	-	75,000.00	75,000.00
Interest on Borrowings	-	-	24,825.00	24,825.00
Other Financial liabilities	-	-	-	-
Total	-	-	99,825.00	99,825.00

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.

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.

24. Taxation

a) Reconciliation of tax expense with the effective tax

	March 31, 2017	March 31, 2016
		₹ Lakhs
Profit / (Loss) before tax	**(7,686.26)**	(7,686.26)
Income-tax rate as applicable @ 29.87% (previous year @ 30.90%)	**(2,295.89)**	(2,375.05)
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	**2,295.89**	2,375.05
Income tax expense recognised in statement of profit & loss	**-**	-

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

b) The Company has not recognized any deferred tax assets on losses incurred considering no tax benefit for business losses claimed under the Income Tax act, 1961 in its tax returns.

25. Specified Bank Notes (SBN)

As required by MCA notification dated March 30, 2017 and amendment to Schedule III of the Companies Act, 2013, the detail of Specified Bank Notes ("SBN") held and transacted during the period November 8, 2016 to December 30, 2016 is furnished as below.

₹ Lakhs

	SBN'S	Other Denominated Notes	Total *
Closing cash in hand as on December 8, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 12, 2016	-	-	-

For the above purpose, 'SBN' means the bank notes of denominations of the old series of the value of five hundred rupees and one thousand rupees which ceased to be legal tender through the Ministry of Finance, Department of Economic Affairs Notification, dated November 8, 2016

* The Company does not have any cash balance as at November 8, 2016.

26. Related Party Transactions

a. The names of related parties of the Company are as under :

Holding Company

- The Indian Hotels Company Limited ("IHCL")
- Lands End Properties Private Limited ("LEPPL")

  (Amalgamated with IHCL on December 19, 2016 w.e.f the appointed date i.e March 31, 2016)

Subsidiary Companies

- Sheena Investments Private Limited ("Sheena")
- ELEL Hotels and Investments Private Limited ("ELEL")
- Luthria and Lalchandani Hotel and Properties Private Limited ("Luthira")

b. Transactions with related parties:

₹ Lakhs

Particulars of transactions	Holding Company		Subsidiary Companies	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables	-	7,980.10	5.04	-
	-	*7,980.08*	-	*5.04*

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

27. There are no foreign currency transactions during the current and previous year.

In terms of our report of even date	**For and on behalf of the Board**	
For PKF Sridhar & Santhanam LLP Chartered Accountants Firm Registration No : 003990S/S200018		
Ramanarayanan J Partner Membership No.220369	**Ashok Binnani** Director	**R. H. Parekh** Director
Place : Mumbai Date : May 15, 2017		

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 Lia-bilities	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	Sheena Investments Private Ltd.		INR	100.00	153.54	255.94	2.40	39.85	1.00	12.76	4.35	8.41	-	100.00%
2	ELEL Hotels and Investments Ltd.	14/01/2010	INR	282.09	60,926.43	65,239.33	4,030.81	0.93	-	(1,202.49)	-	(1,202.49)	-	85.72%
3	Luthria and Lalchandani Hotel and Properties Private Ltd.		INR	1.00	(3.27)	1.48	3.74	-	-	(0.30)	-	(0.30)	-	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, 2017

Part "B" : Associates and Joint Ventures : Nil

For and on behalf of the Board

Ashok Binnani
Director

R. H. Parekh
Director

DIRECTORS AND CORPORATE INFORMATION

SHEENA INVESTMENTS PRIVATE LIMITED

Board of Directors:

Mr. R. H. Parekh
Mr. Ashok Binnani
Mr. Kishor Kulkarni
Ms. Aban Rupa

Registered Office:

Mandlik House, Mandlik Road
Mumbai – 400 001
Tel.: 66395515 Fax: 22027442
CIN: U65990MH1990PTC055375
Email: investorrelations@tajhotels.com

Auditors:

M/s. PKF Sridhar and Santhanam LLP
Chartered Accountants, Mumbai

Bankers:
IDBI Bank Limited

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting the Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2017.

FINANCIAL RESULTS

Pursuant to the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from April 1, 2016. The financial information for the preceding year ended March 31, 2016 has been restated to conform to Ind AS.

The Company's financial performance, for the year ended March 31, 2017 is summarized below:

₹ in lakhs

Particulars	2016-17	2015-16
Total Income	**14.44**	13.84
Total Expenses	**1.68**	1.68
Profit / (Loss) before Tax	**12.76**	12.16
Less : Provision for Income Tax	**4.35**	4.29
Profit / (Loss) After Tax	**8.41**	7.87
Basic & Diluted Earnings Per Share (₹) (Face Value- ₹ 10/-)	**0.84**	0.79

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

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 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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE

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 Statements.

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 Statements.

DIRECTORS

The Board comprises of Mr. R. H. Parekh, Mr. Ashok Binnani, Mr. Kishor Kulkarni and Ms. Aban Rupa. 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. Ashok Binnani 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.

Board Meetings:

During the year, four Board Meetings were convened and held viz. on May 11, 2016, August 1, 2016, October 26, 2016 and January 31, 2017. 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 of the Company had at the Annual General Meeting ("AGM") held on September 28, 2015, appointed M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018) as the Statutory Auditors of the Company for four financial years 2015-16 to 2018-19, to hold office till the conclusion of the AGM of the Company adopting the Financial Statements of the Company for the year ended March 31, 2019 (subject to ratification of their appointment at each AGM).

Accordingly, at the AGM, the Members will be requested to ratify the re-appointment of M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018) as the Statutory Auditors of the Company for the current financial year 2017-18 and authorise the Board of Directors to fix their remuneration.

SHARE CAPITAL

As on March 31, 2017, 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.

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 2016-17.

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, 2017, 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 laid down internal financial controls for the Company which are adequate and are operating effectively; and

(vi) 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, 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 15, 2016

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 Directors' Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as at the financial year ended on March 31, 2017
[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 : **12/02/1990**

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 : **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:-

Sl. 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 –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Skydeck Properties and Developers Private Limited Mandlik House, Mandlik Road, Mumbai 400 001.	U45200MH1998PTC114881	Holding	100%	2 (46)
2.	ELEL Hotels and Investments Limited Mandlik House, Mandlik Road, Mumbai 400 001.	U70101MH1969PLC014326	Associate	39.28%	2 (6)

IV. SHARE HOLDING 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				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	Nil	1	1	Nil	Nil	1	1	Nil	Nil
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	Nil	999999	999999	100	Nil	999999	999999	100	Nil
e) Banks / FIs									
f) Any Other									
Sub-total (A)(1):-	Nil	1000000	1000000	100	Nil	1000000	1000000	100	Nil
2. Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FIs									
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	1000000	1000000	100	Nil	1000000	1000000	100	Nil
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):-	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	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**Nil**	**1000000**	**1000000**	**100**	**Nil**	**1000000**	**1000000**	**100**	**Nil**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's 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.	Skydeck Properties and Developers Private Limited	999999	100	Nil	999999	100	Nil	Nil
2.	Mr. Ashok Binnani Jointly with Skydeck Properties and Developers Private Limited	1	Nil	Nil	1	Nil	Nil	Nil
TOTAL		**1000000**	**100**	**Nil**	**1000000**	**100**	**Nil**	**Nil**

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

Sl. No.	Particulars	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.	At the beginning of the year	No Change			
2.	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.):				
3.	At the end of the year				

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

Sl. No.	Particulars	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.	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:

Sl. No.	Mr. Ashok Binnani jointly with Skydeck Properties and Developers Private Limited	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.	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 AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER:

Sl. 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 under section 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 (A)	Nil	Nil
	Ceiling as per the Act		

B. REMUNERATION TO OTHER DIRECTORS:

Particulars of Remuneration	Name of Director	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 (B)		
Total Managerial Remuneration	Nil	Nil
Overall Ceiling as per the Act		

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

Sl. 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 under section 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		
6)	Total (C)	N.A.	N.A.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act, 2013	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					

On behalf of the Board of Directors

R. H. Parekh
Director
(DIN: 01942405)

Ashok Binnani
Director
(DIN: 03326335)

Mumbai, May 15, 2016

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 31st March, 2017, 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 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, 2017, 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

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 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.

        iv. Based on the information and explanations provided to us, the Company has provided the requisite disclosures in its Ind AS financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained 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: May 15, 2017

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, 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, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2017 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, which have not been deposited on account of any dispute

(vii) 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.

(viii) 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.

(ix) 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.

(x) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration paid or provided during the year.

(xi) 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.

(xii) 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.

(xiii) 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.

(xiv) 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.

(xv) 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: May 15, 2017

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 Sheena Investments Private Limited ("the Company") as of March 31, 2017 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J

Partner

Membership No.220369

Place of Signature: Mumbai

Date: May 15, 2017

Balance Sheet as at March 31, 2017

	Note	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 01, 2015 ₹ Lakhs
Assets				
Non-current assets				
Financial assets				
Investments	3	**39.85**	39.85	39.85
Advance income tax (net)		**0.47**	0.40	0.44
		40.32	40.25	40.29
Current assets				
Financial assets				
Trade receivables	4	**1.05**	31.14	30.10
Cash and cash equivalents	5	**31.71**	0.53	3.28
Bank balances other than cash and cash equivalents	6	**177.30**	165.00	160.00
Other financial assets	7	**5.56**	10.77	5.04
		215.62	207.44	198.42
Total		**255.94**	247.69	238.71
Equity and liabilities				
Equity				
Equity share capital	8	**100.00**	100.00	100.00
Other equity	9	**153.54**	145.13	137.26
Total equity		**253.54**	**245.13**	**237.26**
Current Liabilities				
Financial liabilities				
Trade payables	10	**1.35**	1.43	1.31
Other financial liabilities	11	**0.74**	0.85	0.14
Other current liabilities	12	**0.31**	0.28	-
		2.40	2.56	1.45
Total		**255.94**	247.69	238.71
Summary of significant accounting policies	2			

The accompanying notes from an integral part of the financial statements

In terms of our report of even date

For and on behalf of the Board

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

Ashok Binnni
Director

R. H. Parekh
Director

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 15, 2017

Statement of Profit and Loss for the year ended March 31, 2017

	Note	Year Ended March 31, 2017 ₹ Lakhs	Year Ended March 31, 2016 ₹ Lakhs
Income			
Revenue from operations	13	**1.00**	1.00
Other income	14	**13.44**	12.84
Total Income		**14.44**	13.84
Expenses			
Other operating and general expenses	15	**1.68**	1.68
Total Expenses		**1.68**	1.68
Profit/ (Loss) before exceptional items and tax		**12.76**	12.16
Exceptional items		**-**	-
Profit/ (Loss) before tax		**12.76**	12.16
Tax expenses			
Current tax		**4.35**	4.29
Deferred tax		**-**	-
Total		**4.35**	4.29
Profit/ (Loss) after tax		**8.41**	7.87
Other comprehensive income, net of tax			
Other comprehensive income for the year		**-**	-
Total comprehensive Income for the year		**8.41**	7.87
Earnings per share:	16		
Basic - (₹)		**0.84**	0.79
Diluted - (₹)		**0.84**	0.79
Face value per ordinary share - (₹)		**10.00**	10.00

Summary of Significant Accounting Policies

The accompanying notes from an integral part of the financial statements

In terms of our report of even date

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

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 15, 2017

For and on behalf of the Board

Ashok Binnni
Director

R. H. Parekh
Director

Statement of Changes in Equity as at March 31, 2017

Particulars	Equity Share Capital Subscribed ₹ Lakhs	Reserves and Surplus Retained Earnings ₹ Lakhs	Total ₹ Lakhs
Balance as at April 1, 2015	**100.00**	**137.26**	**237.26**
Profit for the year ended March 31, 2016	-	7.87	7.87
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the year ended March 31, 2016	**-**	**7.87**	**7.87**
Add / Loss : Other adjustments	-	-	-
Balance as at March 31, 2016	**100.00**	**145.13**	**245.13**
Profit for the year ended March 31, 2017	-	8.41	8.41
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the year ended March 31, 2017	-	8.41	8.41
Add / Loss : Other adjustments	-	-	-
Balance as at March 31, 2017	**100.00**	**153.54**	**253.54**

Cash Flow Statement for the year ended March 31, 2017

	Year Ended March 31, 2017 ₹ Lakhs	Year Ended March 31, 2016 ₹ Lakhs
Cash Flow From Operating Activities		
Profit Before Tax	**12.76**	12.16
Adjustments For :		
Interest Income	**(13.44)**	(12.84)
	(13.44)	(12.84)
Cash Operating Profit before working capital changes	**(0.68)**	(0.68)
Adjustments for (increase)/ decrease in operating assets:		
Trade Receivables	**30.09**	(1.04)
Other Current Assets	**5.00**	
	35.09	(1.04)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**(0.16)**	1.11
Other Liabilities		
	(0.16)	1.11
Cash Generated from Operating Activities	**34.25**	(0.61)
Direct Taxes (Paid)/ Refunded	**(4.42)**	(4.25)
Net Cash Generated From Operating Activities (A)	**29.83**	(4.86)
Cash Flow From Investing Activities		
Interest Received	**13.65**	7.11
Bank Balances not considered as Cash and Cash Equivalents	**(12.30)**	(5.00)
Net Cash Generated/(Used) In Investing Activities (B)	**1.35**	2.11
Cash Flow From Financing Activities		
	-	-
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**31.18**	(2.75)
Cash and Cash Equivalents - Opening	**0.53**	3.28
Cash and Cash Equivalents - Closing	**31.71**	0.53

Summary of Significant Accounting Policies

In terms of our report of even date

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

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 15, 2017

For and on behalf of the Board

Ashok Binnni
Director

R. H. Parekh
Director

Notes to Financial Statements for year ended March 31, 2017 (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) 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. Previous period have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

c) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

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

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

- **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.

d) Revenue recognition

Interest

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Dividends

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

e) Taxes on income

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

(i) Current tax:

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

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

(ii) Deferred tax :

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

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

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

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

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

f) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

g) 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.

h) 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.

i) 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.

j) 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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

Notes to Financial Statements for year ended March 31, 2017 (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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

k) Recent accounting pronouncements

(i) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendment to IND AS 7 is applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires 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.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

	Face Value	March 31, 2017 Holdings		March 31, 2016 Holdings		April 1, 2015 Holdings	
		As at	**₹ Lakhs**	As at	₹ Lakhs	As at	₹ Lakhs
Non Current Investments							
Trade Investments :							
Fully Paid Unquoted Equity Instruments							
Investments in Fellow Subsidiary Companies (At Cost)							
ELEL Hotels and Investments Limited	10	**1,108,145**	**39.80**	1,180,145	39.80	1,180,145	39.80
Luthria and Lalchandani Hotels and Properties Private Limited	100	**50**	**0.05**	50	0.05	50	0.05
Total			**39.85**		39.85		39.85

Footnote :

The Company holds 11,08,145 (March 31, 2016 : 11,08,145) shares in ELEL Hotels and Investments Limited out of which 526,854 (March 31, 2016 : 526,854) shares are held in Escrow Account in favour of Claridges Hotels Private Limited (CHPL), which shall be transferred to CHPL on fulfillment of certain conditions.

4 : Trade and other receivable

	March 31, 2017	March 31, 2016	April 1, 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
(Unsecured)			
Outstanding over six months			
Considered good	-	30.10	30.10
Considered doubtful			
Others			
Considered good	**1.05**	1.04	
Considered doubtful			
	1.05	31.14	30.10

5 : Cash and Cash Equivalents

	March 31, 2017	March 31, 2016	April 1, 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Balances with bank in current account	**31.71**	0.53	3.28
	31.71	0.53	3.28

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

6 : Bank Balances Other than Cash and Cash Equivalents

Other Balances with banks	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Call and Short-term deposit accounts	**177.30**	165.00	160.00
	177.30	165.00	160.00
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	-	-	-
	177.30	**165.00**	**160.00**

7 : Other Financial Assets

Interest receivable	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Related Parties	**-**	-	-
Bank Deposits	**5.56**	5.77	0.04
Others	**-**	-	-
	5.56	5.77	0.04
On Current Account dues :			
Related Parties	**-**	5.00	5.00
Others	**-**	-	-
	-	5.00	5.00
	5.56	10.77	5.04

8 : Share Capital

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Authorised Share Capital			
Equity Shares			
10,00,000 (Previous year - 10,00,000) Equity Shares of ₹ 10/- each	**100.00**	100.00	100.00
	100.00	100.00	100.00
Issued Share Capital			
10,00,000 (Previous year - 10,00,000) Equity Shares of ₹ 10/- each	**100.00**	100.00	100.00
	100.00	100.00	100.00
Subscribed and Paid Up			
10,00,000 (Previous year - 10,00,000) Equity Shares of ₹ 10/- each, Fully Paid	**100.00**	100.00	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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Name of the Company	No. of Shares March 31, 2017	No. of Shares March 31, 2016	No. of Shares April 1, 2015
Holding Company			
Skydeck Properties and Developers Private Limited	1,000,000	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	1,000,000
% of Holding	100 %	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. 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.

9 : Other Equity

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Retained Earnings		
Opening Balance	**145.13**	137.26
Add: Current year profits	**8.41**	7.87
	153.54	**145.13**

10 : Trade Payables

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 01, 2015 ₹ Lakhs
Micro and Small Enterprises	**-**	-	-
Others			
Vendor Payables	**-**	0.05	-
Accrued expenses and others	**1.35**	1.38	1.31
	1.35	**1.43**	**1.31**

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, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 01, 2015 ₹ Lakhs
Payables on Current Account dues :			
Related Parties	**0.74**	0.85	0.14
	0.74	0.85	0.14

12 : Other non financial Liabilities

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 01, 2015 ₹ Lakhs
Current			
Statutory dues	**0.31**	0.28	-
	0.31	**0.28**	**-**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

13 : Revenue from Operations

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Consultancy Fees	**1.00**	1.00
Total	**1.00**	1.00

14 : Other Income

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Interest Income from financial assets at amortised cost		
Deposits with banks	**13.44**	12.84
Total	**13.44**	12.84

15 : General expenses

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
General expenses consist of the following :		
Rates and Taxes	**0.04**	0.10
Professional Fees	**0.10**	0.05
Payment made to Statutory Auditors (Refer Footnote (iv))	**1.44**	1.43
Other Expenses	**0.10**	0.10
Total	**1.68**	**1.68**

Footnote :	March 31, 2017	March 31, 2016
a) Payment made to Statutory Auditors	₹ Lakhs	₹ Lakhs
As auditors	**1.44**	1.43
For other Services	**-**	-
	1.44	1.43

Note 16 : Earnings Per Share "EPS"

	Year Ended March 31, 2017 ₹ Lakhs	Year Ended March 31, 2016 ₹ Lakhs
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax - (₹ Lakhs)	**8.41**	7.87
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	**0.84**	0.79

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

17. Transition to Ind AS

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards' along with the reconciliations of equity, total comprehensive income and cash flows in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Company has applied the following exemptions:

i. Business combinations exemption

The Company has elected not to apply Ind AS 103, Business Combinations, to business combinations occurred before the transition date.

Reconciliations between Previous GAAP and Ind AS:

(a) Equity reconciliation

	As at March 31, 2016 ₹ Lakhs	As at April 1, 2015 ₹ Lakhs
Equity under Previous GAAP	145.13	137.26
Adjustment on account of transition	-	-
Equity under Ind AS	**145.13**	**137.26**

(b) Total Comprehensive income reconciliations

	Year Ended March 31, 2016 ₹ Lakhs
Profit after tax under Previous GAAP	7.87
Adjustments on account of transition	-
Profit after tax under Ind AS	7.87
Other comprehensive income	-
Total comprehensive income as per Ind AS	7.87

18. 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.

19. 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. Taxation

Reconciliation of tax expense with the effective tax

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Profit before tax	**12.76**	12.16
Income-tax rate as applicable @ 29.87% (previous year @ 30.90%)	**3.81**	3.76
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	**0.51**	0.51
Rounding off adjustments	**0.03**	0.02
Income tax expense recognised in statement of profit & loss	**4.35**	4.29

26. Capital Commitments

As on March 31, 2017, 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, 2016 : ₹ Nil Lakhs)

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

27. Specified Bank Notes (SBN)

As required by MCA notification dated March 30, 2017 and amendment to Schedule III of the Companies Act, 2013, the details of Specified Bank Notes ("SBN") held and transacted during the period November 08, 2016 to December 30, 2016 is furnished as below.

	SBN'S	Other Denominated Notes	Total *
Closing cash in hand as on Nov 08, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on Dec 30, 2016	-	-	-

For the above purpose, 'SBN' means the bank notes of denominations of the old series of the value of five hundred rupees and one thousand rupees which ceased to be legal tender through the Ministry of Finance, Department of Economic Affairs Notification dated November 8, 2016

* The Company did not have any cash balance as at November 8, 2016.

28. Related Party Transactions

a. The names of related parties of the Company are as under:

Ultimate Holding Company

The Indian Hotels Company Limited ("IHCL")

Lands End Properties Private Limited ("LEPPL")

(Amalgamated with IHCL on December 19, 2016 w.e.f the appointed date i.e March 31, 2016)

Holding Company

Skydeck Properties and Developers Private Limited ("Skydeck")

Subsidiary

ELEL Hotels and Investments Limited ("ELEL")

Luthria and Lalchandani Hotel and Properties Private Limited ("Luthria")

b. Transactions with related parties :

Particulars of transactions	IHCL		ELEL		Skydeck	
	Transaction amount ₹ Lakhs	Outstanding amount ₹ Lakhs	Transaction amount ₹ Lakhs	Outstanding amount ₹ Lakhs	Transaction amount ₹ Lakhs	Outstanding amount ₹ Lakhs
Payables	3.29	0.74	-	-	-	-
	2.89	*0.71*	-	*0.14*	-	-
Receivables	-	-	32.19	1.05	5.00	-
	-	-	*1.00*	*31.14*	-	*5.00*

29. There are no foreign currency transactions during the current and previous year.

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369
Place : Mumbai
Date : May 15,2017

For and on behalf of the Board of Directors

Ashok Binnani
Director

R. H. Parekh
Director

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	(%)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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 share-holding 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 con-solidated
				No. of shares	Amount of Investment	Extent of Holding		Considered in Consolidation (to the extent of Group's effective share-holding)	Not Considered in Consolidation		
					₹ Lakhs	%	₹ Lakhs	₹ Lakhs	₹ Lakhs		
	Associates										
	Indian										
1	ELEL Hotels and Investments Limited (Refer Note (iii)	March 31, 2017	January 15, 2010	1,108,145	39.80	39.28%	61,208.52	-	-	Note (iii)	-

Notes:

i) Names of Associates/ Joint Venture which are yet to commence operations - None

ii) There is significant influence due to percentage(%) of share holding (more than 20%).

iii) The Company, being an intermediate holding company, is exempted from preparing consolidated financial statement.

For and on behalf of the Board

Ashok Binnani — Director

R. H. Parekh — Director

Mumbai, May 15, 2017

DIRECTORS AND CORPORATE INFORMATION

ELEL HOTELS AND INVESTMENTS LIMITED

Board of Directors:

Mr. Rakesh Sarna - Director

Mr. Suresh Nanda – Director

Mr. Vijaykumar Raichand – Alternate Director to Mr. Suresh Nanda

Mr. Rajeev Newar - Additional Director
(appointed w.e.f January 31, 2017)

Mr. Anil P. Goel – Director
(resigned w.e.f October 15, 2016)

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

DIRECTOR'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, 2017.

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. As such financial statements for the year ended as at March 31, 2016 have been restated to conform to Ind As.

FINANCIAL RESULTS

The summarized Results of your Company and its subsidiaries are given in the table below.

₹ Lakhs

Particulars	**2016-17**	2015-16
Total Income	**113.67**	93.38
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	**(88.65)**	(137.37)
Less : Depreciation	**1,113.84**	1,167.86
Profit/(Loss) before Tax	**(1,202.49)**	(1,305.23)
Less : Provision for Income Tax	**-**	-
Profit/(Loss) After Tax	**(1,202.49)**	(1,305.23)

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 ('the 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 of the Company.

Mr. Rajeev Newar was appointed as Additional Director of the Company with effect from January 31, 2017. He holds office up to the date of the forthcoming Annual General Meeting of the Company and are eligible for appointment. Taking into consideration his knowledge and experience, the Board commends his appointment as Director of the Company to the Members. The Members' approval for his appointment as Director of the Company has been sought in the Notice convening the Annual General Meeting of the Company.

Mr. Anil P. Goel, Director of the Company had resigned w.e.f. October 15, 2016. The Board places on record its appreciation for the valuable services rendered and enormous contribution made by him during his tenure as Director 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, 2013. The Board meetings were held on May 6, 2016; September 23, 2016; October 14, 2016 and January 31, 2017.

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

At the Annual General Meeting, the Members will be requested to re-appoint M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018), as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the AGM of the Company adopting the Financial Statements of the Company for the year ended March 31, 2019 (subject to ratification of their appointment at each AGM) and authorise the Board of Directors to fix their remuneration.

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 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 at large.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company is taking 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, 2017 and of the loss of the year ended March 31, 2017;

(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

Mr. Rakesh Sarna **Director** (DIN: 01875340)	**Mr. Rajeev Newar** **Director** (DIN: 00468125)

Mumbai Dated: May 15, 2017

Registered Office:
Mandlik House, Mandlik Road, Mumbai 400 001.
CIN : U70101MH1969PLC014326
Tel.: 91 22 66395515 Fax: 91 22 22027442

Annexure to Directors' Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017
[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	:	09/07/1969
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 & 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:-

Sl. 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 hoteliering, 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 –

Sl. 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 4000 001.	U55100MH2008PTC178963	Subsidiary	90%	2 (87)

IV. SHARE HOLDING 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				% 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.	581291	2239596	2820887	100	581291	2239596	2820887	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**581291**	**2239596**	**2820887**	**100**	**581291**	**2239596**	**2820887**	**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)	**581291**	**2239596**	**2820887**	**100**	**581291**	**2239593**	**2820887**	**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				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	
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)	**581291**	**2239596**	**2820887**	**100**	**-**	**2239593**	**2820887**	**100**	**-**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	Sheena Investments Private Limited (Sheena)	1108145	39.28	-	1108145	39.28	-	-
2	Skydeck Properties and Developers Pvt Ltd (Skydeck)	1309896	46.44	-	1309896	46.44	-	-
3.	Excalibur Assets and Capital Management Pvt. Ltd.	398090	14.11	100	398090	14.11	100	-
4.	Claridges Hotels Private Limited	4756	0.17	-	4756	0.17	-	-
	TOTAL	**2820887**	**100**	**100**	**2820887**	**100**	**100**	**-**

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

Sl. 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	**No Change**			
	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):				
	At the end of the year				

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

Sl. 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	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.)	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:

Sl. 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	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	1	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

Sl. 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 under section 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 (A)	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act					

B. REMUNERATION TO OTHER DIRECTORS:

₹ Lakhs

Sl. 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 (2)					
	Total (B) = (1+ 2)					
	Total Managerial Remunaration	Nil	Nil	Nil	Nil	Nil
	Overall Celling as per the Act					

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

Sl. 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 under section 17(3) of the Income tax Act, 1961	**N.A.**	
2)	Stock Option		
3)	Sweat Equity		

4)	Commission - as % of profit - others, specify	N.A.
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)					
C. Other Officers in Default (Penalty/ Punishment/ Compounding of Offences)					

On behalf of the Board of Directors

Mr. Rakesh Sarna
Director
(DIN: 01875340)

Mr. Rajeev Newar
Director
(DIN: 00468125)

Mumbai, Dated: May 15, 2017
Place : Mumbai

Registered Office:
Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN : U70101MH1969PLC014326
Tel.: 91 22 66395515 Fax: 91 22 22027442

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 31st March, 2017, 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 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, 2017, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting

Standards) Rules, 2006 (as amended) on which we expressed an unmodified opinion dated 6-May-2016 and 28-May-2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

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 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 30 & 31.

      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, 2017.

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

      iv. Based on the information and explanations provided to us, the Company has provided the requisite disclosures in its Ind AS financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company – Refer Note 32.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

Ramanarayanan J

Partner

Membership No. 220369

Place of Signature: Mumbai

Date: May 15, 2017

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, 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, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2017 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 / 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.

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, 2017 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, 2017, 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 15, 2017

Balance Sheet as at March 31, 2017

	Note	**March 31, 2017 ₹ Lakhs**	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
Assets				
Non-current assets				
Property, plant and equipment	3	**-**	0.01	0.02
Capital work-in-progress	3	**4,698.57**	4,685.89	4,685.89
Intangible assets	4	**58,578.26**	59,690.51	60,858.36
		63,276.83	64,376.41	65,544.27
Financial assets				
Investments	5	**0.93**	0.93	0.93
Other financial assets	7	**0.97**	0.97	0.97
Other non-current assets	8	**4.94**	4.94	4.93
		63,283.67	64,383.25	65,551.10
Current assets				
Financial assets				
Investments	5	**1,896.30**	2,043.45	893.08
Cash and cash equivalents	9	**12.37**	22.12	14.50
Loans	6	**45.00**	-	975.00
Other financial assets	7	**1.99**	1.26	179.50
		1,955.66	2,066.83	2,062.08
Total		**65,239.33**	66,450.08	67,613.18
Equity and liabilities				
Equity				
Equity share capital	10	**282.09**	282.09	282.09
Other equity	11	**60,926.43**	62,128.92	63,434.15
Total equity		**61,208.52**	62,411.01	63,716.24
Current Liabilities				
Financial liabilities				
Trade payables	12	**15.43**	106.42	37.88
Other financial liabilities	13	**347.19**	346.01	344.62
Provisions	14	**3,667.66**	3,584.32	3,514.44
Other current liabilities	15	**0.53**	2.32	-
		4,030.81	4,039.07	3,896.94
Total		**65,239.33**	66,450.08	67,613.18
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 and on behalf of the Board

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

Ramanarayanan J
Partner
Membership No.220369

Rakesh Sarna
Director

Rajeev Newar
Director

Place : Mumbai
Date : May 15, 2017

Statement of Profit and Loss for the year ended March 31, 2017

	Note	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Income			
Other income	16	**113.67**	93.38
Total Income		**113.67**	93.38
Expenses			
Depreciation	3 / 4	**1,113.84**	1,167.86
Other operating and general expenses	17	**202.32**	230.75
Total Expenses		**1,316.16**	1,398.61
Profit/ (Loss) before exceptional items and tax		**(1,202.49)**	(1,305.23)
Exceptional items		**-**	-
Profit/ (Loss) before tax		**(1,202.49)**	(1,305.23)
Tax expenses			
Current tax		**-**	-
Deferred tax		**-**	-
Total		**-**	**-**
Profit/ (Loss) after tax		**(1,202.49)**	(1,305.23)
Other comprehensive income			
other comprehensive Income for the year		**-**	-
Total comprehensive Income for the year		**(1,202.49)**	(1,305.23)
Earnings per share:	18		
Basic - (₹)		**(42.63)**	(46.27)
Diluted - (₹)		**(42.63)**	(46.27)
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 and on behalf of the Board

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

Ramanarayanan J
Partner
Membership No.220369

Rakesh Sarna
Director

Rajeev Newar
Director

Place : Mumbai
Date : May 15, 2017

Statement of Changes in Equity as at March 31, 2017

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus			Total
		Securities Premium Account	General Reserve	Retained Earnings	
Balance as at April 1, 2015	282.09	16,415.23	70,749.87	(23,730.95)	**63,716.24**
Profit for the year ended March 31, 2016	-	-	-	(1,305.23)	**(1,305.23)**
Other Comprehensive Income for the year	-	-	-	-	**-**
Total Comprehensive Income for the year ended March 31, 2016	-	-	-	(1,305.23)	**(1,305.23)**
Add/ Less: Other Adjustments	-	-	-	-	**-**
Balance as at March 31, 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)**
Other Comprehensive Income for the year	-	-	-	-	**-**
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**

Cash Flow Statement for the year ended March 31, 2017

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs
Cash Flow From Operating Activities		
Profit Before Tax	**(1,202.49)**	(1,305.23)
Adjustments For :		
Depreciation and Amortisation	**1,113.84**	1,167.86
Dividend Income	**(75.99)**	(93.38)
Interest Income	**(34.84)**	-
	1,003.01	1,074.48
Cash Operating Profit before working capital changes	**(199.48)**	(230.75)
Adjustments for (increase)/ decrease in operating assets:		
Loans and advances	**(0.19)**	(0.01)
Other Current Assets	**-**	-
	(0.19)	(0.01)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**(90.99)**	68.54
Other Liabilities	**82.73**	73.59
	(8.26)	142.13
Cash Generated from Operating Activities	**(207.93)**	(88.63)
Direct Taxes (Paid)/ Refunded	**-**	-
Net Cash Generated From Operating Activities (A)	**(207.93)**	(88.63)
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	**(14.26)**	-
Purchase of current Investments	**-**	(1,150.37)
Sale of current Investments	**147.15**	-
Interest Received	**34.30**	178.24
Dividend Received	**75.99**	93.38
Short-term Deposits repaid / (placed)	**(45.00)**	975.00
Net Cash Generated/(Used) In Investing Activities (B)	**198.18**	96.25
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(9.75)**	7.62
Cash and Cash Equivalents - Opening	**22.12**	14.50
Cash and Cash Equivalents - Closing	**12.37**	22.12
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 and on behalf of the Board**

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

Ramanarayanan J
Partner
Membership No.220369

Rakesh Sarna
Director

Rajeev Newar
Director

Place : Mumbai
Date : May 15, 2017

Notes to Financial Statements for year ended March 31, 2017

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) 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. Previous period have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

c) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

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

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

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

- **Impairment 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

- **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.

- **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

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.

e) 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

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.

f) 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.

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.

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

h) 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.

i) Taxes on income

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

(i) Current tax:

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

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

(ii) Deferred tax:

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

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

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

j) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

k) 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.

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 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.

n) 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.

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

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

Impairment of financial assets

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

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

b) Trade receivables.

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

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

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

Loans and borrowings

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

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

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

Derecognition

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

Offsetting of financial instruments

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

Equity instruments

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

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

o) Recent accounting pronouncements

(i) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendment to IND AS 7 is applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires 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.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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

₹ Lakhs

	Office Equipment	Total	Capital Work in Progress
Cost (Refer Footnote below)			
At April 1, 2015	0.02	**0.02**	**4,685.89**
Additions	-	-	-
Disposals/ Transfer	-	-	-
At March 31, 2016	0.02	**0.02**	**4,685.89**
Additions	1.58	**1.58**	**12.68**
Disposals/ Transfer	-	-	-
At March 31, 2017	1.60	**1.60**	**4,698.57**
Depreciation			
At April 1, 2015	-	-	-
Charge for the year	0.01	**0.01**	-
Disposals	-	-	
At March 31, 2016	0.01	**0.01**	-
Charge for the year	1.59	**1.59**	
Disposals	-	-	
At March 31, 2017	1.60	**1.60**	-
Net Block			
At March 31, 2016	0.01	**0.01**	**4,685.89**
At March 31, 2017	-	-	**4,698.57**

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 4 : Intangible Assets (Acquired)

₹ Lakhs

	Service and Operating Rights	Lease Acquisition Rights	Total
Cost (Refer Footnotes below)			
At April 1, 2015	55.66	60,802.70	**60,858.36**
Additions	-	-	-
Disposals	-	-	-
At March 31, 2016	55.66	60,802.70	**60,858.36**
Additions	-	-	-
Disposals	-	-	-
At March 31, 2017	55.66	60,802.70	**60,858.36**
Amortisation			
At April 1, 2015	-	-	-
Charge for the year	55.60	1,112.25	**1,167.85**
Disposals	-	-	-
At March 31, 2016	55.60	1,112.25	**1,167.85**
Charge for the year	-	1,112.25	**1,112.25**
Disposals	-	-	-
At March 31, 2017	-	2,224.50	**2,280.10**
Net Block			
At March 31, 2016	0.06	59,690.45	**59,690.51**
At March 31, 2017	-	58,578.20	**58,578.26**

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.

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 Financial Statements for year ended March 31, 2017 (Contd.)

Note 5 : Investments

	Face Value	March 31, 2017		March 31, 2016		April 1, 2015	
		Holdings no. of Shares	**₹ Lakhs**	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	900	0.82
			0.82		0.82		0.82
Others							
National Savings Certificates 'NSC' (Refer note below)			**0.11**		0.11		0.11
Footnote							
NSC pledged as security with Accounts Officer, State Excise, Mumbai							
			0.93		0.93		0.93

B) Current Investments

	March 31, 2017		March 31, 2016		April 1, 2015	
	Holdings no. of Shares	**₹ Lakhs**	Holdings no. of Shares	₹ Lakhs	Holdings no. of Shares	₹ Lakhs
Investments in Mutual Fund Units						
Kotak Floater Short-term - DDR	**116,024**	**1,173.72**	118,661	1,200.40	-	-
ICICI Prudential Liquid Plan - DDR	**721,869**	**722.58**	-	-	-	-
JP Morgan Liquid Fund - Super IP - DDR	**-**	**-**	2,744,647	275.23	2,610,618	261.79
Peerless Liquid Fund - Super IP - DDR	**-**	**-**	7,081	70.90	16,034	160.54
Taurus Liquid Fund - Super IP - DDR	**-**	**-**	49,656	496.92	47,063	470.75
TOTAL		**1,896.30**		2,043.45		893.08

Note 6 : Loans

	March 31,2017	March 31,2016	April 01,2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Current			
(Unsecured, considered good unless stated otherwise)			
Related Parties (Refer note 33)	**45.00**	-	975.00
Others	**-**	-	-
	45.00	-	975.00

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 7 : Other Financial Assets

		March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs	April 01,2015 ₹ 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	0.97	0.97
B)	**Current**			
	Interest receivable			
	Bank Deposits	**-**	-	-
	Others	**0.54**	-	178.24
		0.54	-	178.24
	On Current Account dues :			
	Related Parties	**1.45**	1.26	1.26
	Others	**-**	-	-
		1.45	1.26	1.26
		1.99	1.26	179.50

Note 8 : Other Assets

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs	April 01,2015 ₹ Lakhs
Non Current			
Deposits with Government Authoritites	**4.94**	4.94	4.93
	4.94	4.94	4.93

Note 9 : Cash and Cash Equivalents

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs	April 01,2015 ₹ Lakhs
Cash on hand		0.02	0.02
Balances with bank in current account	**12.37**	22.10	14.48
	12.37	22.12	14.50

Note 10 : Share Capital

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs	April 01,2015 ₹ 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	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	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	282.09	282.09

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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 31,2017	No. of Shares March 31,2016	No. of Shares April 01,2015
Name of the Company			
Intermediate Holding Company			
Skydeck Properties and Developers Private Limited	**1,309,896**	1,309,896	1,309,896
Fellow Subsidiary Company			
Sheena Investments Private Limited	**1,108,145**	1,108,145	1,108,145
Others			
Excalibur Assets and Capital Management Pvt. Ltd	**398,090**	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	1,309,896
% of Holding	**46.44%**	46.44%	46.44%
Sheena Investments Private Limited	**1,108,145**	1,108,145	1,108,145
% of Holding	**39.28%**	39.28%	39.28%

(v) Sheena Investments Private Limited holds 11,08,145 shares (March 31, 2016 : 11,08,145) in the Company out of which 526,854 shares (March 31, 2016 : 526,854) are held in Escrow Account in favour of Claridges Hotels Private Limited (CHPL), which shall be transferred to CHPL on fulfillment of certain conditions.

(vi) 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.

Note 11 : Other Equity

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs
Securities Premium Account		
Opening and Closing Balance	**16,415.23**	16,415.23
General Reserve		
Opening and Closing Balance (Refer footnote (ii) to note 4)	**70,749.87**	70,749.87
Retained Earnings		
Deficit at the beginning of the year	**(25,036.18)**	(23,730.95)
Add: Current year losses	**(1,202.49)**	(1,305.23)
Closing Retained Earnings	**(26,238.67)**	(25,036.18)
Reserves and Surplus Total	**60,926.43**	62,128.92

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 12 : Trade Payables

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs	April 01,2015 ₹ Lakhs
Micro and Small Enterprises	**-**	-	-
Others			
Vendor Payables	**7.44**	97.92	30.33
Accrued expenses and others	**7.99**	8.50	7.55
	15.43	106.42	37.88

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 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs	April 01,2015 ₹ Lakhs
Other payable			
Related Parties	**2.89**	1.71	0.32
Others	**337.26**	337.26	337.26
	340.15	338.97	337.58
Deposits from others			
Unsecured	**7.04**	7.04	7.04
	7.04	7.04	7.04
	347.19	346.01	344.62

Note 14 : Provisions

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs	April 01,2015 ₹ Lakhs
A) Short Term Provisions			
Provision for Contingencies (Refer Footnote (i))	**1,256.94**	1,187.19	1,117.39
Provision for Tax (net of advances) (Refer Note : 30)	**2,410.72**	2,397.13	2,397.05
	3,667.66	3584.32	3514.44

Food note :

(i) Provision for Contingencies include provisions for the following: **₹ Lakhs**

	Opening Balance	Addition/ (Deletion)	Closing Balance
Disputed claims for taxes , levies and duties	**3366.62**	**83.34**	**3,449.96**
	3296.74	*69.88*	*3,366.62*
Disputes on Contractual matters	-	-	-
	-	-	-
Disputes in respect of Employee settlement (Refer Note 31)	**217.70**	**-**	**217.70**
	217.70	-	*217.70*
Total	**3,584.32**	**83.34**	**3,667.66**
	3,514.44	*69.88*	*3,584.32*

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs	April 01,2015 ₹ Lakhs
Current			
Statutory dues	0.53	2.32	-
Others	-	-	-
	0.53	2.32	-

Note 16 : Other Income

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	**34.84**	-
	34.84	-
Interest on Income Tax Refunds	**2.81**	-
Total	**37.65**	-
Dividend Income from Current Investments	**75.99**	93.38
Others	**0.03**	-
Total	**113.67**	93.38

Note 17 : Other operating and general expenses

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs
(i) Operating expenses consist of the following :		
Fuel, Power and Light	**3.77**	3.83
Repairs to Others	**9.54**	1.59
Payment to security Agency	**34.16**	33.48
Other Operating Expenses	**0.81**	0.68
Total	**48.28**	39.58
(ii) General expenses consist of the following :		
Rent	**77.30**	77.34
Rates and Taxes	**15.89**	15.86
Printing and Stationery	**0.67**	0.20
Professional Fees	**55.43**	92.37
Payment made to Statutory Auditors (Refer Footnote (a))	**4.15**	4.11
Other Expenses	**0.60**	1.29
	154.04	191.17
Total	**202.32**	230.75

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Footnotes:

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs
a) Payment made to Statutory Auditors:		
As auditors	**4.03**	4.01
For others services	**0.12**	0.10
	4.15	4.11

Note 18 : Earnings Per Share (EPS)

	March 31,2017 ₹ Lakhs	March 31,2016 ₹ Lakhs
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax - (₹ Lakhs)	**(1,202.49)**	(1,305.23)
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	**(42.63)**	(46.27)

19. Transition to Ind AS

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards' along with the reconciliations of equity, total comprehensive income and cash flows in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Company has applied the following exemptions:

i. Business combinations exemption

The Company has elected not to apply Ind AS 103, Business Combinations, to business combinations that occurred before the transition date.

ii. Property, plant and equipment, investment properties and intangible assets –Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment (para D7AA of Appendix D). This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment property covered by Ind AS 40 *'Investment Properties'.*

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

Reconciliations between Previous GAAP and Ind AS:

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(a) Equity reconciliation

		₹ Lakhs
	As at March 31, 2016	As at April 01, 2015
Equity under Previous GAAP	62,411.01	63,716.24
Adjustment on account of transition	-	-
Equity under Ind AS	62,411.01	63,716.24

(b) Total Comprehensive income reconciliations

	Year Ended March 31,2016
Profit after tax under Previous GAAP	(1305.23)
Adjustments on account of transition	-
Profit after tax under Ind AS	(1305.23)
Other comprehensive income	-
Total comprehensive income as per Ind AS	(1305.23)

20. 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.

21. 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.

22. 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.

23. 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

24. 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.

25. 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.

26. 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.

27. Taxation

a) Reconciliation of tax expense with the effective tax

	March 31,2017	March 31,2016
	₹ Lakhs	₹ Lakhs
Profit / (Loss) before tax	**(1,202.49)**	(1,305.23)
Income-tax rate as applicable @ 29.87% (previous year @ 30.90%)	**(359.18)**	(403.31)
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	**333.44**	383.56
Effect of income that is exempt from taxation (like dividend income)	**(22.70)**	(28.86)
Deferred tax asset not recognised in statement of profit & loss	**48.44**	48.61

b) Deferred Tax

	March 31,2017	March 31,2016
	₹ Lakhs	₹ Lakhs
Unabsorbed tax losses/depreciation for which no deferred tax assets has been recognized	**762.79**	600.63
Deferred tax asset not created @ 25.75 % (Previous year @ 29.87%)	**196.42**	179.41

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 asset has been created based on prudent basis.

b. As per the Finance Act, 2017 & Income Tax Act, 1961, the income tax rates has been changed from 29.87% to 25.75%. Accordingly the revised rate has been considered for computing potential future tax benefits.

28. Capital Commitments

As on March 31, 2017, 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, 2016 : ₹ Nil Lakhs)

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

29. Contingent liabilities

			₹ **Lakhs**
		March 31,2017	**March 31,2016**
a)	Income Tax	**589.20**	589.20
	(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)		
b)	Property tax	**1,764.00**	1,339.00
	Amounts in respect of claims (excluding interest and penalties) assessed on the Company, in respect of property taxes, etc.		

30. 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.

31. A provision of ₹ 217.70 Lakhs has been recognised for probable claims in respect of labour disputes pending before various judicial courts mainly for retrenchment/ suspension of employees in the year 2008-09 for which process of negotiation for out of court settlement has already been initiated by the Company. There has been no movement in provision for the same in the current year.

32. Specified Bank Notes (SBN)

As required by MCA notification dated March 30, 2017 and amendment to Schedule III of the Companies Act, 2013, the details of Specified Bank Notes ("SBN") held and transacted during the period November 08, 2016 to December 30, 2016 is furnished as below.

			₹ Lakhs
	SBN'S	**Other Denominated Notes**	**Total ***
Closing cash in hand as on Nov 08, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on Dec 30, 2016	-	-	-

For the above purpose, 'SBN' means the bank notes of denominations of the old series of the value of five hundred rupees and one thousand rupees which ceased to be legal tender through the Ministry of Finance, Department of Economic Affairs Notification dated November 8, 2016

* The Company did not have any cash balance as at November 8, 2016.

33. Related Party Transactions

a. The names of related parties of the Company are as under :

Holding Company

- The Indian Hotels Company Limited
- Lands End Properties Private Limited

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

(Amalgamated with IHCL on December 19, 2016 w.e.f the appointed date i.e March 31, 2016)

Intermediate Holding Company

- Skydeck Properties and Developers Private Limited

Fellow subsidiary and shareholder

- Sheena Investments Private Limited

Subsidiary

- Luthria and Lalchandani Hotel and Properties Private Limited

Other related parties - Associate of Holding Company

- 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	-	2.89	1.00	1.05	-	-
	60.00	64.02	1.00	31.14	-	-
Receivables	-	-	-	1.45	1,829.83	45.54
	-	-	-	*1.26*	*976.78*	-

34. There are no foreign currency transactions during the current and previous year.

In terms of our report of even date

For and on behalf of the Board

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

Ramanarayanan J
Partner
Membership No.220369

Rakesh Sarna
Director

Rajeev Newar
Director

Place : Mumbai
Date : May 15, 2017

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.	18/02/2008	INR	1.00	(3.27)	1.48	3.74	-	-	(0.30)	-	(0.30)	-	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, 2017

Part "B" : Associates and Joint Ventures: Not Applicable

For and on behalf of the Board

Rakesh Sarna	**Rajeev Newar**
Director	Director

DIRECTORS AND CORPORATE INFORMATION

LUTHRIA AND LALCHANDANI HOTEL AND PROPERTIES PRIVATE LIMITED

Directors :
Mr. Ashok Binnani
Ms. Cynthia Noronha
Mr. Kishor Kulkarni
Ms. Aban Rupa

Auditors :
M/S PKF Sridhar & Santhanam LLP
Chartered Accountants

Registered Office :
Mandlik House
Mandlik Road
Mumbai 400001
Maharashtra

CIN : U55100MH2008PTC178963
Tel : 91 22 6639 5515
Fax : 91 22 2202 7442

DIRECTORS' 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, 2017.

FINANCIAL RESULTS

The summarized Financial Results of your Company are given in the table below.

₹ 000

Particulars	2016-17	2015-16
Income	-	-
Less: Operating costs	**30.00**	34.60
Gross Operating Profit	**(30.00)**	(34.60)
Profit / (Loss) before tax	**(30.00)**	(34.60)
Provision for tax	-	-
Profit / (Loss) after tax	**(30.00)**	(34.60)
Basic & Diluted Earning Per Share (₹) (Face Value - ₹ 100/-)	**(30.00)**	(34.60)

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

In accordance with the Companies Act, 2013 (the Act) and the Articles of Association of the Company, one of your Directors viz. Mr. Ashok Binnani (DIN: 03326335) retires by rotation and is eligible for re-appointment. Your approval for the re-appointment of Mr. Ashok Binnani 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 Act. The Board meetings were held on May 6, 2016; August 1, 2016, October 26, 2016 and January 31, 2017.

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.

STATUTORY AUDITORS

At the Annual General Meeting, the Members will be requested to re-appoint M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018), as Statutory Auditors of the Company for financial year 2017-18 to 2018-19, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company adopting the Financial Statements of the Company for the year ended March 31, 2019 (subject to ratification of their appointment at each AGM) and authorise the Board of Directors to fix their remuneration.

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.

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. 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 Act 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 2016-17.

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, 2017 and of the loss of the Company for the year ended March 31, 2017;

(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

Ashok Binnani	**Cynthia Norohna**
Director	Director
(DIN : 03326335)	(DIN : 06916800)

Dated: May 15, 2017
Place: Mumbai

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN : U55100MH2008PTC178963
Tel.: 91 22 66395515
Fax: 91 22 22027442

Annexure to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[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 : 18/02/2008

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:-

Sl. 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 –

Sl. 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				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.	Nil	1000	1000	100	Nil	1000	1000	100	Nil
e) Banks / FI									
f) Any Other….									
Sub-total (A) (1):-	Nil	1000	1000	100	Nil	1000	1000	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	1000	1000	100	Nil	1000	1000	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 Rs.1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs.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	1000	1000	100	Nil	1000	1000	100	Nil

(ii) Shareholding of Promoters

Sl. 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	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	**1000**	**100**	**Nil**	**1000**	**100**	**Nil**	**Nil**

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

Sl. 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	**No Change**			
	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):				
	At the end of the year				

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

Sl. 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	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.)	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:

Sl. 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	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:

Sl. 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 under section 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 (A)	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act					

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify					
	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify					
	Total (B)					
	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

Sl. 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 under section 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)					

On behalf of the Board of Directors

Ashok Binnani
Director
(DIN : 03326335)

Cynthia Norohna
Director
(DIN : 06916800)

Mumbai, May 15, 2017
Registered Office:
Mandlik House, Mandlik Road, Mumbai 400 001.
CIN : U55100MH2008PTC178963
Tel.: 91 22 66395515
Fax: 91 22 22027442

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 31st March, 2017, 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 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, 2017, and its loss (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 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 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.

      iv. Based on the information and explanations provided to us, the Company has provided the requisite disclosures in its Ind AS financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained 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 15, 2017

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, 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, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2017 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 / 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, there are no transactions entered into with related parties during the year. Accordingly, the provisions of clause 3(xiii) of the Order are 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 15, 2017

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 Luthria & Lalchandani Hotel & Properties Private Limited ("the Company") as of March 31, 2017 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, 2017, 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 15, 2017

Balance Sheet as at March 31,2017

	Note	March 31, 2017 ₹ 000	March 31, 2016 ₹ 000	April 1, 2015 ₹ 000
Assets				
Non-current assets				
Other non-current assets	3	**136.33**	136.33	136.33
Current assets				
Cash and cash equivalents	4	**11.26**	16.26	18.76
Total		**147.59**	152.59	155.09
Equity and liabilities				
Equity				
Equity share capital	5	**100.00**	100.00	100.00
Other equity	6	**(326.57)**	(296.57)	(261.97)
Total equity		**(226.57)**	(196.57)	(161.97)
Current Liabilities				
Financial liabilities				
Trade payables	7	**25.71**	23.40	22.73
Other financial liabilities	8	**346.45**	323.76	294.33
Other current liabilities	9	**2.00**	2.00	-
		374.16	349.16	317.06
Total		**147.59**	152.59	155.09
Summary of significant accounting policies	2			

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

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

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: May 15, 2017

For and on behalf of the Board

Ashok Binnani
Director

Cynthia Noronha
Director

Statement of Profit and Loss for the year ended March 31, 2017

	Note	Year Ended March 31, 2017 ₹ 000	Year Ended March 31, 2016 ₹ 000
Income			
Other income	10	-	-
Total Income		-	-
Expenses			
Other operating and general expenses	11	**30.00**	34.60
Total Expenses		**30.00**	34.60
Profit/ (Loss) before exceptional items and tax		**(30.00)**	(34.60)
Exceptional items		-	-
Profit/ (Loss) before tax		**(30.00)**	(34.60)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total		-	-
Profit/ (Loss) after tax		**(30.00)**	(34.60)
Other comprehensive income, net of tax			
Other comprehensive income for the year		-	-
Total comprehensive Income for the year		**30.00**	34.60
Earnings per share:	12		
Basic - (₹)		**(30.00)**	(34.60)
Diluted - (₹)		**(30.00)**	(34.60)
Face value per ordinary share - (₹)		**100.00**	100.00
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 and on behalf of the Board

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

Ashok Binnani
Director

Cynthia Noronha
Director

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: May 15, 2017

Statement of Changes in Equity as at March 31, 2017

Particulars	Equity Share Capital Subscribed	Reserves and Surplus Retained Earnings	Total ₹ 000
Balance as at April 1, 2015	100.00	(261.97)	(161.97)
Profit for the year ended March 31, 2016	-	(34.60)	(34.60)
Other comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year ended March 31, 2016	-	**(34.60)**	**(34.60)**
Balance as at March 31, 2016	**100.00**	**(296.57)**	**(196.57)**
Profit for the year ended March 31, 2017	-	(30.00)	(30.00)
Other comprehensive Income for the year	-	-	-
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)**

Cash Flow Statement for the year ended March 31, 2017

	Year Ended March 31, 2017 ₹ 000	Year Ended March 31, 2016 ₹ 000
Cash Flow From Operating Activities		
Profit Before Tax	**(30.00)**	(34.60)
Adjustments For :		
Interest Income	-	-
	-	-
Cash Operating Profit before working capital changes	**(30.00)**	(34.60)
Adjustments for (increase)/ decrease in operating assets:		
Other Current Assets	-	-
	-	-
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**25.00**	32.10
Other Liabilities	-	-
	25.00	32.10
Cash Generated from Operating Activities	**(5.00)**	(2.50)
Direct Taxes (Paid)/ Refunded	-	-
Net Cash Generated From Operating Activities (A)	**(5.00)**	(2.50)
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)	**(5.00)**	(2.50)
Cash and Cash Equivalents - Opening	**16.26**	18.76
Cash and Cash Equivalents - Closing	**11.26**	16.26

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

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

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: May 15, 2017

For and on behalf of the Board

Ashok Binnani
Director

Cynthia Noronha
Director

Notes to Financial Statements for year ended March 31, 2016

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) 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. Previous period have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of Shareholders’ equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

c) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

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

d) 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.

e) 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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.

f) Provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

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

Contingent assets are not recognized but only disclosed in the financial statements.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

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 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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Equity investments

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

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

Derecognition

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

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

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

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

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

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

Impairment of financial assets

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

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

b) Trade receivables.

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

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, 2017 (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, 2017 (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.

j) Recent accounting pronouncements

(i) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendment to IND AS 7 is applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires 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.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 3: Other Financial Assets

	March 31,2017 ₹000	March 31,2016 ₹000	March 31,2015 ₹000
Non current			
Deposit with Govt. of Maharashtra for leasehold land (Refer note : 13)	**136.33**	136.33	136.33
	136.33	**136.33**	**136.33**

Note 4: Cash and Cash Equivalents

	March 31,2017 ₹000	March 31,2016 ₹000	March 31,2015 ₹000
Balances with bank in current account	**11.26**	16.26	18.76
	11.26	16.26	18.76

Note 5 : Share Capital

	March 31,2017 ₹000	March 31,2016 ₹000	March 31,2015 ₹000
Authorised Share Capital			
Equity Shares			
1,000 (Previous year - 1,000) Equity Shares of ₹ 100/- each	**100.00**	100.00	100.00
	100.00	**100.00**	**100.00**
Issued Share Capital			
1,000 (Previous year - 1,000) Equity Shares of ₹ 100/- each	**100.00**	100.00	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	**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 31,2017	No. of Shares March 31,2016	No. of Shares March 31,2015
Name of the Company			
Intermediate Holding Company			
ELEL Hotels and Investments Limited	**900**	900	900
Skydeck Properties and Developers Private Limited	**50**	50	50
Sheena Investments Private Limited	**50**	50	50
iv) Shareholders holding more than 5% shares in the Company			
ELEL Hotels and Investments Limited	900	900	900
% of Holding	90.00%	90.00%	90.00%

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.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 6 : Other Equity

	March 31,2017	March 31,2016
	₹000	₹000
Retained Earnings		
Opening and Closing Balance	**(296.57)**	(261.97)
Add: Current year profits	**(30.00)**	(34.60)
Total	**(326.57)**	(296.57)

Note 7: Trade Payables

	March 31,2017	March 31,2016	April 1,2015
	₹000	₹000	₹000
Micor and Small Enterprises	**-**	-	-
Others			
Vendor Payables	**-**	-	-
Accrued expenses and others	**25.71**	23.40	22.73
	25.71	23.40	22.73

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 31,2017	March 31,2016	April 1,2015
	₹000	₹000	₹000
Other Payables :-			
Related Parties (Refer note 25)	**156.12**	108.20	104.00
Others	**190.33**	215.56	190.33
	346.45	323.76	294.33

Note 9 : Other Current Liabilities

	March 31,2017	March 31,2016	April 1,2015
	₹000	₹000	₹000
Statutory dues	**2.00**	2.00	-
	2.00	**2.00**	**-**

Note 10 : Other Income

	March 31,2017	March 31,2016
	₹000	₹000
Interest Income from financial assets at amortised cost		
Deposits with banks	**-**	-
Total	**-**	**-**

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Note 11 : General expenses

	March 31,2017	March 31,2016
	₹000	₹000
General expenses consist of the following :		
Rates and Taxes	**7.00**	6.70
Professional Fees	**-**	5.00
Payment made to Statutory Auditors (Refer Footnote below)	**23.00**	22.90
Other Expenses	**-**	-
Total	**30.00**	34.60

Footnote:

Payment made to Statutory Auditors:

	March 31,2017	March 31,2016
	₹000	₹000
As auditors	**23.00**	23.00
Rates and Taxes	**23.00**	**23.00**

Note : 12 Earning Per Share (EPS)

Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.

	March 31,2017	March 31,2016
	₹000	₹000
Profit / (Loss) after tax	**(30.00)**	(34.60)
Weighted Average Number of Equity Shares	**1,000.00**	1,000.00
Face Value per Equity Share	**100.0**	100.00
Earning Per Share - (₹) Basic and Diluted	**(30.00)**	(34.60)

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. **Transition to Ind AS**

    In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards' along with the reconciliations of equity, total comprehensive income and cash flows in accordance with Previous GAAP to Ind AS are explained below.

    Exemptions from retrospective application:

    The Company has applied the following exemptions:

    i. **Business combinations exemption**

       The Company has elected not to apply Ind AS 103, Business Combinations, to business combinations occurred before the transition date.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

Reconciliations between Previous GAAP and Ind AS:

(a) Equity reconciliation **₹ 000**

	As at March 31, 2016	As at April 1, 2015
Equity under Previous GAAP	(196.57)	(161.97)
Adjustment on account of transition	-	-
Equity under Ind AS	(196.57)	(161.97)

(b) Total Comprehensive income reconciliations **₹ 000**

	Year Ended March 31, 2016
Profit after tax under Previous GAAP	(34.60)
Adjustments on account of transition	-
Profit after tax under Ind AS	(34.60)
Other comprehensive income	-
Total comprehensive income as per Ind AS	(34.60)

15. 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.

16. 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.

17. 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.

18. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

19. 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.

20. 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.

21. 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.

22. Taxation

a) Reconciliation of tax expense with the effective tax

₹ 000

	March 31, 2017	March 31, 2016
Profit before tax	**(30.00)**	(34.60)
Income-tax rate as applicable @ 29.87% (previous year @ 30.90%)	**(8.96)**	(10.69)
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	**8.96**	10.69
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

23. Capital Commitments

As on March 31, 2017, 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, 2016 : ₹ Nil Lakhs)

24. Specified Bank Notes (SBN)

As required by MCA notification dated March 30, 2017 and amendment to Schedule III of the Companies Act, 2013, the details of Specified Bank Notes ("SBN") held and transacted during the period November 08, 2016 to December 30, 2016 is furnished as below.

	SBN'S	Other Denominated Notes	Total *
Closing cash in hand as on Nov 08, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on Dec 30, 2016	-	-	-

For the above purpose, 'SBN' means the bank notes of denominations of the old series of the value of five hundred rupees and one thousand rupees which ceased to be legal tender through the Ministry of Finance, Department of Economic Affairs Notification dated November 8, 2016

* The Company did not have any cash balance as at November 8, 2016.

Notes to Financial Statements for year ended March 31, 2017 (Contd.)

25. Related Party Transactions

a. The names of related parties of the Company are as under :

Ultimate Holding Company

- The Indian Hotels Company Limited ("IHCL")
- Lands End Properties Private Limited ("LEPPL")

  (Amalgamated with IHCL on December 19, 2016 w.e.f the appointed date i.e March 31, 2016)

Holding Company

- ELEL Hotels and Investments Limited ("ELEL")

b. Transactions with related parties :

Particulars of transactions	IHCL		ELEL	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables	6.50	10.70	41.42	145.42
	4.20	*4.20*	-	*104.00*

26. There are no foreign currency transactions during the current and previous year.

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

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: May 15, 2017

For and on behalf of the Board

Ashok Binnani
Director

Cynthia Noronha
Director

DIRECTORS AND CORPORATE INFORMATION

Directors

R K Sarna (appointed 19 April, 2016)
R H Parekh
S Jain
N Chandrasekhar (appointed 19 April, 2016)
A. P. Goel (resigned 15 October, 2016)

Registered office

Teleportboulevard 140, 1043 EJ Amsterdam

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

DIRECTORS' REPORT

The directors present their report together with the audited non-statutory financial statements for the year ended 31 March 2017.

RESULT FOR THE YEAR

During the year under review, the company made a loss of US$51,717,148 (2016 - US$1,529,860) 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 H Parekh	
S Jain	
R K Sarna	(appointed 19 April 2016)
N Chandrasekhar	(appointed 19 April 2016)
A P Goel	(resigned 15 October 2016)

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 15, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS' OF IHOCO B.V.

We have audited the non-statutory financial statements of Ihoco BV for the year ended 31 March 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement. 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.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the non-statutory financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the non-statutory financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the non-statutory financial statements sufficient to give reasonable assurance that the non-statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the non-statutory financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited non-statutory financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on non-statutory financial statements

In our opinion the non-statutory financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

BDO LLP
London
United Kingdom

May 18, 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income for the year ended 31 March 2017

	Note	2017 US$	2016 US$
Income from group companies		**558,074**	-
Administrative expenses	3	**(159,933)**	(162,810)
Impairment of investments	5	**(48,773,408)**	-
Operating loss		**(48,375,267)**	(162,810)
Interest receivable		**138,959**	57,298
Interest payable		**(3,452,908)**	(1,418,348)
Loss on ordinary activities before taxation		**(51,689,216)**	(1,523,860)
Taxation on profit on ordinary activities	4	**(27,932)**	(6,000)
Loss for the year		**(51,717,148)**	(1,529,860)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(51,717,148)**	(1,529,860)

The notes from 1 to 12 form part of these financial statements.

Balance sheet at 31 March 2017

	Note	2017		2016	
		US$	US$	US$	US$
Fixed assets					
Investments	5		**259,549,348**		297,049,348
Current assets					
Debtors	6	**1,635,000**		1,500,000	
Cash at bank		**1,387,032**		287,703	
		3,022,032		1,787,703	
Creditors: amounts falling due within one year	7	**(96,090)**		(8,307,521)	
Net current assets			**2,925,942**		(6,519,818)
Total assets less current liabilities			**262,475,290**		290,529,530
Creditors: amounts falling due after more than one year	8		**-**		(119,080,708)
Net assets			**262,475,290**		171,448,822
Capital and reserves					
Called up share capital	9		**20,962,324**		9,830,000
Capital contribution			**-**		11,078,137
Share premium account			**271,312,014**		133,493,841
Revaluation reserve	10		**4,587,118**		4,587,118
Profit and loss account			**(34,386,166)**		12,459,726
			262,475,290		171,448,822

The notes from 1 to 12 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 May 2017

R K Sarna	Director	N Chandrasekhar	Director
R H Parekh	Director	S Jain	Director

Statement of changes in equity for the year ended 31 March 2017

	Share capital US$	Share redenomination reserve US$	Capital contribution US$	Share premium account US$	Revaluation reserve US$	Profit and loss account US$	Total equity US$
1 April 2015	1,077,890	926,535	-	-	4,587,118	14,085,161	20,676,704
Comprehensive income for the period							
Loss for the period	-	-	-	-	-	(1,529,860)	(1,529,860)
Total comprehensive income for the period	-	-	-	-	-	(1,529,860)	(1,529,860)
Contributions by and distributions to owners							
Redenomination	1,022,110	(926,535)	-	-	-	(95,575)	-
Shares issued	7,730,000	-	-	133,493,841	-	-	141,223,841
Capital contribution arising from interest free loan	-	-	11,078,137	-	-	-	11,078,137
Total contributions by and distributions to owners	8,752,110	(926,535)	11,078,137	133,493,841	-	(95,575)	152,301,978
31 March 2016	**9,830,000**	**-**	**11,078,137**	**133,493,841**	**4,587,118**	**12,459,726**	**171,448,822**
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 from 1 to 12 form part of these financial statements.

Notes forming part of the non-statutory financial statements for the year ended 31 March 2017

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 10) 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.

Notes forming part of the non-statutory financial statements for the year ended 31 March 2017

1 Accounting policies (continued)

Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') in US dollar.

Shares which were originally issued in Dutch Gilders were restated on 8 October 2015 at the US dollar equivalent at the time of issue with the difference included in a share redenomination reserve. Movements in this reserve represent the changes arising from the retranslation in each period and is transferred to/from the profit and loss reserve.

(b) *Transactions and balances*

Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

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 31 March 2017

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

	2017	2016
	US$	US$
Administrative expenses include the following:		
Auditors remuneration - audit	**34,596**	39,924
Exchange loss	**3,017**	44,034

4 Taxation

	2017	2016
	US$	US$
Corporation tax		
Charge for period	**27,932**	6,000
Taxation on profit on ordinary activities	**27,932**	6,000

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 2016	237,080,849	59,968,499	297,049,348
Additions (see note 12)	12,000,000	-	12,000,000
Impairments	(48,773,408)	-	(48,773,408)
Dividends treated as capital distribution	(726,592)	-	(726,592)
At 31 March 2017	199,580,849	59,968,499	259,549,348

In adopting FRS102, 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.

Notes forming part of the non-statutory financial statements for the year ended 31 March 2017

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**

	2017 US$	2016 US$
Amounts owed by associated undertakings (see note 12)	**1,635,000**	1,500,000

All amounts shown under debtors fall due for payment within one year except:

Amounts owed by associated undertakings US$1,500,000 (2016 - US$1,500,000).

7 **Creditors: amounts falling due within one year**

	2017 **US$**	2016 US$
Amounts owed to group undertakings (see note 12)	**-**	8,210,000
Taxation and social security	**37,917**	8,172
Accruals and deferred income	**58,173**	89,349
	96,090	8,307,521

Notes forming part of the non-statutory financial statements for the year ended 31 March 2017

8 Creditors: amounts falling due after more than one year

	2017	2016
	US$	US$
Amounts due to group undertakings (see note 12)	-	119,080,708

Amounts due to group undertakings are due for payment by November 2018.

9 Called up share capital

	2017	2016
	US$	US$
Issued and fully paid		
Ordinary shares	20,962,324	9,830,000

11,132,324 shares of par value US$1 each were issued in the period in consideration for loan repayments. All shares issued rank pari passu.

10 Revaluation reserve

	Revaluation reserve
	US$
At 1 April 2016 and 31 March 2017	4,587,118

The revaluation reserve represents the difference between cost of the investments at acquisition and the valuation of investments up to 31 March 2014. The valuation of such investments has been treated as deemed cost, following adoption of FRS 102.

11 Financial instruments

	2017	2016
	US$	US$
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,022,033	1,787,703
Financial liabilities		
Financial liabilities measured at amortised cost	96,090	127,380,057

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.

12 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.

Notes forming part of the non-statutory financial statements for the year ended 31 March 2017

During the previous year, the company received a three year interest free loan of US$128,740,480 from The Indian Hotels Company Limited. During the year the company received a further US$20,210,000 from The Indian Hotels Company Limited. These loans were converted into ordinary shares during the year leaving US$Nil (2016 - US$119,080,708) at the year end. The interest deemed to have been charged in the period was US$3,452,908 (2016 - US$1,418,348).

During the previous year, 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$12,000,000 as capital contribution to United Overseas Holdings Inc.

During the previous year, the company acquired the entire issued capital of Taj International Hotels Limited from Taj International Hotels (HK) Limited, a fellow group undertaking, for a cash consideration of US$16,130,000.

During the previous year, the company acquired 18,527,912 shares in St James Court Hotel Limited from Taj International Hotels (HK) Limited for a cash consideration of US$59,290,000.

During the previous year, the company acquired 3,336,396 shares in TAL Hotels and Resorts Limited from Taj International Hotels (HK) Limited for a cash consideration of US$27,630,000.

During the previous year, the company acquired 1,329,778 shares in TAL Hotels and Resorts Limited from Indian Hotels Company Limited for a cash consideration of US$11,010,000.

During the previous year, the company acquired 9,384,860 Global Depository Receipts of Oriental Hotels Limited from Taj International Hotels (HK) Limited for a consideration of US$8,210,000. The balance owed at the previous year end of US$8,210,000 was repaid in the year in full.

During the previous year, the company acquired 19,965,524 shares in Lanka Island Resorts Limited from Indian Hotels Company Limited for a consideration of US$7,060,000.

During the previous year, the company acquired 34,375,640 shares in TAL Lanka Hotels plc from Indian Hotels Company Limited for a consideration of US$5,981,398.

During the previous year, the company acquired 86,739,958 shares in IHMS Hotels (SA) Pty Limited from Indian Hotels Company Limited for a consideration of US$1.

The balances with related parties at the period end are as follows:

	2017	2016
	US$	US$
Amounts due from:		
Taj International Hotels (HK) Limited - former parent undertaking	-	(8,210,000)
Indian Hotels Company Limited	-	(119,080,708)
TAL Hotels and Resorts Limited	**1,635,000**	1,500,000

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

United Overseas Holdings, Inc.
(A Delaware Corporation)

Directors
Mr. R. H. Parekh
Mr. Sanjay Jain
Ms. Jodi Dell Leblenc
Mr. Anil P. Goel (resigned w.e.f. October 15, 2016)

Registered Office
2 East 61st Street,
New York,
NY 10065-8402
USA

Auditors
PKF O' CONNOR DEVIS
Certified Public Accounts

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, 2017 and 2016 and the related consolidated statements of operations, stockholder's equity and cash flows for the year ended March 31, 2017 and for the period October 1, 2015 through March 31, 2016, 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, 2017 and 2016, and the consolidated results of its operations and its cash flows for the year ended March 31, 2017 and for the period October 1, 2015 through March 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP
Date : May 1, 2017
665 Fifth Avenue, Newyork NY-10022

UNITED OVERSEAS HOLDINGS, INC.
(A DELAWARE CORPORATION)

Consolidated Balance Sheet, March 31, 2017

	March 31, 2017 $	2016 $
ASSETS		
Current Assets		
Cash	**501,068**	1,661,925
Cash in escrow	**9,375,000**	-
Accounts Receivable		
Guest ledger	**285,866**	546,553
City ledger	**1,543,758**	2,913,071
Other	**-**	62,819
	1,829,624	3,522,443
Inventories	**777,948**	991,126
Prepaid expenses	**1,433,995**	1,674,324
Total Current Assets	**13,917,635**	7,849,818
Property and Equipment		
Investment in cooperative apartments	**1,500,000**	1,500,000
Land	**14,000,000**	54,000,000
Building and improvements	**143,209,754**	270,873,732
Furniture, fixtures and equipment	**31,174,419**	38,129,865
	189,884,173	364,503,597
Accumulated depreciation	**55,723,951**	85,782,934
	134,160,222	278,720,663
Construction in progress	**58,183**	586,775
	134,218,405	279,307,438
Other Assets		
Deferred costs, net	**912,386**	1,252,341
Security deposits	**169,607**	212,167
Due from related parties	**76,766**	139,556
	1,158,759	1,604,064
Total Assets	**149,294,799**	288,761,320
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities		
Cash overdraft	**594,396**	-
Accounts Payable		
Trade	**5,000,118**	4,593,242
Other	**95,113**	91,150
	5,095,231	4,684,392
Taxes payable, other than income	**390,772**	692,475
Accrued Expenses		
Payroll and related	**922,112**	1,618,899
Vacation, gratuities and incentives	**4,737,390**	5,139,658
Interest	**83,442**	284,017
Utilities	**221,186**	304,590
Other	**788,643**	1,244,823
	6,752,773	8,591,987
Tenants' security deposits	**11,400**	11,200
Advance deposits and other credit balances	**7,021,454**	9,452,440
Current portion of mortgage loans and term loan	**880,000**	220,000
Notes payable to related parties	**11,000,000**	9,000,000
Line of credit	**-**	13,000,000
Total Current Liabilities	**31,746,026**	45,652,494
Due to related parties	**-**	58,132
Long term portion of term loan	**20,675,010**	118,329,658
Total Liabilities	**52,421,036**	164,040,284
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	**153,223,741**	141,223,741
Accumulated deficit	**(56,350,078)**	(16,502,805)
Total Stockholder's Equity	**96,873,763**	124,721,036
Total Liabilities and Stockholder's Equity	**149,294,799**	288,761,320

See notes to consolidated financial statements

Consolidated Statement of Operations for the year ended March 31, 2017 & for the period October 1, 2015 to March 31, 2016

	2017	2016
REVENUE	**$**	**$**
Rooms	**48,835,027**	29,289,776
Food and beverage	**42,587,633**	25,930,574
Other	**6,397,819**	3,686,913
Total Revenue	**97,820,479**	58,907,263
DEPARTMENTAL EXPENSES		
Rooms	**23,757,497**	14,779,120
Food and beverage	**43,921,838**	27,383,449
Other	**2,180,398**	1,142,760
Total Departmental Expenses	**69,859,733**	43,305,329
UNALLOCATED OPERATING EXPENSES		
Administrative and general	**15,821,439**	9,307,228
Sales and marketing	**6,233,128**	3,411,075
Repair and maintenance	**7,168,496**	4,098,056
Utilities	**4,234,055**	2,532,972
Total Unallocated Operating Expenses	**33,457,118**	19,349,331
(Loss) Before Fixed Charges, Other Income (Expense) and Income Tax Benefit (Provision)	**(5,496,372)**	(3,747,397)
FIXED CHARGES		
Real estate taxes	**1,158,681**	1,172,993
Insurance	**634,379**	389,249
Rent and license fees	**7,242,694**	3,423,489
Depreciation	**7,346,697**	5,142,209
Amortization	**339,955**	169,978
Interest and finance costs	**4,347,778**	3,199,695
Total Fixed Charges	**21,070,184**	13,497,613
(Loss) Before Other Income (Expense) and Income Tax Benefit (Provision)	**(26,566,556)**	(17,245,010)
OTHER INCOME (EXPENSE)		
Sales and marketing, and management fees	**2,036,302**	726,492
Loss on sale of subsidiary	**(15,232,019)**	-
Total Other Income (Expenses)	**(13,195,717)**	726,492
(Loss) Before Income Tax Benefit (Provision)	**(39,762,273)**	(16,518,518)
Income tax benefit (provision)	**(85,000)**	15,713
Net (Loss)	**(39,847,273)**	(16,502,805)

See notes to consolidated financial statements

Consolidated Statements of Stockholder's Equity for the year ended March 31, 2017 & for the period October 1, 2015 to March 31, 2016

	Common Stock		Additional Paid-in Captial	Accumulated Deficit	Total
	Shares	Amount			
	$	$	$	$	$
Net assets contributed by IHMS Inc. on October 1, 2015	100	100	141,223,741	-	141,223,841
Net (loss)	-	-	-	(16,502,805)	(16,502,805)
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**

See notes to consolidated financial statements

Consolidated Statements of Cash Flows for the year ended March 31, 2017 & for the period October 1, 2015 to March 31, 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES	$	$
Net (Loss)	**(39,847,273)**	(16,502,805)
Adjustments to reconcile net (loss) to net		
Cash from operating activities		
Depreciation and amortization	**8,912,004**	5,458,981
Loss on sale of subsidiary	**15,232,019**	-
Changes in Certain Other Accounts		
Accounts receivable	**516,359**	1,351,136
Inventories	**(61,243)**	117,188
Prepaid expenses	**6,926**	1,252,651
Security deposits	**144**	86,555
Accounts payable	**474,479**	(725,778)
Taxes payable, other than income	**(191,271)**	(440,728)
State income taxes payable	**-**	(100,000)
Accrued expenses	**(93,184)**	212,099
Advance deposits and other credit balances	**(1,365,056)**	856,649
Due to/from related parties	**(205,707)**	207,703
Total Adjustments	**23,225,470**	8,276,456
Net Cash from Operating Activities	**(16,621,803)**	(8,226,349)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in cash in escrow	**(9,375,000)**	-
Capital expenditures, net	**(2,891,684)**	(1,021,693)
Proceeds from sale	**124,403,900**	-
Net Cash from Investing Activities	**112,137,216**	(1,021,693)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in cash overdraft	**594,396**	-
Contributions from shareholder	**12,000,000**	-
Proceeds from Notes payable to related parties	**2,000,000**	9,000,000
Withdrawals on line of credit	**14,000,000**	13,000,000
Repayment of line of credit	**(27,000,000)**	-
Repayment of term loan	**(98,220,000)**	(15,000,000)
Net Cash from Financing Activities	**(96,625,604)**	7,000,000
Net cash transferred due to Sale	**(50,666)**	-
Net Change in Cash	**(1,160,857)**	(2,248,042)
Cash, beginning of period	**1,661,925**	3,909,967
Cash, end of period	**501,068**	1,661,925
Supplemental Disclosure of Cash Flow Information		
Cash paid for capital taxes	**85,000**	94,187
Cash paid for interest	**3,137,010**	3,052,901

See notes to consolidated financial statements

Notes to Financial Statements for the year ended March 31, 2017

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 its respective net book values at the date of the Restructuring.

The New York LLC was formed on 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 on 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 on 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, UOH 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 $15,232,019 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.

As part of the Restructuring and reorganization, the net assets of IHMS Inc. and of the Subsidiaries were assigned to the Company at their net book value as the Company and IHMS Inc. are under common control. The net assets transferred by IHMS Inc. to the Company are composed of the following at the date of the Restructuring:

	San Francisco LLC	Boston LLC	New York LLC IHMS inc.	IHMS Inc.	Elimination	Total
	$	$	$	$	$	$
ASSETS						
Cash	280,255	369,751	165,018	3,094,943	-	3,909,967
Accounts receivable	299,877	2,502,999	2,055,703	15,000	-	4,873,579
Inventories	309,803	279,748	518,763	-	-	1,108,314
Prepaid expenses	497,624	698,733	1,706,227	25,996	-	2,928,580
Property and equiment	51,723,453	143,546,429	88,124,695	33,377	-	283,427,954
Deferred costs, net	60,000	-	1,362,318	1,597,136	-	3,019,454
Security deposits	70,234	51,747	244,741	-	-	366,722
Due from related parties	-	-	-	1,18,482,455	(118,193,331)	289,124
Total Assets	53,241,246	147,449,407	94,177,465	123,248,907	(118,193,331)	299,923,694

Notes to Financial Statements for the year ended March 31, 2017

	San Francisco LLC	Boston LLC	New York LLC IHMS inc.	IHMS Inc.	Elimination	Total
	$	$	$	$	$	$
LIABILITIES						
Accounts Payable	233,339	1,332,704	3,842,560	-	-	5,408,603
Taxes payable, other than income	179,402	400,101	553,700	-	-	1,133,203
State income taxes payble	-	-	100,000	-	-	100,000
Accrues Expences	1,718,533	1,626,584	4,618,040	418,334	-	8,381,491
Tenats' security deposites	-	2,200	77,000	-	-	79,200
Advance deposits	384,424	934,788	7,278,144	-	-	8,597,356
Due to related parties	**20,149,258**	**58,678,146**	**39,365,927**	**-**	**(118,193,331)**	**-**
Mortgage loans and term loan	**-**	**-**	**-**	**135,000,000**	**-**	**135,000,000**
Total Liabilities	**22,664,956**	**62,974,523**	**55,835,371**	**135,418,334**	**(118,193,331)**	**158,699,853**
Net Assets Receives (Liabilities assumed)	**3,056,290**	**84,474,884**	**38,342,094**	**(12,169,427)**	**-**	**141,223,841**

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, 2017, the Company has $15 million in available financing on the unused credit facilities (see note 3). IHCL has also agreed to provide financial support to the Company for working capital deficits.

2. **Significant Accounting Policies**

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Some of the more significant estimates required to be made by management include the collectability of accounts receivable and the useful lives and recoverability of costs of property and equipment. Management believes that as of March 31, 2017 and 2016, the estimates used were adequate based on the information currently available.

The accompanying consolidated statements of operations and cash flows, and amounts referred to herein were for the year ended March 31, 2017 and for the period of October 1, 2015 through March 31, 2016.

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.

Notes to Financial Statements for the year ended March 31, 2017

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, 2017 and 2016, 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 market 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 6)) 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 $11,556,000 are still in use as of March 31, 2017.

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 2017 and 2016.

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 $1,987,054 and $1,817,943 at March 31, 2017 and 2016, respectively.

Deferred financing costs consist of costs incurred by the Company in connection with the acquisition of the loans payable (see note 3). Amortization was computed using the straight-line method (which approximates the interest method) over the term of the term loans. In accordance with the provisions of ASU No. 2015-03 - Interest – Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs, the Company has presented the deferred financing costs as a deduction to the carrying amount of the related outstanding loans payable (see note 3) and has included amortization of the financing costs 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.

Notes to Financial Statements for the year ended March 31, 2017

As part of the Restructuring, and as permitted by the regulations promulgated by the Internal Revenue Code, the Company assumed the deferred tax assets and liabilities of the IHMS Inc., which primarily consisted of net operating loss carryforwards of approximately $267 million.

The Company is also subject to various other taxation requirements imposed by the State and City of New York.

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, 2017, 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, 2017, tax years since 2013 remain open to examination by most taxing authorities. There are currently no tax examinations in progress.

Revenue Recognition

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is primarily acting as principal in all of its revenue arrangements.

Revenue is recognized as earned at the time of sale or rendering of service. Revenue is presented net of taxes collected from the Hotel Properties' guests. Cash received in advance of the sale or rendering of services is recorded as advance deposits in the accompanying consolidated balance sheet. Base rental income is recognized in accordance with the lease terms. Additional rents are recognized when earned, as defined in the lease agreement. US GAAP requires rental income 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 $2,568,000 and $1,120,403 for 2017 and 2016, respectively.

Retirement Plan Costs

Payments to retirement plans are charged to expense as they are incurred.

3. Term Loans

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 requires monthly interest only payments computed at 3.81% plus LIBOR, as defined through March 15, 2017 (5.24% and 4.72% at March 31, 2017 and 2016, respectively). Thereafter, principal payments are due every six months, as defined. 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.

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, 2017 and 2016, the Company was in compliance with all term loan covenants.

Term loans consist of the following at March 31:

	2017	2016
	$	$
Outstanding principal balance	21,780,000	120,000,000
Less: unamortized deferred financing costs	(224,990)	(1,450,342)
	21,555,010	118,549,658

The Company repaid $98,000,000 of the outstanding term loan balance using the proceeds from the Sale.

Notes to Financial Statements for the year ended March 31, 2017

Unamortized deferred financing costs consist of the following at March 31:

	2017	2016
	$	$
Deferred financing costs	1,785,007	1,785,007
Less: accumulated amortization	(1,560,017)	(334,665)
	224,990	1,450,342

In connection with the Sale, the Company wrote off $1,138,891 of deferred financing costs, in proportion with the loans repaid.

Minimum future principal payments to be made through the term of the Term Loan Facility are as follows:

March 31	$
2018	880,000
2019	1,980,000
2020	3,410,000
2021	4,950,000
2022	6,710,000
Thereafter	3,850,000
Total	21,780,000

4. Line of Credit

The New York LLC has a $15 million credit facility which expires on August 31, 2017. Interest payments required on the credit facility are based on LIBOR, as defined, plus 375 basis points (approximately 4.73% and 3.18% at March 31, 2017 and 2016, respectively). This credit facility is fully guaranteed by IHCL. All outstanding amounts were repaid during the year ended March 31, 2017.

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 as follows:

	San Francis co LLC	New York LLC	Total
	$	$	$
2018	76,788	$ 136,809	$ 213,597
2019	76,788	107,772	184,560
2020	76,788	111,120	187,908
2021	76,788	114,609	191,397
2022	76,788	93,975	170,763
	383,940	$ 564,285	$ 948,225

5. Operating Leases (continued)

As Lessors (continued)

Certain leases contain provisions for additional rents and extension options. The following is the summary of rental income for the year ended March 31, 2017 and for period ended March 31, 2016:

	2017	2016
	$	$
San Francisco LLC	66,182	42,174
Boston LLC	255,715	*521,186
New York LLC	144,394	172,643

** -up to the Sale*

Notes to Financial Statements for the year ended March 31, 2017

As Lessees

Lease Agreement with 795 Corp. and 795 Partnership

The New York LLC's lease agreements with 795 Corp. and 795 Partnership are for certain facilities of the Hotel Pierre for the purpose of operating a hotel business. Both leases were originally scheduled to terminate on June 30, 2015 and may be extended for two additional ten-year terms. In November 2007, the New York LLC entered into a lease modification with 795 Corp. which extended the lease term for an additional 10 years, to June 30, 2025.

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
	$	$	$
2018	954,996	1,014,000	1,968,996
2019	954,996	1,014,000	1,968,996
2020	954,996	1,014,000	1,968,996
2021	954,996	1,014,000	1,968,996
2022	954,996	1,014,000	1,968,996
Thereafter	3,103,737	3,295,500	6,399,237
	7,878,717	8,365,500	16,244,217

Lease on Cooperative Apartments and 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 $746,978 and $602,400 at March 31, 2017 and 2016, respectively.

Future fixed minimum rentals, exclusive of formula or percentage rentals for the years ending March 31 are as follows:

March 31	$
2018	1,700,004
2019	1,275,003
	2,975,007

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 2017 and 2016, the Company received $1,686,283 and $726,492 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.

Notes to Financial Statements for the year ended March 31, 2017

7. Income Taxes

(Provision) benefit for income taxes consists of the following during 2017 and 2016:

	2017	2016
Current	$	$
Federal	-	-
State and local	(85,000)	15,713
	(85,000)	15,713
Deferred		
Federal	-	-
State and local	-	-
	(85,000)	15,713

The deferred tax asset consists of, and the related deferred income taxes resulted from the following temporary differences at March 31:

	2017	2016
	$	$
Valuation allowance	(144,934,933)	(131,489,684)
Net operating loss carryforward	142,417,352	131,102,441
Depreciation and amortization	374,155	(1,844,843)
Employee related benefits	2,143,426	2,232,086
	-	-

The components of the net deferred tax provision (benefit) consist of the following for 2017 and 2016:

	2017	2016
	$	$
Valuation allowance	(19,044,547)	(12,627,393)
Net operating loss carryforward	17,096,355	14,117,444
Depreciation and amortization	1,646,336	(1,697,363)
Employee related benefits	301,856	207,312
	-	-

As of March 31, 2017, the Company has available approximately $334 million in net operating loss carryforwards which expire through 2036.

8. Employee Benefit Plans

Multi-Employer 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 respective collective bargaining agreements provide for union sponsored multi-employer defined benefit plans (the "Plans") to which the New York LLC makes and the Boston LLC made 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.

Notes to Financial Statements for the year ended March 31, 2017

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, 2016 and 2015.

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.

Plans	EIN Number	Plan Number	Pension Protection Act Zone Status 2016	2015	FIP/RP Status Pending/ Implemented	Contributions by the Company 2016 $	2015 $
New York LLC							
Pension Fund (1)	13-1764242	001	Green	Green	Yes	870,777	2,221,268
Health Benefits Fund (2)	13-6126923	501	N/A	N/A	Yes	8,956,793	7,019,951
Prepaid Legal Services Fund (3)	13-3418414	508	N/A	N/A	Yes	71,278	109,977
Total - New York LLC						**9,898,848**	**9,351,196**
Boston LLC							
Pension Fund (4)	45-4227067	001	N/A	Green	Yes	124,432	* 418,085
Health Benefits Fund (5)	04-6048964	501	N/A	N/A	Yes	838,919	* 3,082,512
Other funds						133,289	* 133,289
Total - Boston LLC						**1,096,640**	**3,633,886**
						10,995,488	12,985,082

(1) - New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund

(2) - New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund

(3) - New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund

(4) - UNITE Here Local 26 Workers & Hospitality Employers VDB Pension Trust

(5) - Greater Boston Hotel Employees Local 26 Health and Welfare Plan

* - up to the Sale

As part of the Sale, the Company is no longer a party to the Boston Union.

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

Notes to Financial Statements for the year ended March 31, 2017

employer contributions charged to the Company's and the Subsidiaries' operations for the year ended March 31, 2017 and the period October 1, 2015 to March 31, 2016, are as follows:

	2017	2016
	$	$
San Francisco LLC	120,817	56,425
Boston LLC	55,356	*113,560
New York LLC	167,627	61,287
Company	26,400	14,697
	370,200	245,969

** -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 and $95,775 for the periods ended March 31, 2017 and 2016, respectively. 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. Management fees, including other reimbursements and fees charged to 795 Corp. totaled to $5,630,000 and $2,800,541 for the periods ended March 31, 2017 and 2016, respectively and are included in other income. 795 Corp. has the option to cancel the Management Agreement if the leases are cancelled (see note 5). The agreement expires June 30, 2025 or sooner as provided in the Management Agreement.

Franchise Agreement

On February 2, 2012, the New York LLC entered into a restaurant licensing agreement ("License Agreement") with Sirio Pierre LLC ("LC"). The License Agreement provided for the Company to have exclusive authority throughout New York City to use the name Sirio Ristorante ("Sirio"). The License Agreement required the Company to pay LC a license fee, based on Sirio's gross receipts, as defined. The Company was required to pay LC, irrespective of the minimum license fees earned in any agreement year, a minimum annual $200,000 license fee. On January 19, 2016, the License Agreement was terminated.

Cash in Escrow

As part of the Sale, $9,375,000 of the proceeds from the Sale is held in escrow, and can only be drawn on January 12, 2018.

9. Commitments and Contingencies (continued)

Management Agreement for Boston Hotel

As part of the Sale, the Manager entered into a hotel management services agreement (the "Boston Management Agreement") with the new owner of the Boston Hotel. The Boston Management Agreement, which requires the Boston

Notes to Financial Statements for the year ended March 31, 2017

Hotel to be continually branded as the Taj Boston, has an initial term of ten years, 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 2017 amounted to $350,020.

12. 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 May 1, 2017, and has determined that there were no subsequent events or transactions which would require recognition or disclosure in the consolidated financial statements.

Independent Auditors' Report on Supplementary Information

To the Board of Directors and Stockholder of

United Overseas Holdings, Inc.

We have audited the consolidated financial statements of United Overseas Holdings, Inc. as of March 31, 2017 and 2016 and for the year ended March 31, 2017 and the period October 1, 2015 to March 31, 2016 and our report thereon dated May 1, 2017, 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 : May 1, 2017
665 Fifth Avenue, Newyork NY-10022

Consolidating Balance Sheet March 31, 2017

	IHMS (SF) LLC $-	IHMS (Boston) LLC $-	IHMS, LLC $-	IHMS (USA) LLC $-	United Overseas Holdings, Inc. $-	Eliminations $-	Conso-lidated 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**

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Consolidating Balance Sheet March 31, 2017 (Contd.)

	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
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 Balance Sheet March 31, 2016

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated Total
	$	$	$	$	$	$
ASSETS						
Current Assets						
Cash	423,242	435,264	694,933	108,486	-	1,661,925
Accounts Receivable						
Guest ledger	37,294	247,648	261,611	-	-	546,553
City ledger	221,851	642,786	2,048,434	-	-	2,913,071
Other	-	53,819	-	9,000	-	62,819
	259,145	944,253	2,310,045	9,000	-	3,522,443
Inventories	272,044	275,947	443,135	-	-	991,126
Prepaid expenses	219,935	381,727	1,072,662	-	-	1,674,324
Total Current Assets	1,174,366	2,037,191	4,520,775	117,486	-	7,849,818
Property and Equipment						
Investment in cooperative apartments	-	-	1,500,000	-	-	1,500,000
Land	14,000,000	40,000,000	-	-	-	54,000,000
Building and improvements	45,771,617	129,201,040	95,901,075	-	-	270,873,732
Furniture, fixtures and equipment	2,992,189	8,838,659	26,230,209	68,808	-	38,129,865
	62,763,806	178,039,699	123,631,284	68,808	-	364,503,597
Accumulated depreciation	11,599,784	36,363,906	37,782,298	36,946	-	85,782,934
	51,164,022	141,675,793	85,848,986	31,862	-	278,720,663
Construction in progress	4,828	-	581,947	-	-	586,775
	51,168,850	141,675,793	86,430,933	31,862	-	279,307,438
Other Assets						
Deferred costs, net	60,000	-	1,192,341	-	-	1,252,341
Security deposits	71,340	45,216	95,611	-	-	212,167
Investment in subsidiaries	-	-	-	153,393,268	(153,393,268)	-
Due from related parties	-	-	-	115,197,761	(115,058,205)	139,556
	131,340	45,216	1,287,952	268,591,029	(268,451,473)	1,604,064
Total Assets	**52,474,556**	**143,758,200**	**92,239,660**	**268,740,377**	**(268,451,473)**	**288,761,320**

see Independent Auditors' Report on supplementary information

Consolidating Balance Sheet March 31, 2016 (Continued)

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated Total
	$	$	$	$	$	$
LIABILITIES AND STOCKHOLDER'S EQUITY						
Current Liabilities						
Accounts Payable						
Trade	219,468	779,638	3,594,136	-	-	4,593,242
Other	-	8,543	82,607	-	-	91,150
	219,468	788,181	3,676,743	-	-	4,684,392
Taxes payable, other than income	167,208	270,004	255,263	-	-	692,475
Accrued Expenses						
Payroll and related	267,812	404,737	946,350	-	-	1,618,899
Vacation, gratuities and incentives	754,484	995,433	2,621,408	768,333	-	5,139,658
Interest	-	-	14,584	269,433	-	284,017
Utilities	21,486	68,500	214,604	-	-	304,590
Other	440,596	127,894	367,880	308,453	-	1,244,823
	1,484,378	1,596,564	4,164,826	1,346,219	-	8,591,987
Tenants' security deposits	-	2,200	9,000	-	-	11,200
Advance deposits and other credit balances	331,285	1,420,618	7,700,537	-	-	9,452,440
Current portion of mortgage loans and term loan	-	-	-	220,000	-	220,000
Notes payable to related parties	-	-	-	9,000,000	-	9,000,000
Line of credit	-	-	13,000,000	-	-	13,000,000
Total Current Liabilities	2,202,339	4,077,567	28,806,369	10,566,219	-	45,652,494
Due to related parties	20,014,069	61,265,739	33,836,532	-	(115,058,208)	58,132
Long term portion of mortgage loans and term loan	-	-	-	118,329,658	-	118,329,658
Total Liabilities	22,216,408	65,343,306	62,642,901	128,895,877	(115,058,208)	164,040,284
Stockholder's Equity						
Common stock	-	-	-	100	-	100
Additional paid-in capital	50,941,941	176,954,451	197,603,509	141,223,741	(425,499,901)	141,223,741
Accumulated deficit	(20,683,793)	(98,539,557)	(168,006,750)	(1,379,341)	272,106,636	(16,502,805)
Total Stockholder's Equity	30,258,148	78,414,894	29,596,759	139,844,500	(153,393,265)	124,721,036
Total Liabilities and Stockholder's Equity	**52,474,556**	**143,758,200**	**92,239,660**	**268,740,377**	**(268,451,473)**	**288,761,320**

see Independent Auditors' Report on supplementary information

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	2,590,622	-	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	4,005,852	-	33,457,118
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)	(5,222,110)	-	(26,566,556)
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)	-	-	-	-	(15,232,019)
Total Other Income (Expenses)	-	(15,232,019)	-	350,019	1,686,283	-	(13,195,717)
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 Operations for the period October 1, 2015 to March 31, 2016

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated Total
	$	$	$	$	$	$
REVENUE						
Rooms	5,387,139	8,583,229	15,319,408	-	-	29,289,776
Food and beverage	3,025,005	5,073,454	17,832,115	-	-	25,930,574
Other	233,505	549,310	2,904,098	-	-	3,686,913
Total Revenue	8,645,649	14,205,993	36,055,621	-	-	58,907,263
DEPARTMENTAL EXPENSES						
Rooms	1,764,118	4,389,245	8,625,757	-	-	14,779,120
Food and beverage	2,822,745	5,975,158	18,585,546	-	-	27,383,449
Other	194,053	235,898	712,809	-	-	1,142,760
Total Departmental Expenses	4,780,916	10,600,301	27,924,112	-	-	43,305,329
UNALLOCATED OPERATING EXPENSES						
Administrative and general	1,302,478	2,467,592	4,220,378	1,316,780	-	9,307,228
Sales and marketing	483,719	900,672	1,389,226	637,458	-	3,411,075
Repair and maintenance	502,251	1,092,724	2,503,081	-	-	4,098,056
Utilities	237,423	695,245	1,600,304	-	-	2,532,972
Total Unallocated Operating Expenses	2,525,871	5,156,233	9,712,989	1,954,238	-	19,349,331
Income (Loss) Before Fixed Charges, Other Income and Income Tax Benefit	1,338,862	(1,550,541)	(1,581,480)	(1,954,238)	-	(3,747,397)
FIXED CHARGES						
Real estate taxes	237,164	935,829	-	-	-	1,172,993
Insurance	127,848	134,469	126,932	-	-	389,249
Rent and license fees	14,700	7,048	3,401,741	-	-	3,423,489
Depreciation	728,737	1,893,509	2,515,162	4,801	-	5,142,209
Amortization	-	-	169,978	-	-	169,978
Interest and finance costs	548,551	1,538,593	965,757	146,794	-	3,199,695
Total Fixed Charges	1,657,000	4,509,448	7,179,570	151,595	-	13,497,613
(Loss) Before Other Income (Expense) and Income Tax (Provision)	(318,138)	(6,059,989)	(8,761,050)	(2,105,833)	-	(17,245,010)
OTHER INCOME						
Sales and marketing fees	-	-	-	726,492	-	726,492
(Loss) Before Income Tax Benefit	(318,138)	(6,059,989)	(8,761,050)	(1,379,341)	-	(16,518,518)
Income tax benefit	-	-	15,713	-	-	15,713
Net (Loss)	**(318,138)**	**(6,059,989)**	**(8,745,337)**	**(1,379,341)**	**-**	**(16,502,805)**

see Independent Auditors' Report on supplementary information

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)	-	-	-	(61,243)
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)
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)
Capital expenditures, net	(116,918)	-	(2,768,730)	-	(6,036)	-	(2,891,684)
Investment in subsidiaries	-	-	-	-	(12,000,000)	12,000,000	-
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

see Independent Auditors' Report on supplementary information

Consolidating Statement of Cash Flows for the period October 1, 2015 to March 31, 2016

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	United Overseas Holdings Inc.	Elimi-nations	Consolidated Total
	$	$	$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES						
Net (Loss)	(318,138)	(6,059,989)	(8,745,337)	(1,379,341)	-	(16,502,805)
Adjustments to reconcile net (loss) to net cash from operating activities						
Depreciation and amortization	728,737	1,893,509	2,685,140	151,595	-	5,458,981
Changes in Certain Other Accounts						
Accounts receivable	40,732	1,558,746	(254,342)	6,000	-	1,351,136
Inventories	37,759	3,801	75,628	-	-	117,188
Prepaid expenses	277,689	317,006	631,961	25,995	-	1,252,651
Security deposits	(1,106)	6,531	81,130	-	-	86,555
Accounts payable	(13,872)	(544,523)	(167,383)	-	-	(725,778)
Taxes payable, other than income	(12,194)	(130,097)	(298,437)	-	-	(440,728)
State income taxes payable	-	-	(100,000)	-	-	(100,000)
Accrued expenses	(234,158)	(30,021)	(451,608)	927,886	-	212,099
Advance deposits and other credit balances	(53,139)	485,830	423,958	-	-	856,649
Due to/from related parties	634,811	2,587,593	320,605	3,284,694	(6,620,000)	207,703
Total Adjustments	1,405,259	6,148,375	2,946,652	4,396,170	(6,620,000)	8,276,456
Net Cash from Operating Activities	1,087,121	88,386	(5,798,685)	3,016,829	(6,620,000)	(8,226,349)
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditures	(174,134)	(22,873)	(821,400)	(3,286)	-	(1,021,693)
CASH FLOWS FROM FINANCING ACTIVITIES						
Advances from member	(770,000)	-	(5,850,000)	-	6,620,000	-
Proceeds from notes payable to related parties	-	-	-	9,000,000	-	9,000,000
Withdrawals on line of credit	-	-	13,000,000	-	-	13,000,000
Repayment of term loan	-	-	-	(15,000,000)	-	(15,000,000)
Net Cash from Financing Activities	(770,000)	-	7,150,000	(6,000,000)	6,620,000	7,000,000
Net Change in Cash	142,987	65,513	529,915	(2,986,457)	-	(2,248,042)
Cash, beginning of period	280,255	369,751	165,018	3,094,943	-	3,909,967
Cash, end of period	423,242	435,264	694,933	108,486	-	1,661,925

see Independent Auditors' Report on supplementary information

DIRECTORS AND CORPORATE INFORMATION

PIEM INTERNATIONAL (H.K.) LIMITED

Board of Directors

Mr. R. M. Nagpal

Mr. R. H. Parekh

Mr. Sudhir L. Nagpal

Mr. Rajesh R. Nagpal

Mr. N. Chandrasekhar (appointed on 19 April, 2016)

Mr. Anil P. Goel (resigned on 15 October 2016)

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' REPORT

The directors submit herewith their report and audited financial statements of PIEM International (H.K.) Limited (the "Company") for the year ended 31 March 2017.

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 2017 are set out in the statement of comprehensive income on page 6.

The directors have declared an interim dividend of US$2.20 per share, totalling US$1,760,000 which was paid on 5 September 2016.

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:

R. M. Nagpal	
R. H. Parekh	
S. L. Nagpal	
R. R. Nagpal	
N. Chandrasekhar	(Appointed on 19 April 2016)
A. P. Goel	(Resigned on 15 October 2016)

In accordance with the Company's Articles of Association, S. L. Nagpal 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
After consideration, 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 companies or fellow subsidiaries.

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
R. H. Parekh
May 4 , 2017

INDEPENDENT AUDITORS' REPORT

To The Members of
PIEM International (H.K.) Limited
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of PIEM International (H.K.) Limited (the "Company") set out on pages 6 to 21, which comprise the statement of financial position as at 31 March 2017, 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 and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, 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, May 4 , 2017

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 31 March 2017

	Note	2017 US$	2016 US$
Revenue	2	**141,225**	693,944
Exchange loss		**(181,402)**	(131,933)
Operating expenses		**(56,342)**	(12,609)
Share of results of an associate		**2,512,121**	2,068,513
Profit before tax	3	**2,415,602**	2,617,915
Income tax expense	4	**-**	-
Profit for the year		**2,415,602**	2,617,915
Other comprehensive loss for the year, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange loss arising from translation of interest in an associate		**(3,562,853)**	(909,714)
Total comprehensive (loss) / income for the year		**(1,147,251)**	1,708,201

Statement of Financial Position for the year ending at 31 March, 2017

	Note	At 31 March, 2017 US$	At 31 March, 2016 US$
Non-current assets			
Interest in an associate	5	**26,406,362**	27,457,094
Available-for-sale financial assets	6	**541,375**	541,375
		26,947,737	27,998,469
Assets classified as held for sale	7	**1**	1
Current assets			
Loan to a fellow subsidiary	8	**4,011,890**	4,014,959
Due from a fellow subsidiary		**-**	1,968,663
Due from ultimate holding company	9	**413**	413
Bank balances		**219,319**	102,892
		4,231,622	6,086,927
Current liabilities			
Accrued charges		**8,563**	7,349
Net current assets		4,223,059	6,079,578
NET ASSETS		**31,170,797**	34,078,048
Capital and reserves			
Share capital	10	**8,000,000**	8,000,000
Exchange reserve		**(4,404,545)**	(841,692)
Accumulated profits		**27,575,342**	26,919,740
TOTAL EQUITY		**31,170,797**	34,078,048

Approved and authorised for issue by the Board of Directors on May 4 , 2017 and signed on behalf by

Director	Director
N. Chandrasekhar	**R. H. Parekh**

Statement of Changes in Equity for the year ended 31 March 2017

	Share capital	Exchange reserve (Note)	Accumulated profits	Total
	US$	US$	US$	US$
At 1 April 2015	8,000,000	68,022	24,301,825	32,369,847
Profit for the year	-	-	2,617,915	2,617,915
Other comprehensive loss				
Exchange loss arising from translation of interest in an associate	-	(909,714)	-	(909,714)
Total comprehensive profit / (loss) for the year	-	(909,714)	2,617,915	1,708,201
At 31 March 2016	8,000,000	(841,692)	26,919,740	34,078,048
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 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

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 31 March 2017

	Note	**2017**	2016
		US$	US$
OPERATING ACTIVITIES			
Cash generated from operations	12	**1,732,133**	1,987,630
INVESTING ACTIVITIES			
Interest received		**143,072**	11,748
Loan advance to a fellow subsidiary		**-**	(4,000,000)
Dividend received from available-for-sale financial assets		**1,222**	2,925
Net cash generated from (used in) investing activities		**144,294**	(3,985,327)
FINANCING ACTIVITY			
Interim dividend paid		**(1,760,000)**	-
Net cash used in financing activity		**(1,760,000)**	-
Net increase (decrease) in cash and cash equivalents		**116,427**	(1,997,697)
Cash and cash equivalents at beginning of year		**102,892**	2,100,589
Cash and cash equivalents at end of year, represented by bank balances		**219,319**	102,892

Notes to Financial Statements for the year ended March 31, 2017

CORPORATE INFORMATION

PIEM International (H.K.) Limited is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The holding company of the Company is Piem Hotels Limited, which is incorporated in India. In the opinion of the directors, the 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 2016 financial statements. 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.

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 associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Company's share of the investee's net assets and any impairment loss relating to the investment.

Except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the investee, the Company discontinues recognising its share of further losses when the Company's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Company's net investment in the investee.

Financial instruments

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.

Notes to Financial Statements for the year ended March 31, 2017

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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, other receivables, loan to a fellow subsidiary, due from a fellow subsidiary and 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.

3) Financial liabilities

The Company's financial liabilities include accrued charges. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence that financial assets are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For an available-for-sale financial asset that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

Cash equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

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:

Notes to Financial Statements for the year ended March 31, 2017

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").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Exchange differences arising from the translation of the net investment in foreign operations are recognised in a separate component of equity and recognised in profit or loss on disposal of the foreign operations.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

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

Related parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:

  (i) has control or joint control over the Company;

  (ii) has significant influence over the Company; or

  (iii) is a member of the key management personnel of the Company or of the parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

  (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

  (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.

Notes to Financial Statements for the year ended March 31, 2017

1. **PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

   (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.

   Future changes in HKFRSs

   At the date of authorisation of these financial statements, the HKICPA has issued a number of new / revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted. The directors do not anticipate that the adoption of these new/revised HKFRSs in future periods will have any material impact on the results of the Company.

2. **REVENUE**

	2017	2016
	US$	US$
Operating fees	**-**	523,851
Incentive fees	**-**	143,996
Interest income from deposits	**3**	8,213
Interest income from loan to a fellow subsidiary	**140,000**	14,959
Dividend income from available-for-sale financial assets	**1,222**	2,925
	141,225	693,944

Notes to Financial Statements for the year ended March 31, 2017

3. PROFIT BEFORE TAX

	2017	2016
This is stated after charging:	**US$**	US$
Auditor's remuneration	**7,464**	7,535
Withholding tax	**42,921**	-
Loss on disposal of asset held for sale	**-**	10

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

	2017	2016
	US$	US$
Profit before tax	2,415,602	2,617,915
Income tax at applicable tax rate of 16.5% (2016: 16.5%)	**398,574**	431,956
Tax exempt profit	**(398,574)**	(431,956)
Tax expense for the year	-	-

5. INTEREST IN AN ASSOCIATE

	2017	2016
	US$	US$
Share of net assets	**26,406,362**	27,457,094

Interest in an associate represents 35.38% (2016: 35.38%) of the issued ordinary share capital of St. James Court Hotel Limited ("SJCHL"), a company engaged in hotel operations and incorporated in the United Kingdom. The associate is accounted for using the equity method in the financial statements.

Summary of financial information of the associate is as follows:

	2017	2016
	US$	US$
Gross amount		
Current assets	**15,754,238**	9,906,313
Non-current assets	**124,173,507**	143,335,196
Current liabilities	**(10,751,115)**	(71,858,158)
Non-current liabilities	**(54,540,222)**	(3,777,094)
Equity	**74,636,408**	77,606,257

Notes to Financial Statements for the year ended March 31, 2017

	2017 US$	2016 US$
Reconciliation		
Total equity of the associate	74,636,408	77,606,257
Company's ownership interests	**35.38%**	35.38%
Company's share of equity and carrying amount of interest	**26,406,362**	27,457,094

	2017 US$	2016 US$
Gross amount		
Revenue	46,693,943	49,391,173
Profit for the year	**7,100,398**	5,846,560
Other comprehensive income	**-**	-
Total comprehensive income	**7,100,398**	5,846,560

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2017 US$	2016 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% (2016: 0.27%) interest representing 487,500 (2016: 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$268,125 (2016: US$155,513). In the opinion of directors, although OHL is listed in Luxemburg 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

	2017 US$	2016 US$
Investments in unlisted shares, at cost	1	1

Name of subsidiary	Country of incorporation	Percentage of ordinary shares directly held	Principal activities
BAHC 5 Pte Limited ("BAHC5")	Singapore	100%	Aircraft owning

In accordance with the written board resolutions passed on 15 April 2009, 3 May 2011, 24 April 2012, 22 April 2013, 22 April 2014, 21 April 2015, 13 April 2016 and 24 April 2017, the Company intended to dispose of the above investment and a disposal plan has been established. 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 2017-18. 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.

Notes to Financial Statements for the year ended March 31, 2017

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 ULTIMATE HOLDING COMPANY

The amount due is unsecured, interest-free and has no fixed repayment term.

10. SHARE CAPITAL

	2017		2016	
	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

	2017	2016
	US$	US$
Dividend declared and paid during the year:		
Interim dividend in respect of 2017 of US$2.20 per share (2016: nil)	1,760,000	-

12. CASH GENERATED FROM OPERATIONS

	2017	2016
	US$	US$
Profit before tax	2,415,602	2,617,915
Dividend income from available-for-sale financial assets	(1,222)	(2,925)
Interest income	(140,003)	(23,172)
Loss on disposal of asset held for sale	-	10
Share of results of an associate	(2,512,121)	(2,068,513)
Changes in working capital:		
Due from fellow subsidiaries	1,968,663	1,464,070
Accrued charges	1,214	245
Cash generated from (used in) operations	1,732,133	1,987,630

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	2017	2016
		US$	US$
Fellow subsidiary	Operating fee income	-	523,851
	Incentive fee income	-	143,996
	Interest income	140,000	14,959
Entity which ultimate parent of the Company has significant influence	Dividend income	1,222	2,925

Notes to Financial Statements for the year ended March 31, 2017

14. PLEDGE OF ASSETS AND FINANCIAL GUARANTEE

The Company has pledged its investment in BAHC5 with a net book value of US$1. During the period, the promoter company of the ultimate holding company repaid US$47 million to BAHC5's lender. The commencement of the liquidation of BAHC5 stated at this date.

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.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than US Dollars. Intra-group balances and interest in an associate are denominated in British Pounds ("GBP").

At 31 March 2017, if the USD had weakened/strengthened by 8% (2016: 1.1%) against the GBP with all other variables held constant, the Company's net profit for the year would have been US$192,008 (2016:US$45,279) higher/lower while the exchange reserve would increase/decrease by US$2,101,946 (2016: US$315,562).

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 carrying amount of financial assets on the statement of financial position represents the Company's maximum exposure to 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.

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 and due from ultimate holding company on an ongoing basis with the result that the Company exposure to non-recoverable debts are minimal.

Notes to Financial Statements for the year ended March 31, 2017

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 2017 and 2016.

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 capital structure of the Company consists of equity attributable to equity holders of the Company, comprising share capital and reserves. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholders, return 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 2017 and 2016.

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 (2016: 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 (2016: Nil).

(c) Directors' material interests in transactions, arrangements or contracts

After consideration, 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 (2016: Nil).

Detailed Income Statement for the year ended 31 March 2017

	Schedule	**2017 US$**	2016 US$
Revenue	A	**141,225**	693,944
Exchange loss		**(181,402)**	(131,933)
Operating expenses	B	**(56,342)**	(12,609)
Share of results of an associate		**2,512,121**	2,068,513
Profit before taxation		**2,415,602**	2,617,915
Taxation		**-**	-
Profit for the year		**2,415,602**	2,617,915

Detailed Income Statement for the year ended 31 March 2017

		2017 US$	2016 US$
A.	**REVENUE**		
	Dividend income from available-for-sale financial assets	**1,222**	2,925
	Incentive fees	**-**	143,996
	Interest income from deposits	**3**	8,213
	Interest income from a fellow subsidiary	**140,000**	14,959
	Operating fees	**-**	523,851
		141,225	693,944

		2017 US$	2016 US$
B.	**OPERATING EXPENSES**		
	Auditor's remuneration	**7,464**	7,535
	Bank charges	**2,352**	3,024
	Legal and professional fees	**3,382**	1,760
	Loss on disposal of asset held for sale	**-**	10
	Sundry expenses	**223**	280
	Withholding tax	**42,921**	-
		56,342	12,609

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended 31 March 2017 and 2016 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 2017 and 2016, 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

SAMSARA PROPERTIES LIMITED

Board of Directors

Mr. R H Parekh	
Mr. N Chandrasekhar	(appointed w.e.f. 19 April 2016)
Mr. Anil P Goel	(resigned w.e.f. 15 October 2016)

Registered Office

Trident Chambers
P O Box 146
Road Town
Tortola
British Virgin Islands

Registered Agent

Trident Trust Company (B.V.I.) Limited
British Virgin Islands

Bankers

The Hong Kong and Shanghai Banking Corporation Limited

Auditors

M/s Patel & Deodhar
Chartered Accountants

DIRECTORS' REPORT

To the Members

The Board of Directors of Samsara Properties Limited has pleasure in submitting its report and audited financial statements for the year ended 31 March 2017.

Directors

The names and details of the directors in office during or since the end of the financial year are:

R. H. PAREKH	
N. CHANDRASEKHAR	(appointed with effect from 19 April 2016)
ANIL P. GOEL	(resigned on 15 October 2016)

Unless otherwise indicated, all directors held their positions as directors throughout the financial year and upto date of this report.

Directors' interests

No contracts of significance to which the Company, its holding company or any of its fellow subsidiaries was a party and in which the 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.

At no time during the year was the Company, its holding company or any of its fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Principal Activities

The principal activity of the Company is investment holding.

Results and dividends

The results of the Company for the year are set out in the Profit and Loss account. The Directors do not recommend the payment of a dividend.

Winding up of the Company

The Company has disposed off all its assets and it had no liabilities as at 31 March 2017. The Company's holding company has decided to wind up the Company. An application for striking off of the name of the Company is in the process of being filed with the regulatory authorities in the British Virgin Islands. Upon receipt of necessary regulatory approvals, the Company will cease to exist.

For & on behalf of the Board

R. H. Parekh
Director

17 April 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMSARA PROPERTIES LIMITED

1. Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of SAMSARA PROPERTIES LIMITED, ("the Company") having its registered office at Trident Trust Company (BVI) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands which comprises the Balance Sheet as at 31st March 2017, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. This company was originally incorporated under the British Virgin Islands. The International Companies Act (Cap 291) and stands automatically re-registered under the BVI Business Companies Act, 2004 in terms of Schedule 2 Part III of the said Act.

2. Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these standalone 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 Accounting Standards notified by The Institute of Chartered Accountants of India. This responsibility also includes selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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 standalone financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required 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, 2017, and its and cash flows for the year ended on that date.

Further, to our comments in above, 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 law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

For **Patel and Deodhar**
Chartered Accountants
Firm Registration No. 107644 W

Deepa M. Bhide
Partner
Membership No.49616

Mumbai April 17, 2017

BALANCE SHEET as at 31 March 2017

	Note no.	As at 31 March 2017 US$	As at 31 March 2016 US$
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	6	**20,001,000**	20,001,000
Reserves and surplus	7	**(20,001,000)**	(257,189,843)
Money received against share warrants		-	-
		-	(237,188,843)
Share application money pending allotment			
Non-current liabilities			
Long term borrowings	8	-	310,195,086
Defferred tax liabilities (Net)		-	-
Other Long term liabilities		-	-
Long term provisions		-	-
		-	310,195,086
Current liabilities			
Short term borrowings		-	-
Trade payables		-	-
Other current liabilities	9	-	1,500
Short term provisions		-	-
		-	1,500
TOTAL		-	73,007,743
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets		-	-
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
		-	-
Non-current investments	2e, 3, 10	-	72,979,453
Deferred tax assets (net)		-	-
Long-term loans and advances		-	-
Other non-current assets		-	-
		-	72,979,453
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables		-	-
Cash and cash equivalents	11	-	27,127
Short-term loans and advances	12	-	1,163
Other current assets		-	-
		-	28,290
TOTAL		-	**73,007,743**
Notes to the Financial Statements	1 - 15		

As per our Report attached
For Patel & Deodhar
Chartered Accountants
FRN -107644W

Deepa M. Bhide
Partner
Membership No. 49616

Mumbai April 17, 2017

For and on behalf of the Board

R H Parekh
N Chandrasekhar
Directors
Mumbai, 17 April 2017

STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2017

	Note no.	2016-17 US$	2015-16 US$
Revenue from Operations		-	-
Other income	13	4,034	-
Total Revenue		4,034	-
Expenses			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	14	10,240	21,858
Total expenses		10,240	21,858
Profit before exceptional and extraordinary items and tax		(6,206)	(21,858)
Exceptional items	15	237,195,049	(5,421,748)
Profit before extraordinary items and tax		237,188,843	(5,443,606)
Extraordinary Items		-	-
Profit before tax		237,188,843	(5,443,606)
Tax expense:			
Current Tax		-	-
Deferred Yax		-	-
Total Tax		-	-
Profit (Loss) for the period from continuing operations		237,188,843	(5,443,606)
Profit / (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from Discontinuing operations (after tax)		-	-
Profit (loss) for the period		237,188,843	(5,443,606)
Earnings per equity share in US$			
Basic		-	-
Diluted		-	-
Notes to the Financial Statements	1 - 15		

As per our Report attached
For Patel & Deodhar
Chartered Accountants
FRN -107644W

Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, April 17, 2017

For and on behalf of the Board

R H Parekh
N Chandrasekhar
Directors
Mumbai, April 17, 2017

CASH FLOW STATEMENT for the year ended 31 March 2017

Particulars	2016-17 US$		2015-16 US$	
Operating actitivities				
Profit / (Loss) before tax		**237,188,843**		(5,443,606)
Add: Non-Cash items				
Depreciation / Amortization	-		-	
Provision for diminution in value of investments	-		-	
(Gain) / Loss on foreign exchange fluctuations (net)	-		-	
Amounts written off	-		-	
Amounts written back	**(256,204,426)**	**(256,204,426)**	-	-
Less: Non-operating income				
Profit / (Loss) on sale of investments		**(19,009,377)**		5,421,748
Add: Non-operating expenses		-		-
Changes in Working Capital				
(Increase) / Decrease in Debtors,	**1,163**		(1,163)	
advances and other receivables	-		-	
Increase / (Decrease) in Sundry Creditors and other payables	**(1,500)**	**(337)**	(2,546)	(3,709)
Cash generated from Operations		**(38,025,296)**		(25,567)
Less: Direct taxes paid (net)		-		-
Net Cash from Operating activities		**(38,025,296)**		(25,567)
Investing activities				
Investments made	-		-	
Investments sold / disposed of	**91,988,830**		14,208,281	
(Increase) / Decrease in loans advanced	-		-	
Net Cash from Investing activities		**91,988,830**		14,208,281
Financing activities				
Increase in Share Capital		-		-
Loan financing costs		-		-
Increase / (Decrease) in loans from:				
Holding Company	**(53,990,660)**		(14,807,118)	
Bank	-		-	
Others	-		-	
		(53,990,660)		(14,807,118)
Net Cash from Financing activities		**(53,990,660)**		(14,807,118)
Net increase / (decrease) in cash and cash equivalents		**(27,127)**		(624,404)
Opening Cash balance as at 1 April		**27,127**		651,531
Closing Cash balance as at 31 March		**0**		27,127

As per our Report attached
For Patel & Deodhar
Chartered Accountants
FRN -107644W

Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, April 17, 2017

For and on behalf of the Board

R H Parekh
N Chandrasekhar
Directors
Mumbai, April 17, 2017

Notes to Financial Statements for the year ended March 31, 2017

1. Corporate Information

The Company is an international business company incorporated on 5 June 1998 in the British Virgin Islands under the International Business Companies Act (Cap. 291). Consequent to the International Business Companies Act being repealed, the Company was automatically deemed to be re-registered with effect from 1 January 2007 under the BVI Business Companies Act, 2004.

The Company's registered office is situated at the offices of Trident Trust Company (B.V.I.) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands.

The Registered Agent of the Company is Trident Trust Company (B.V.I.) Limited incorporated in the British Virgin Islands.

The Company is a wholly owned subsidiary of Taj International Hotels (H.K.) Limited, which is incorporated in Hong Kong. The ultimate holding company is The Indian Hotels Company Limited (IHCL), which is incorporated in India.

The principal activity of the Company is investment holding.

2. Principal Accounting Policies

a. Basis of Preparation

The accompanying financial statements have been prepared in accordance with the historical cost convention.

b. Going Concern

The Company has disposed off all its assets and it had no liabilities as at 31 March 2017. The Company's holding company has decided to wind up the Company. An application for striking off of the name of the Company is in the process of being filed with the regulatory authorities in the British Virgin Islands. Upon receipt of necessary regulatory approvals, the Company will cease to exist.

c. Recognition of Income and Expenditure

All income and expenditure is accounted on accrual basis. These financial statements have been prepared in accordance with the applicable law and Generally Accepted Accounting Practices (GAAP) followed in India and is on the same basis as in the previous year. The Company has not adopted Ind-AS which came into effect for financial year commencing on 1 April 2016.

d. Use of estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

e. Investments

Investments are stated at cost inclusive of expenses relating to acquisition. In accordance with Accounting Standard (AS) 13, provision for diminution in the value of long-term investments is made to the extent that such decline, in the opinion of the Board of Directors, is considered to be other than temporary taking into account relevant factors affecting the investment.

Profit / (loss) on sale of investments is determined with reference to the actual cost of the investments on the date of sale.

f. Foreign Currency Transactions

The financial statements are prepared in the currency of the United States of America, i.e. United States Dollars, which is the Company's functional and presentational currency.

Foreign exchange 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 relating to integral foreign operations denominated in foreign currency are recognized in the income statement.

Notes to Financial Statements for the year ended March 31, 2017

In respect of non-integral foreign operations, foreign exchange gains and losses resulting from the translation at year-end exchange rates of monetary and non-monetary assets and liabilities denominated in foreign currency are accumulated in a Foreign Currency Translation Reserve until the disposal of that asset or liability.

g. Derivative Instruments

Foreign currency balances covered by foreign exchange forward contracts are converted at the year end at the contracted forward rates and the differences are recognized in the income statement. Premium on forward contracts is accounted over the period of the contract.

The gain or loss on option contracts is recognized in the period in which the option is exercised or, if the option expires without being exercised, in the period in which the option expires. The option premium is accounted over the period of the contract.

3. The Company had in earlier years invested USD 261.83 million in 6.98% Class A Common Shares of Belmond Ltd which are listed on the New York Stock Exchange.

During the year, the Company sold its entire balance holding of 5,619,287 shares of Belmond Limited comprising 5.50% of the outstanding Class A Common shares.

4. Related Party Transactions

During the year, the Company undertook the following transactions with related parties:

All figures in USD

Particulars of Transactions	**2016-17**	2015-16
With Immediate Holding Company		
Loans received / (repaid)	**(53,990,660)**	(14,807,118)
Loans outstanding at year end	**-**	310,195,086
Loans written back	**256,204,426**	

5. Figures for the previous period have been re-grouped wherever necessary to conform to the current year's presentation.

6. Share Capital

Type of shares	**As at 31 March 2017**		As at 31 March 2016	
	Number	**US$**	Number	US$
Authorised:				
Registered shares of US$ 1 each	**25,000,000**	**25,000,000**	25,000,000	25,000,000
Issued, Subscribed and Paid-up:				
Registered shares of US$ 1 each	**20,001,000**	**20,001,000**	20,001,000	20,001,000

Particulars	Equity Shares	
	Number	US$
Shares outstanding at the beginning of the year	20,001,000	20,001,000
Shares issued during the the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	20,001,000	20,001,000

All the above shares are held by Taj International Hotels (H.K.) Limited

Notes to Financial Statements for the year ended March 31, 2017

7 Reserves and Surplus

Particulars	31 March 2017 US$	31 March 2016 US$
Surplus		
Opening Balance	**(257,189,843)**	(251,746,237)
Less: Net Profit/(Loss) for the current year	**237,188,843**	(5,443,606)
Closing Balance		
Total	**(20,001,000)**	(257,189,843)

8 Long Term Borrowings

Particulars	31 March 2017 US$	31 March 2016 US$
Term loans from Related Parties		
Unsecured Loans from immediate holding company	**-**	310,195,086
	-	310,195,086

9 Other Current Liabilities

Particulars	31 March 2017 US$	31 March 2016 US$
Other payables	**-**	1,500
Total	**-**	1,500

10 Non-current Investments

	Particulars	**Face value US$**	**As at 31 March 2017 Holding Nos.**	**As at 31 March 2017 US$**	**As at 31 March 2016 Holding Nos.**	**As at 31 March 2016 Book Value US$**
A	**Other Investments**					
	a Quoted Equity Shares					
	i Others					
	1 Belmond Ltd [Class A common shares, quoted on the New York Stock Exchange]. Refer Note 3 & 4.	0.01	-	-	5,619,287	206,334,567
B	**Total Investments (A + B)**			-		206,334,567
C	Less: Provision for diminution in value of investments			-		133,355,114
D	**Total**			-		72,979,453

E NOTES:

1 Aggregate of Quoted Investments:

	31 March 2017	31 March 2016
Cost	-	206,334,567
Market Value	-	53,327,034

2 All investments are long term investments.

3 All investments are stated at cost and are fully paid-up unless otherwise indicated.

Notes to Financial Statements for the year ended March 31, 2017

11 Cash and Cash equivalents

Particulars	**31 March 2017 US$**	31 March 2016 US$
1 Balance with banks	-	27,127
Total	-	27,127

12 Short-term loans and advances

Particulars	**31 March 2017 US$**	31 March 2016 US$
1 Other Loans and advances		
(a) Other Advances / Recoverables	-	1,163
Total	-	1,163

13 Other Income

Particulars	**2016-17 US$**	2015-16 US$
1 Refund of Capital Gains Tax	**4,034**	-
Total	**4,034**	-

14 Other Expenses

Particulars	**2016-17 US$**	2015-16 US$
1 Payments to auditor as auditor	-	1,500
2 Professional fees and charges	**9,936**	962
3 Other expenses	**300**	19,282
4 Exchange loss	**4**	114
Total	**10,240**	21,858

15 Exceptional Items

Particulars	**2016-17 US$**	2015-16 US$
1 Write back of loans from immediate holding company	**256,204,426**	-
2 Capital loss on sale of quoted shares	**(19,009,377)**	(5,421,748)
Total	**237,195,049**	(5,421,748)

As per our Report attached
For Patel & Deodhar
Chartered Accountants
FRN -107644W

Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, 17 April 2017

For and on behalf of the Board

R H Parekh
N Chandrasekhar
Directors
Mumbai, 17 April 2017

DIRECTORS AND CORPORATE INFORMATION

ST. JAMES COURT HOTEL LIMITED

Directors	Mr F K Kavarana Mr S Nagpal Mr R Nagpal Mr R M Nagpal (Alternate director to Mr R Nagpal) Mr R K Sarna Mr N Chandrasekhar
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 2017

Introduction

The Company is a subsidiary of The Indian Hotels Company Limited (IHCL), an Indian listed company in the hospitality sector. The parent is the owner of the world renowned 'Taj' Hotels brand and has been in the business of luxury hospitality for well over a century. Over its long history, the Taj has played host to the most varied set of discerning world travelers. Both your Company's hotels trade under the Taj name as follows:

- Taj 51 Buckingham Gate Suites and Residences
- St. James Court, a Taj Hotel

Business review and future developments

The fiscal year ended March 2017 saw momentous developments in Europe and the western world. For the first time in European Union (EU) history, a decision to exit the EU was taken by a member State through a popular vote. The British electorate, in a referendum held on June 23, 2016, voted by a narrow margin to leave the EU. The divisive rhetoric during the campaign amidst the Government's stated preference to remain in the EU and the unexpected vote outcome led to leadership changes in both the UK Government and the governing political party. The UK Government triggered the process of a formal departure just before the end of the fiscal year and has since announced a snap general election on June 8, 2017 to seek a popular mandate, presumably for its negotiating positions in the EU exit discussions.

The presidential elections in the USA was equally divisive and marked by campaign rhetoric on economic nationalism, populism and national identity. The western liberal order, which resulted in much of the global peace and prosperity since the end of the world wars, appear shaken through the most democratic of processes. It is ironical that it should have happened in the UK and the USA. The electoral results in the French and German elections in 2017 ought to confirm whether the liberal order will be sustained or will give way to a new and yet to be formulated world order.

The conditions in the Middle East remain worse than before the Arab spring revolutions which began over six years ago. Wars against terrorism continue in Iraq, Syria and Yemen and Libya remains ungovernable. Random acts of terror in the west continue to scar the public psyche. While the migration crisis has abated for now in Europe, it has not been brought about by any return of peace, stability or prosperity in the regions where these desperate refugees flee from.

On the economic front, developed economies appear to have left the 2007 recession and the 2008 financial crisis well behind. While the terms of the actual EU exit are still to be negotiated, leaving the most affluent market in which the UK belonged, is expected to impact future growth. Unemployment in the UK is below 5%, employment is at record levels and wage growth outpaced inflation for a short period. With the significant devaluation of the Pound Sterling arising from the decision to leave the EU, the UK is expected to have a rate of inflation well over the desired policy level of 2% for the next year. Policy interest rates continue to remain accommodative and is expected to remain so in the near term. Buoyed by consumer spending, the UK GDP grew at over 2% in calendar 2016, despite predictions of a marked slow-down after the referendum. While a similar rate of growth has been predicted for the year ahead, whether exit pains have been avoided or merely deferred remains the most important uncertainty for the near years ahead.

The Company nonetheless remains optimistic about the future and confident of its own ability to improve performance the years ahead.

Review of financial and operating performance

For the year under review, the Company reported a significant increase of 9% in overall turnover compared to the previous year. Room revenues recorded a 10% increase over the previous year, with improvements in occupancy of 6% and rate achieved of 3% for the year as a whole. Food and Beverage and associated revenues were 7% higher than the previous year.

For the year under review, cost of sales was 5% higher than the previous year against a 9% increase in turnover. Staffing levels in key functions of Sales and Marketing, Revenue Management and Reservations were optimized to reflect the efforts the Taj needed to mitigate the removal of the IHG franchise. Reflective of trends in the industry of increased usage of online travel agencies and third party intermediaries, the company also incurred an increase in agency commissions. This trend is likely to continue in the future.

Other operating costs were in line with the levels of activity and in accordance with standards that the Company's hotels require to reflect the new Taj brand identity and to sustain financial performance in the intensely competitive London environment. The rent review of the property was completed during the year under review.

On the back of increased revenues and managed costs, the Company reported an Operating Profit of £4.4 million compared to £3.3 million last year and an Operating Profit margin of 12.2% against 10.2% for the previous year. Profit before tax was also higher at £3.0 million against £2.6million in the previous year.

In the light of the sustained improvement in financial performance over the past few years, the Company recognized a deferred tax asset of £4.2 million in the Balance Sheet as it remains reasonably confident of its ability to report continuing profits and utilize its available accumulated tax losses in the immediate years ahead. 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. (Refer note 10 in the Notes to the Financial Statements). The Company will review the appropriateness of any recognition on an annual basis.

The Company's Management places its Guests at the center of all its activities, both in its regular operations and in all its product improvement plans. The hotels gauge Customer Satisfaction through routine internal surveys and monitor customer perceptions of the hotels expressed through influential travel sites. The Company's hotels maintained the improved satisfaction levels during the year under review with the Taj 51 Buckingham Gate rated as the 4th best hotel in London on Trip Advisor from amongst a list of over 1100 hotels. The Taj's long term goal is to scale and perch atop the peak. Customer comments are always responded to with sincerity, attentiveness, speed and warmth.

Over the past few years had embarked on a phased renovation of its rooms and suites. Over 150 rooms at St. James' Court and all 86 suites at Taj 51 Buckingham Gate have been fully renovated or extensively refurbished. The fully renovated lobby at Taj 51BG and the new Kona restaurant complete the Taj 51BG offering. The Company intends to begin work on the renovations of its three remaining blocks comprising 182 rooms at St. James Court from October 2017 and to complete the same over three financial years. This is expected to cost about £23 million and will be funded through additional debt and internal cash generations.

This report was approved by the board and signed on its behalf.

Mr N Chandrasekhar
Director

Date: May 5, 2017

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH, 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

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 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

The profit for the year, after taxation, amounted to £5,433,005 (2016 - £3,879,651).

Directors

The directors who served during the year were:

Mr F K Kavarana	
Mr A P Goel	(resigned 15 October 2016)
Mr S Nagpal	
Mr R Nagpal	
Mr R M Nagpal	(Alternate director to Mr R Nagpal)
Mr R K Sarna	
N Chandrasekhar	(appointed 19 April 2016)

Mr. N. Chandrasekhar who served as an Executive Director in full time employment of the company until 31 December 2015 resigned from the Board of Directors upon his separation from employment on 31 December 2015. He was invited to join the Board again on 19 April 2016 as an Independent Director. The directors' remuneration for the year ended 31 March 2017, detailed in note 8, represents amounts paid for management consultancy services to Manchan Limited, a service company controlled by Mr. N. Chandrasekhar and do not represent payments made to Mr. N. Chandrasekhar in his individual capacity.

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.

Mr N Chandrasekhar
Director

Date: May 5, 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. JAMES COURT HOTEL LIMITED

We have audited the financial statements of St James Court Hotel Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

Opinion 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 or the directors' report

We have nothing to report in respect of the following matters where 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.

Stuart Collins (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date: May 5, 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income for the Year Ended 31 March 2017

	Note	2017 £	2016 £
Turnover	4	**35,728,780**	32,774,914
Cost of sales		**(18,487,571)**	(17,632,744)
Gross profit		**17,241,209**	15,142,170
Administrative expenses		**(12,888,481)**	(11,799,965)
Operating profit	5	**4,352,728**	3,342,205
Interest receivable and similar income		**4,021**	3,865
Interest payable and similar charges	9	**(1,323,744)**	(698,645)
Profit before tax		**3,033,005**	2,647,425
Tax on profit	10	**2,400,000**	1,232,226
Profit for the financial year and total comprehensive income		**5,433,005**	3,879,651

All amounts relate to continuing operations.

The notes from 1 to 25 form part of these financial statements.

Statement of Financial Position as at 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	11		**98,950,918**		99,814,900
Current assets					
Stocks	12	**535,393**		534,761	
Debtors	13	**6,456,247**		3,885,807	
Cash and cash equivalents	14	**5,562,538**		2,477,930	
		12,554,178		6,898,498	
Creditors: amounts falling due within one year	15	**(8,567,308)**		(50,040,152)	
Net current assets/(liabilities)			**3,986,870**		(43,141,654)
Total assets less current liabilities			**102,937,788**		56,673,246
Creditors: amounts falling due after more than one year	16		**(43,461,807)**		(2,630,270)
Net assets			**59,475,981**		54,042,976
Capital and reserves					
Called up share capital	19		**56,527,912**		56,527,912
Share premium account	20		**1,191,976**		1,191,976
Profit and loss account	20		**1,756,093**		(3,676,912)
			59,475,981		54,042,976

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

N Chandrasekhar
Director

Date: May 5, 2017

The notes from 1 to 25 form part of these financial statements.

Statement of Changes in Equity for the Year Ended 31 March 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2016	56,527,912	1,191,976	(3,676,912)	54,042,976
Comprehensive income for the year				
Profit for the year	-	-	5,433,005	5,433,005
At 31 March 2017	56,527,912	1,191,976	1,756,093	59,475,981
At 1 April 2015	56,527,912	1,191,976	(7,556,563)	50,163,325
Comprehensive income for the year				
Profit for the year	-	-	3,879,651	3,879,651
At 31 March 2016	56,527,912	1,191,976	(3,676,912)	54,042,976

The notes from 1 to 25 form part of these financial statements.

Statement of Cash Flows for the Year Ended 31 March 2017

	2017 **£**	2016 £
Cash flows from operating activities		
Profit for the financial year	**5,433,005**	3,879,651
Adjustments for:		
Depreciation of tangible assets	**3,267,967**	3,232,535
Interest paid	**2,186,344**	2,345,881
Interest received	**(4,021)**	(3,865)
Taxation credit	**(2,400,000)**	(1,232,226)
Increase in stocks	**(632)**	(37,517)
(Increase)/decrease in debtors	**(170,437)**	164,232
Increase in creditors	**1,847,931**	1,267,699
Net fair value gains recognised in P&L	**(862,600)**	(1,647,236)
Net cash generated from operating activities	**9,297,557**	7,969,154
Cash flows from investing activities		
Purchase of tangible fixed assets	**(2,403,985)**	(1,380,401)
Interest received	**4,021**	3,865
HP interest paid	**(2,591)**	(3,875)
Net cash used in investing activities	**(2,402,555)**	(1,380,411)
Cash flows from financing activities		
New secured loans	**44,500,000**	-
Repayment of loans	**(45,750,000)**	(2,000,000)
Repayment of/new finance leases	**(14,637)**	(34,801)
Interest paid	**(1,954,470)**	(2,247,887)
Loan arrangement cost	**(591,287)**	-
Net cash used in financing activities	**(3,810,394)**	(4,282,688)
Net increase in cash and cash equivalents	**3,084,608**	2,306,055
Cash and cash equivalents at beginning of year	**2,477,930**	171,875
Cash and cash equivalents at the end of year	**5,562,538**	2,477,930

The notes from 1 to 25 form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2017

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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at 31 March 2017 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.

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

Notes to Financial Statements for the year ended March 31, 2017

2. Accounting policies (continued)

Assets in the course of construction are not depreciated.

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.

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 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.

Notes to Financial Statements for the year ended March 31, 2017

2. Accounting policies (continued)

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.

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.

Notes to Financial Statements for the year ended March 31, 2017

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee 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 the 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:

	2017	2016
	£	£
Room revenue	**29,062,234**	26,448,591
Food and beverage	**5,249,682**	4,906,495
Other	**1,416,864**	1,419,828
	35,728,780	32,774,914

All turnover arose within the United Kingdom.

Notes to Financial Statements for the year ended March 31, 2017

5. Operating profit

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of tangible fixed assets	**3,267,967**	3,232,535
Other operating lease rentals	**955,339**	708,333
Exchange gains	**(19,392)**	(7,704)
Defined contribution pension cost	**113,862**	115,091

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**52,000**	53,000
Fees payable to the company's auditor and its associates in respect of:		
Audit-related assurance services	**53,000**	52,500
Other services relating to taxation	**12,450**	5,000
All other services	**3,500**	5,000

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	**6,686,803**	6,638,261
Social security costs	**599,442**	619,616
Cost of defined contribution scheme	**113,862**	115,091
	7,400,107	7,372,968

The average monthly number of employees, including the directors, during the year was as follows:

	2017	2016
	No.	No.
Operations	**257**	252
Administration	**34**	31
	291	283

8. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	**132,990**	308,511

The highest paid director received remuneration of £132,990 (2016 - £308,511).

Directors remuneration for the current year represents amounts paid to Manchan Limited, a company controlled by a director.

Notes to Financial Statements for the year ended March 31, 2017

9. Interest payable and similar charges

	2017	2016
	£	£
Bank interest payable	**2,064,091**	2,211,806
Other loan interest payable	**119,662**	130,200
Finance leases and hire purchase contracts	**2,591**	3,875
Derivative fair value changes	**(862,600)**	(1,647,236)
	1,323,744	698,645

10. Taxation

	2017	2016
	£	£
Deferred tax		
Origination and reversal of timing differences	**(2,400,000)**	(1,289,004)
Changes to tax rates	**-**	56,778
Taxation on profit on ordinary activities	**(2,400,000)**	(1,232,226)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	**3,033,005**	2,647,425
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	**606,601**	529,485
Effects of:		
Expenses not deductible for tax purposes	**11,036**	17,961
Fixed asset differences	**554,769**	556,715
Non-taxable income	**(172,520)**	(329,447)
Effect of tax rate change on opening balance	**426,382**	1,151,625
Deferred tax not recognised	**(3,816,326)**	(3,158,565)
Adjustments to tax charge in respect of prior periods - deferred tax	**(9,942)**	-
Total tax charge for the year	**(2,400,000)**	(1,232,226)

Factors that may affect future tax charges

As at 31 March 2017 the company had unrelieved trading losses of approximately £48.9m (2016 - £54.4m) available to set off against future profits. Except to the extent disclosed in note 18, the directors do not consider it appropriate to recognise potential deferred tax assets arising in respect of these losses. Therefore, total potential deferred tax assets of £4.7m (2016 - £8.6m) remain unrecognised in these financial statements.

Notes to Financial Statements for the year ended March 31, 2017

11. Tangible fixed assets

	Long term leasehold property	Furniture, fittings and equipment	Assets under course of construction	Total
	£	£	£	£
Cost				
At 1 April 2016	116,750,965	18,188,191	232,101	135,171,257
Additions	711,266	1,149,126	543,593	2,403,985
Disposals	-	(578,187)	-	(578,187)
Transfers between classes	-	232,101	(232,101)	-
At 31 March 2017	117,462,231	18,991,231	543,593	136,997,055
Depreciation				
At 1 April 2016	25,612,461	9,743,896	-	35,356,357
Charge for the period	2,021,889	1,246,078	-	3,267,967
Disposals	-	(578,187)	-	(578,187)
At 31 March 2017	27,634,350	10,411,787	-	38,046,137
Net book value				
At 31 March 2017	89,827,881	8,579,444	543,593	98,950,918
At 31 March 2016	91,138,504	8,444,295	232,101	99,814,900

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017	2016
	£	£
Furniture, fittings and equipment	**30,931**	63,098

Depreciation on assets held under finance leases or hire purchase contracts amounts to £32,167 (2016 - £7,423).

12. Stocks

	2017	2016
	£	£
Stocks	**535,393**	534,761

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.

13. Debtors

	2017	2016
	£	£
Trade debtors	**1,622,506**	1,351,823
Amounts owed by group undertakings	**44,872**	269,086
Other debtors	**183,083**	197,893
Prepayments and accrued income	**405,786**	267,005
Deferred taxation	**4,200,000**	1,800,000
	6,456,247	3,885,807

Deferred taxation asset due after one year amounts to £3,150,000.
All other amounts shown under debtors fall due for payment within one year.

14. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	**5,562,538**	2,477,930

Notes to Financial Statements for the year ended March 31, 2017

15. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Bank loans	**1,381,140**	44,956,623
Trade creditors	**1,130,108**	1,078,983
Amounts owed to group undertakings	**1,718,864**	604,041
Other taxation and social security	**322,993**	314,400
Obligations under finance lease and hire purchase contracts	**15,576**	14,637
Other creditors	**2,420,032**	1,792,839
Accruals and deferred income	**1,434,450**	1,278,629
Derivative financial instruments	**144,145**	-
	8,567,308	50,040,152

Accruals and deferred income above includes interest payable of £222,486 (2016 - £112,866).

16. Creditors: Amounts falling due after more than one year

	2017	2016
	£	£
Bank loans	**41,853,858**	-
Net obligations under finance leases and hire purchase contracts	**18,002**	33,578
Derivative financial instruments	**1,589,947**	2,596,692
	43,461,807	2,630,270

Analysis of the maturity of loans is given below:

	2017	2016
	£	£
Within one year	**1,500,000**	45,000,000
Between two and five years	**42,250,000**	-
Less: issue costs	**(515,002)**	(43,377)
	43,234,998	44,956,623

The bank loan of £45,000,000 with interest payable at a floating rate of one month Sterling LIBOR plus a margin based on a ratchet between 2% and 3% based on the Interest Cover ratio achieved by the Company was paid in full on 19 August 2016. A new loan of £44,500,000 was undertaken in the year at a floating rate of 1 month Sterling LIBOR + 1.65%. Repayments on the new loan are £1.5m per annum (payable quarterly) with the balance repayble in August 2021.

Obligations under finance leases and hire purchase contracts fall due as follows:

	2017	2016
	£	£
Between one and five years	**18,002**	33,578

17. Financial instruments

	2017	2016
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**7,412,999**	4,296,732
	7,412,999	4,296,732
Financial liabilities		
Derivative financial instruments designed as hedges of variable interest rate risk	**(1,734,092)**	(2,596,692)
Financial liabilities measured at amortised cost	**(49,972,027)**	(49,759,340)
	(51,706,119)	(52,356,032)

Notes to Financial Statements for the year ended March 31, 2017

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.

18. Deferred taxation

	2017
	£
At beginning of year	1,800,000
Charged to the profit or loss	2,400,000
At end of year	4,200,000

The deferred tax asset is made up as follows:

	2017	2016
	£	£
Accelerated capital allowances	**616,288**	569,657
Tax losses carried forward	**3,583,712**	1,230,343
	4,200,000	1,800,000

A deferred tax asset has been recognised for the anticipated utilisation of tax losses in the next 4 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

	2017	2016
	£	£
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 2017 the company had capital commitments as follows:

	2017	2016
	£	£
Contracted for but not provided in these financial statements	**177,045**	216,774

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 £113,862 (2016 - £115,091). Contributions payable to the fund at the year end included in creditors totalled £47,484 (2016 - £30,399).

Notes to Financial Statements for the year ended March 31, 2017

23. Commitments under operating leases

At 31 March 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Not later than 1 year	**852,600**	503,552
Later than 1 year and not later than 5 years	**3,409,750**	2,000,000
Later than 5 years	**80,041,666**	47,583,333
	84,304,016	50,086,885

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 £1,071,863 (2016 - £983,260) in management fees and £617,894 (2016 - £533,411) in incentive fees.

The company also charged £120,758 (2016 - £119,400) in respect of rent and £31,845 (2016 - £26,321) in respect of utilities to Taj International Hotels Limited. Taj International Hotels Limited recharged salary and related costs of £324,480 (2016 - £338,559) and sold goods of £328,017 (2016 - £272,430) to the company.

The Indian Hotels Company Limited recharged the company £673,751 (2016 - £197,681) for expenses it incurred on behalf of the company in the year. The company during the year recovered costs of £510,778 (2016 - £562,225) which it incurred on behalf of The Indian Hotels Company Limited.

The company had the following balances with other related parties:

	2017	2016
	£	£
Amount due from Taj International Hotels Limited	**3,885**	6,959
Amount due to Taj International Hotels Limited	**(29,107)**	(51,477)
Amount due from Taj Trade and Transport Limited	**1,897**	2,065
Amount due to Taj International Hotels (HK) Limited	**(1,689,757)**	(552,563)
Amount due from The Indian Hotels Company Limited	**37,447**	229,256
Amount due from Ihoco BV	**-**	30,805

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 R H Parekh Mr N Chandrasekhar
Registered number	01661824
Registered office	St James Court Hotel Buckingham Gate London SW1E 6AF
Trading addresses	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
Solicitors	Slaughter and May 1 Bunhill Row London EC1Y 8YY

DIRECTORS REPORT

The Directors present their report and the financial statements for the year ended 31 March 2017.

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;
- 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 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

The profit for the year, after taxation, amounted to £519,210 (2016 - £728,622).

Directors

The directors who served during the year were:

Mr A P Goel (resigned 15 October 2016)

Mr R H Parekh

Mr N Chandrasekhar (appointed 19 April 2016)

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: April 27, 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAJ INTERNATIONAL HOTELS LIMITED

We have audited the financial statements of Taj International Hotels Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

Opinion 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 directors' report.

We have nothing to report in respect of the following matters where 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.
- 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.

Stuart Collins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: April 27, 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income for the Year Ended 31 March 2017

	Note	2017 £	2016 £
Turnover	4	**8,446,671**	8,046,707
Cost of sales		**(6,467,730)**	(6,082,777)
Gross profit		**1,978,941**	1,963,930
Administrative expenses		**(1,662,802)**	(1,648,755)
Other operating income	5	**324,480**	605,265
Operating profit	6	**640,619**	920,440
Interest receivable and similar income		**2,784**	2,245
Profit before tax		**643,403**	922,685
Tax on profit	9	**(124,193)**	(194,063)
Profit for the financial year and total comprehensive income		**519,210**	728,622

All amounts relate to continuing operations.

The notes from 1 to 22 form part of these financial statements.

Statement of Financial Position as at 31 March 2017

	Note	2017	2017 £	2016	2016 £
Fixed assets					
Tangible assets	10		**2,052,630**		1,976,514
Current assets					
Stocks	11	**401,297**		375,669	
Debtors	12	**723,425**		780,140	
Cash and cash equivalents	13	**1,912,669**		1,765,770	
		3,037,391		2,921,579	
Creditors: amounts falling due within one year	14	**(1,734,547)**		(1,577,941)	
Net current assets			**1,302,844**		1,343,638
Total assets less current liabilities			**3,355,474**		3,320,152
Provisions for liabilities					
Deferred tax	16		**(136,528)**		(120,416)
Net assets			**3,218,946**		3,199,736
Capital and reserves					
Called up share capital	17		**2**		2
Profit and loss account	18		**3,218,944**		3,199,734
			3,218,946		3,199,736

The notes from 1 to 22 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr N Chandrasekhar
Director

Date: April 27, 2017

Statement of Changes in Equity for the Year Ended 31 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	2	3,199,734	3,199,736
Comprehensive income for the year			
Profit for the year	-	519,210	519,210
Distributions to owners			
Dividends paid	-	(500,000)	(500,000)
At 31 March 2017	2	3,218,944	3,218,946
At 1 April 2015	2	2,971,112	2,971,114
Comprehensive income for the year			
Profit for the year	-	728,622	728,622
Distributions to owners			
Dividends paid	-	(500,000)	(500,000)
At 31 March 2016	2	3,199,734	3,199,736

The notes from 1 to 22 form part of these financial statements.

Statement of Cash Flows for the Year Ended 31 March 2017

	2017	2016
	£	£
Cash flows from operating activities		
Profit for the financial year	**519,210**	728,622
Adjustments for:		
Depreciation of tangible assets	**252,494**	264,218
Loss on disposal of tangible assets	**-**	44,027
Interest receivable	**(2,784)**	(2,245)
Taxation charge	**124,193**	194,063
Increase in stocks	**(25,628)**	(80,361)
Decrease/(increase) in debtors	**56,715**	(6,434)
Increase in creditors	**141,553**	124,921
Corporation tax paid	**(93,028)**	(173,369)
Net cash generated from operating activities	**972,725**	1,093,442
Cash flows from investing activities		
Purchase of tangible fixed assets	**(328,610)**	(505,463)
Interest received	**2,784**	2,245
Net cash from investing activities	**(325,826)**	(503,218)
Cash flows from financing activities		
Dividends paid	**(500,000)**	(500,000)
Net cash used in financing activities	**(500,000)**	(500,000)
Net increase in cash and cash equivalents	**146,899**	90,224
Cash and cash equivalents at beginning of year	**1,765,770**	1,675,546
Cash and cash equivalents at the end of year	**1,912,669**	1,765,770

The notes from 1 to 22 form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2017

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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at 31 March 2017 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, 2017

2. Accounting policies (continued)

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.

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 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.

Notes to Financial Statements for the year ended March 31, 2017

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.14 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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, 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee 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 group'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 10)

  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:

	2017	2016
	£	£
Restaurants	**5,200,566**	4,787,167
Airline catering	**3,150,787**	3,098,884
Other	**95,318**	160,656
	8,446,671	8,046,707

All turnover arose within the United Kingdom.

5. Other operating income

	2017	2016
	£	£
Other operating income	**324,480**	605,265

Other operating income comprises salary recharges and management fees received from related parties (see note 21).

6. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	**252,494**	264,218
Exchange differences	**39,283**	(20,927)
Other operating lease rentals	**410,762**	409,413

During the year, no director received any emoluments (2016 - £Nil).

7. Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**18,000**	18,500

Notes to Financial Statements for the year ended March 31, 2017

8. Employees

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	**2,504,590**	2,337,205
Social security costs	**253,929**	230,519
Cost of defined contribution scheme	**120,065**	122,384
	2,878,584	2,690,108

The average monthly number of employees, including the directors, during the year was as follows:

	2017	2016
	No.	No.
Admin, kitchen and waiting staff	**85**	79

9. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	**121,909**	165,634
Adjustments in respect of previous periods	**(13,828)**	(19,538)
Total current tax	**108,081**	146,096
Deferred tax		
Origination and reversal of timing differences	**18,807**	41,581
Adjustments in respect of prior years	**4,230**	15,145
Effect of tax rate change on opening balance	**(6,925)**	(8,759)
Total deferred tax	**16,112**	47,967
Taxation on profit on ordinary activities	**124,193**	194,063

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 -20%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	**643,403**	922,685
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 -20%)	**128,681**	184,537
Effects of:		
Fixed asset differences	**15,354**	27,299
Adjustments to tax charge in respect of prior periods	**(13,828)**	(19,538)
Adjustments to deferred tax in respect of previous periods	**4,230**	15,145
Adjustment to deferred tax due to change in tax rates	**(10,244)**	(13,380)
Total tax charge for the year	**124,193**	194,063

Notes to Financial Statements for the year ended March 31, 2017

10. Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 April 2016	1,739,612	1,538,943	3,278,555
Additions	-	328,610	328,610
At 31 March 2017	1,739,612	1,867,553	3,607,165
Depreciation			
At 1 April 2016	474,330	827,711	1,302,041
Charge for the period	108,724	143,770	252,494
At 31 March 2017	583,054	971,481	1,554,535
Net book value			
At 31 March 2017	1,156,558	896,072	2,052,630
At 31 March 2016	1,265,282	711,232	1,976,514

11. Stocks

	2017	2016
	£	£
Food and beverage stock	**401,297**	375,669

12. Debtors

	2017	2016
	£	£
Trade debtors	**591,157**	568,084
Amounts owed by group undertakings	**28,087**	89,997
Other debtors	**32,237**	50,761
Prepayments and accrued income	**71,944**	71,298
	723,425	780,140

All amounts shown under debtors fall due for payment within one year.

13. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	**1,912,669**	1,765,770

14. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	**392,446**	357,464
Amounts owed to group undertakings	**101,270**	95,200
Corporation tax	**62,919**	47,866
Other taxation and social security	**165,934**	151,230
Other creditors	**51,857**	32,882
Accruals and deferred income	**960,121**	878,574
Financial instruments	**-**	14,725
	1,734,547	1,577,941

Notes to Financial Statements for the year ended March 31, 2017

15. Financial instruments

	2017	2016
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**2,564,150**	2,474,611
	2,564,150	2,474,611
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	**-**	(14,725)
Financial liabilities measured at amortised cost	**(1,505,694)**	(1,364,120)
	(1,505,694)	(1,378,845)

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 a forward exchange contract.

Financial liabilities measured at amortised cost comprise trade and other payables, amounts owed to group undertakings and accrued expenses.

16. Deferred taxation

	2017
	£
At beginning of year	**(120,416)**
Charged to the profit or loss	**(16,112)**
At end of year	**(136,528)**

The provision for deferred taxation is made up as follows:

	2017	2016
	£	£
Accelerated capital allowances	**(137,192)**	(121,071)
Short term timing differences	**664**	655
	(136,528)	(120,416)

17. Share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
2- Ordinary shares of £1 each	**2**	2

18. Reserves

Profit & loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Notes to Financial Statements for the year ended March 31, 2017

19. 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 £120,065 (2016 - £122,384). Contributions payable to the fund at the year end included in creditors totalled £3,904 (2016 - £3,639).

20. Commitments under operating leases

At 31 March 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Not later than 1 year	**366,800**	366,800
Later than 1 year and not later than 5 years	**1,275,200**	1,352,000
Later than 5 years	**1,643,333**	1,933,333

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 amount payable for the year was £120,758 (2016 - £119,409).

21. Related party transactions

During the year The Indian Hotels Company Limited invoiced Taj International Hotels Limited £422,333 (2016 - £402,335) for the provision of management services. Taj International Hotels Limited invoiced Taj International Hotels (HK) Limited £Nil (2016 - £266,706) for the operation of St James Court Hotel Limited.

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 £120,758 (2016 - £119,409) towards rent in respect of the premises let out and £31,845 (2016 - £26,321) in respect of recharge of utilities. Taj International Hotels Limited recharged payroll costs of £324,480 (2016 - £338,559) to St James Court Hotel Limited and made sales of goods to St James Court Hotel Limited totalling £328,017 (2016 - £272,430).

At the balance sheet date Taj International Hotels Limited had the following balances with other group companies. Amounts were due from Taj International Hotels (HK) Limited of £Nil (2016 - £63,816). Amounts were due to The Indian Hotel Company Limited of £101,270 (2016 - £95,200). Amounts were due from St James Court Hotel Limited of £28,087 (2016 - £51,477) and due to St James Court Hotel Limited of £3,862 (2016 - £6,959)

22. 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

TAJ INTERNATIONAL HOTELS (H.K.) LIMITED

Board of Directors:

Mr. R. K. Sarna

Mr. R. H. Parekh

Mr. N. Chandrasekhar

Mr. Anil P. Goel (resigned on 15 October 2016)

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.

DIRECTORS' 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 2017.

Principal activities

The principal activities of the Company are investment holding and provision of consultancy, hotel management and operating services. The principal activities of its subsidiaries are set out in note 8 to the financial statements.

Results and dividends

The results of the Company for the year ended 31 March 2017 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 Sarna
A. P. Goel (resigned on 15 October 2016)
R. H. Parekh
N. Chandrasekhar

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

After consideration, 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 or fellow subsidiaries (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
R. H. Parekh
May 9, 2017

INDEPENDENT AUDITOR'S REPORT

To the members of
Taj International Hotels (H.K.) Limited

(incorporated in Hong Kong with Limited liability)

Qualified Opinion

We have audited the financial statements of Taj International Hotels (H.K.) Limited (the "Company") (the "Company") set out, which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the basis for qualified opinion section, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (the "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 Qualified 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.

As explained in note 1 to the financial statements, the Company has not prepared consolidated financial statements in accordance with Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements" ("HKFRS 10") issued by the HKICPA. The financial statements therefore do not comply with HKFRS 10. As a consequence, the financial statements do not give the information required by HKFRS 10 about the economic activities of the Company and its subsidiaries (collectively the "Company") of which the Company is the parent. The interests in subsidiaries are accounted for on a cost basis. The effects on the financial statements of the non-preparation of consolidated financial statements have not been determined.

Our opinion on the financial statements for the year ended 31 March 2016 was also mentioned in respect of the above matter.

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 but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Certified Public Accountants
Hong Kong,

The engagement director on the audit resulting in this independent auditor's report is:
Chan Wai Man
Practising Certificate number: P02487

Statement of Comprehensive Income Year ended 31 March 2017

	Note	2017 US$	2016 US$
Revenue	2	**5,003,416**	42,436,996
Other income	3	**559,302**	44,445,313
Amortisation of intangible assets		**-**	(536,088)
Other operating expenses	4	**(25,700,124)**	(20,969,570)
Finance costs	5	**(915,999)**	(1,726,335)
(Loss) profit before tax	5	**(21,053,405)**	63,650,316
Income tax expense	6	**-**	-
(Loss) profit for the year		**(21,053,405)**	63,650,316
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Other reserve released on disposal of an associate		**-**	20,580
Exchange differences reclassified on disposal of an associate		**-**	870,159
Other comprehensive income for the year, net of tax		**-**	890,739
Total comprehensive (loss) income for the year		**(21,053,405)**	64,541,055

Statement of Financial Position As At 31 March 2017

	Note	2017 US$	2016 US$
Non-current assets			
Intangible assets	7	-	-
Interest in subsidiaries	8	15,258	78,346,809
		15,258	78,346,809
Current assets			
Accounts receivable	9	984,560	925,807
Loan advanced to a fellow subsidiary	10	7,000,000	5,000,000
Loan advanced to related companies	11	9,081,180	9,026,507
Due from fellow subsidiaries	12	2,141,284	9,022,184
Due from ultimate parent	13	-	6,949
Bank balances		3,622,564	3,641,882
		22,829,588	27,623,329
Current liabilities			
Accounts payable and accrued charges		52,454	140,120
Due to a subsidiary	12	-	17,484
Due to a fellow subsidiary	12	-	2,060,303
Due to a joint venture of a fellow subsidiary	12	141,875	-
Due to a related company	12	183,848	27,745
Due to ultimate parent	13	11,446	-
		389,623	2,245,652
Net current assets		22,439,965	25,377,677
Total assets less current liabilities		22,455,223	103,724,486
Non-current liabilities			
Due to ultimate parent	13	4,380,000	29,398,000
Bank loan	14	-	35,197,858
		4,380,000	64,595,858
NET ASSETS		18,075,223	39,128,628
Capital and reserves			
Share capital	15	230,000,000	230,000,000
Accumulated losses		(211,924,777)	(190,871,372)
TOTAL EQUITY		18,075,223	39,128,628

Approved and authorised for issue by the Board of Directors on 9 May 2017 and signed on behalf by

Director	Director
Rakesh Sarna	**R. H. Parekh**

Statement of Changes in equity for the year ended March 31, 2017

	Share capital US$	Exchange reserve US$ (Note i)	Other reserve US$ (Note ii)	Accumulated losses US$	Total US$
At 1 April 2015	230,000,000	(870,159)	(20,580)	(254,521,688)	(25,412,427)
Profit for the year	-	-	-	63,650,316	63,650,316
Other comprehensive income					
Exchange differences reclassified on disposal of an associate	-	870,159	-	-	870,159
Other reserve released on disposal of an associate	-	-	20,580	-	20,580
Total comprehensive income for the year	-	870,159	20,580	63,650,316	64,541,055
At 31 March 2016	230,000,000	-	-	(190,871,372)	39,128,628
At 1 April 2016	230,000,000	-	-	(190,871,372)	39,128,628
Loss and total comprehensive loss for the year	-	-	-	(21,053,405)	(21,053,405)
At 31 March 2017	230,000,000	-	-	(211,924,777)	18,075,223

Note:

(i) The exchange reserve comprises exchange differences arising from translation of financial statements of the Company's foreign associate. The reserve is dealt with in accordance with the accounting policy on foreign currency translation as stated in note 1 to the financial statements.

(ii) Share of other comprehensive loss of an associate represents the share of the actuarial loss for the retirement benefit obligation of an associate.

Statement of Cash Flows for the year ended 31 March 2017

	Note	**2017 US$**	2016 US$
OPERATING ACTIVITIES			
Cash generated from operations	16	9,052,364	2,330,360
Net cash generated from operating activities		9,052,364	2,330,360
INVESTING ACTIVITIES			
Dividend received		-	38,255,911
Interest received		228,725	18,836
Loan to a fellow subsidiary		(2,000,000)	(5,000,000)
Loan to a related party		(2,000,000)	(212,000)
Repayment from a related party		1,244,903	6,498,260
Sales proceeds of disposal of available-for-sales financial assets		-	27,630,000
Sales proceeds of disposal of the associate		-	7,060,000
Sales proceeds of disposal of subsidiaries		76	75,420,000
Net cash (used in) generated from investing activities		(2,526,296)	149,671,007
FINANCING ACTIVITIES			
Interest paid		(320,188)	(1,735,297)
Repayment loan due from subsidiary		18,792,802	-
Repayment to ultimate parent		(25,018,000)	(148,565,415)
Net cash used in financing activities		(6,545,386)	(150,300,712)
Net (decrease) increase in cash and cash equivalents		(19,318)	1,700,655
Cash and cash equivalents at beginning of year		3,641,882	1,941,227
Cash and cash equivalents at end of year, represented by bank balances		3,622,564	3,641,882

Notes to Financial Statements for the year ended March 31, 2017

CORPORATE INFORMATION

Taj International Hotels (H.K.) Limited is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. In the opinion of the directors, the parent and the ultimate parent of the Company is The Indian Hotels Company Limited ("IHCL") 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 and the principal activities of its subsidiaries are set out in note 8 to the financial statements.

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 Hong Kong Financial Reporting Standards, 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.

The Company has not prepared consolidated financial statements in accordance with HKFRS 10 "Consolidated Financial Statements" issued by the HKICPA since the Company is a wholly-owned subsidiary of The Indian Hotels Company Limited ("IHCL"), which prepares consolidated financial statements in compliance with the India Accounting Standards ("Ind-AS"). Although Ind-AS is similar to International Financial Reporting Standards ("IFRSs") to certain extent, it is not the same as IFRSs. The Company's management is of the view that the cost, time and effort of preparation of consolidation financial statement in accordance with IFRSs in addition to the preparation of consolidated financial statement in accordance with Ind-AS would be grossly out of proportion to the benefits thereof to the Company, its parent and the shareholders of its parent.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2016 financial statements. 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.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost.

Intangible assets

Management contracts

Management contracts represent the Company's assessment of value of its hotel management contracts less accumulated amortisation and are reviewed for impairment annually or more frequently when indicator of impairment arises. Amortisation is provided on a straight-line basis over the assets' estimated useful lives of 20 years since the commencement of the contract.

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 investment in subsidiary is 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 amounts. Results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

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

Notes to Financial Statements for the year ended March 31, 2017

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 and accounts receivable and advances, due from fellow subsidiaries, due from subsidiaries, due from an associate 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.

2) Financial liabilities

The Company's financial liabilities include accounts payable and accrued charges, due to a subsidiary, due to a fellow subsidiary, due to a related company, due to ultimate parent and bank loan. 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.

3) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer of the contract to make specified payments to reimburse the holder of the contract for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contract is initially recognised as deferred income within trade and other payable at fair value (being the transaction price, unless the fair value can otherwise be reliably estimated). Subsequently, it is measured at the higher of (i) the amount initially recognised, less accumulated amortisation, and (ii) the amount of the provision, if any, that is required to settle the commitment at the end of the reporting period.

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.

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, 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.

Notes to Financial Statements for the year ended March 31, 2017

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").

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.

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.

Notes to Financial Statements for the year ended March 31, 2017

(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.

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 investments and receivables

The Company assesses annually if interests in subsidiaries has suffered any impairment in accordance with HKAS 36 and follows the guidance of HKAS 39 in determining whether amounts due from those entities, if any, are impaired. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause the adjustments of their carrying amounts.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new / revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted. The directors anticipate that the adoption of these new / revised HFKRSs in the future periods will have no material impact on the results of the Company.

2. REVENUE

Revenue recognised by category is as follows:

	2017	2016
	US$	US$
Operating fees	**2,728,015**	2,127,238
Incentive fees	**1,392,281**	1,328,209
Technical fees	**654,395**	706,802
Interest income	**228,725**	18,836
Dividend income	**-**	38,255,911
	5,003,416	42,436,996

Notes to Financial Statements for the year ended March 31, 2017

3. OTHER INCOME

	2017 US$	2016 US$
Recruitment and reservation fees	-	272
Marketing Fees	**279,651**	192,176
Group Services Fees	**279,651**	192,176
Hospitality Consulting Services	-	115,000
Gain on disposal of the subsidiary	-	16,129,997
Gain on disposal of the associate	-	4,604,562
Gain on disposal of available-for-sale financial assets	-	23,211,130
	559,302	44,445,313

4. OTHER OPERATING EXPENSES

	2017 US$	2016 US$
Technical fees expenses	**54,938**	463,538
Impairment loss on interest in a subsidiary	-	11,237,606
Net impairment loss on loan advanced to a subsidiary	**24,340,802**	-
Impairment loss on due from fellow subsidiaries	**751,529**	-
Loss on disposal of the subsidiary	**50**	8,502,430
Other expenses	**552,805**	765,996
	25,700,124	20,969,570

5. (LOSS) PROFIT BEFORE TAX

	2017	2016
This is stated after charging:	**US$**	US$
Finance costs		
Agency and arrangement fee	**595,811**	176,763
Interest on bank and other loans	**320,188**	1,549,572
	915,999	1,726,335
Auditor's remuneration	**19,302**	26,429

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

	2017 US$	2016 US$
(Loss) profit before tax	**(21,053,405)**	63,650,316
Income tax at applicable tax rate of 16.5% (2016:16.5%)	**(3,473,812)**	10,502,302
Non-deductible expenses	**3,473,812**	-
Tax exempt income	-	(10,502,302)
Tax expense for the year	-	-

Notes to Financial Statements for the year ended March 31, 2017

7. INTANGIBLE ASSETS

	Management contracts US$
Reconciliation of carrying amount – year ended 31 March 2016	
At beginning of year	536,088
Amortisation	(536,088)
At the end of the reporting period	-
Reconciliation of carrying amount – year ended 31 March 2017	
At beginning of year	-
Amortisation	-
At the end of the reporting period	-
At 1 April 2016	
Costs	13,918,104
Accumulated amortisation and impairment loss	(13,918,104)
	-
At 31 March 2017	
Costs	13,918,104
Accumulated amortisation and impairment losses	(13,918,104)
	-

8. INTEREST IN SUBSIDIARIES

	2017 US$	2016 US$
Unlisted shares, at cost	**38,389,240**	38,389,330
Impairment loss	**(38,373,982)**	(38,373,983)
	15,258	15,347
Loans to a subsidiary	**-**	310,195,086
Impairment loss	**-**	(231,863,624)
	15,258	78,346,809

Particulars of the major subsidiaries at end of the reporting period are as follows:

Name of subsidiaries	Country of incorporation	Percentage of ordinary shares held Directly %	Percentage of ordinary shares held Indirectly %	Principal activities
Apex Hotel Management Services Pte Limited	Singapore	100.00	-	Hotel sales and marketing services
Chieftain Corporation N.V.	Netherlands Antilles	100.00	-	Investment holding
Samsara Properties Limited ("SPL")	British Virgin Islands	100.00	-	Investment holding

On 20 December 2016, the management of the Company filed an application for striking off the subsidiary, Apex Hotel Management Services Pte Ltd in Singapore. The cost of investment in the previous year account was US$2.

In addition, 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. As of the date of these financial statements, the status is as follow:

(i) On 31 March 2017, the Company sold 100% of its holding in Apex Hotel Management Services (Australia) Pty Ltd to Mrs. Thushara Nishanganie Liyanarachchi, an independent third party, for a consideration of AUD100 (US$77 equivalent).

(ii) On 13 April 2017, Chieftain Corporation N.V. was dissolved and liquidated.

(iii) SPL was in the process of filing for voluntary liquidation.

Notes to Financial Statements for the year ended March 31, 2017

9. ACCOUNTS RECEIVABLE

	Note	2017 US$	2016 US$
Accounts receivable			
From third parties	9(a)	**573,555**	594,688
From a related company	9(b)	**411,005**	331,119
		984,560	925,807

9(a) Included in the Company's trade receivables balance are debtors with a carrying amount of US$nil (2016: US$41,784), which are past due within 90 days at the end of the reporting period but which the Company has not impaired as there has not been any significant changes in credit quality and the directors believe that the amounts are fully receivable.

9(b) The accounts receivable of US$411,005 (2016: US$331,119) due from a related company in which the ultimate parent 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. The directors of the Company are of the opinion that no allowance for doubtful debts is necessary as there has not been any history of default. The Company does not hold any collateral over these balances.

10. LOAN ADVANCED TO A FELLOW SUBSIDIARY

The amount is unsecured, interest bearing at 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.

11. LOAN ADVANCED TO RELATED COMPANIES

	Note	2017 US$	2016 US$
Loan advanced to a company in which the ultimate parent has significant influence	11(a)	**21,076,995**	22,306,171
Loan advanced to a company in which the ultimate parent has joint control	11(b)	**9,081,180**	9,045,803
		30,158,175	31,351,974
Impairment loss		**(21,076,995)**	(22,325,467)
	11(c)	**9,081,180**	9,026,507

11(a) The amount is unsecured, bears interest at LIBOR + 5% per annum and repayable on 30 June 2017 (2016: repayable on 30 June 2016).

11(b) The amount is unsecured, interest-free and repayable on 1 April 2018 (2016: repayable on 2 April 2018) while the Company has the right to call back the loan with 3 days' notice.

11(c) The total carrying amount approximates its fair value at the end of the reporting period.

12. DUE FROM (TO) A SUBSIDIARY, FELLOW SUBSIDIARIES, A JOINT VENTURE OF A FELLOW SUBSIDIARY AND A RELATED COMPANY

	Note	2017 US$	2016 US$
Due from fellow subsidiaries	12(a)	**2,141,284**	9,022,184
Due to a subsidiary	12(a)	**-**	(17,484)
Due to fellow subsidiaries	12(a)	**-**	(2,060,303)
Due to joint venture of a fellow subsidiary	12(b)	**(141,875)**	-
Due to a related company in which the ultimate parent has significance influence	12(a)	**(183,848)**	(27,745)

Notes to Financial Statements for the year ended March 31, 2017

12(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.

12(b) The amount is unsecured, interest-free and has no fixed repayment term. It represents payment in advance for the 2018'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.

13. DUE FROM (TO) ULTIMATE PARENT

	Note	**2017 US$**	2016 US$
Accounts receivable, loans and advance		**(620,000)**	(620,000)
Professional fees and charges payables/(receivables)		**11,446**	(6,949)
Shareholder's deposits	13(a)	**5,000,000**	30,018,000
		4,391,446	29,391,051
Less: (Repayable) receivable within one year		**(11,446)**	6,949
		4,380,000	29,398,000

13(a) Shareholder's deposits

The amounts due are unsecured, interest-free and have no fixed repayment term. The ultimate parent 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. In the opinion of the directors, no part of the amounts will be repayable within twelve months from the end of the reporting period.

14. BANK LOAN

The amount related to the bank loan of US$50 million which was secured by a corporate guarantee issued by The Indian Hotels Company Limited, the ultimate parent of the Company has been fully repaid during the year for US$35,793,669. The loan bears interest at LIBOR + 2.95% per annum.

15. SHARE CAPITAL

	2017		2016	
	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, 2017

16. CASH GENERATED FROM OPERATIONS

	2017 US$	2016 US$
(Loss) profit before tax	**(21,053,405)**	63,650,316
Amortisation of intangible assets	**-**	536,088
Dividend income	**-**	(38,255,911)
Exchange (gain) loss	**(51,143)**	194,286
Gain on disposal of available-for-sales financial assets	**-**	(23,211,130)
Gain on disposal of the associate	**-**	(4,604,562)
Gain on disposal of a subsidiary	**-**	(16,129,997)
Loss on disposal of a subsidiary	**50**	8,502,430
Impairment loss on interest in a subsidiary	**24,340,802**	11,237,606
Impairment loss on amount due from a related party	**751,529**	-
Interest expenses	**320,188**	1,549,572
Interest income	**(228,725)**	(18,836)
Changes in working capital:		
Accounts receivable and advances	**(58,753)**	(259,801)
Accounts payable and accrued charges	**(87,666)**	27,905
Due from an associate	**-**	232,447
Due from fellow subsidiaries	**6,880,901**	(812,184)
Due from subsidiaries	**-**	1,840,998
Due from ultimate parent	**6,949**	(6,949)
Due to a joint venture of a fellow subsidiary	**141,875**	-
Due to a fellow subsidiary	**(2,060,303)**	(1,372,430)
Due to a subsidiary	**(17,484)**	(5,657)
Due to related companies	**156,103**	(755,604)
Due to ultimate parent	**11,446**	(8,227)
Cash generated from operations	**9,052,364**	2,330,360

17. MAJOR NON-CASH TRANSACTION

During the year, SPL repaid bank loan of US$35,867,975 (including US$74,307 of interests) on behalf of the Company directly to the bank and offset its loan balance.

18. CONTINGENT LIABILITIES

St. James Court Hotel Limited ("SJCHL"), a fellow subsidiary of the Company, owns the leasehold interest in a property in London, such interest having been assigned to it in an earlier period by an erstwhile subsidiary company on the basis of a license granted by the landlord of the property, Scottish Widows' Fund and Life Assurance Society. The license was granted for such assignment upon the guarantee from the Company for the due performance and observance by SJCHL of the covenants and conditions contained in the license. The obligations of the Company in favour of the landlord shall remain in force throughout the full term of the lease, including any renewals.

19. 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:

Notes to Financial Statements for the year ended March 31, 2017

	Related party relationship	Nature of transaction	2017 US$	2016 US$
(a)	Ultimate parent	Business support service fee	(55,659)	(44,361)
	Companies in which the ultimate parent has significant influence (ex-associate)	Operating fee income	284,890	293,907
		Incentive fee income	357,204	394,548
	Companies in which the ultimate parent has significant influence	Technical fee income	654,395	686,802
		Operating fee expenses	(145,749)	(157,096)
		Incentive fee expenses	(42,226)	(43,182)
	Fellow subsidiaries	Loan interest income	228,699	18,699
		Operating fee expenses	-	(523,851)
		Incentive fee expenses	-	(143,996)
		Sales proceeds of investments	-	118,320,000
	Fellow subsidiaries (ex-subsidiaries)	Dividend income	-	779,602
		Operating fee income	1,227,947	799,697
		Incentive fee income	753,736	626,818
		Technical fee expenses	-	(406,999)
	Subsidiary	Dividend income	-	37,420,000
		Restructuring expenses	-	(28,720)

(b) The ultimate parent has indemnified the Company against any possible losses arising from the loan advance to a company in which the ultimate parent has joint control, amounting to US$9,081,180 (2016: US$9,045,804).

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise mainly bank balances, bank loan and amount due to ultimate parent. 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 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 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.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's loans and advances to a related company and bank loan. At reporting date, if interest rates for loans and advances to a related company and bank loan had been 5 basis points (2016: 5 basis points) higher/lower respectively and all other variables were held constant, the impact on Company's net loss (2016: net profit) would be insignificant.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for all financial instruments in existence at that date. The 5 basis points (2016: 5 basis points) increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual end of the reporting period. The analysis is performed on the same basis for 2016.

Notes to Financial Statements for the year ended March 31, 2017

Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than US Dollars. Inter-company and related party 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 GBP and ZAR to be insignificant in view of the outstanding balances and current market condition.

At 31 March 2017, if the USD had weakened/strengthened by 8% (2016: 1%) against GBP with all other variables held constant, the Company's net loss (2016: net profit) for the year would have been US$184,672 lower/higher (2016: US$13,962 higher/lower).

At 31 March 2017, if the USD had weakened/strengthened by 4% (2016: 2%) against ZAR with all other variables held constant, the Company's net loss (2016: net profit) for the year would have been US$200,993 lower/higher (2016: US$91,747 higher/lower).

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Company's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period.

Credit risk

The carrying amount of financial assets on the statement of financial position represents the Company's maximum exposure to 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 and advances, loan advanced to a fellow subsidiary, loan advanced to related companies 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 bank loan, 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	Over 1 year	Total
	US$	US$	US$
As at 31 March 2017			
Accounts payable and 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 ultimate parent	11,446	4,380,000	4,391,446
	389,623	4,380,000	4,769,623
As at 31 March 2016			
Bank loan	1,260,682	39,380,600	40,641,282
Accounts payable and accrued charges	140,120	-	140,120
Due to a subsidiary	17,484	-	17,484
Due to a fellow subsidiary	2,060,304	-	2,060,304
Due to a related company	27,745	-	27,745
Due to ultimate parent	-	29,398,000	29,398,000
	3,506,335	68,778,600	72,284,935

Notes to Financial Statements for the year ended March 31, 2017

21. FAIR VALUE MEASUREMENTS

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2017 and 2016.

22. 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 capital structure of the Company consists of equity attributable to equity holders of the Company, comprising share capital and reserves. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholder, return capital to shareholder or issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2017 and 2016.

23. 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 (2016: 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 (2016: Nil).

(c) Directors' material interests in transactions, arrangements or contracts

After consideration, 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 (2016: Nil).

Management Information

Detailed Income Statement for the year ended 31 March 2017

	Schedule	**2017 US$**	2016 US$
Revenue	A	**5,003,416**	42,436,996
Other income	B	**559,302**	44,445,313
Amortisation of intangible assets		**-**	(536,088)
Other operating expenses	C	**(25,700,124)**	(20,969,570)
Finance costs	D	**(915,999)**	(1,726,335)
(Loss) profit before tax		**(21,053,405)**	63,650,316

	2017	2016
A. REVENUE		
Operating fees	**2,728,015**	2,127,238
Incentive fees	**1,392,281**	1,328,209
Technical fees	**654,395**	706,802
Interest income	**228,725**	18,836
Dividend income	**-**	38,255,911
	5,003,416	42,436,996
B. OTHER INCOME		
Recruitment and reservation fees	**-**	272
Marketing Fees	**279,651**	192,176
Group Services Fees	**279,651**	192,176
Hospitality Consulting Services	**-**	115,000
Gain on disposal of the subsidiary	**-**	16,129,997
Gain on disposal of the associate	**-**	4,604,562
Gain on disposal of available-for-sale financial assets	**-**	23,211,130
	559,302	44,445,313

Notes to Financial Statements for the year ended March 31, 2017

Management Information

Detailed Income Statement for the year ended 31 March 2017

C. OTHER OPERATING EXPENSES	2017 US$	2016 US$
Auditor's remuneration	**19,302**	26,429
Bank charges	**2,359**	-
Exchange Loss	**13,307**	315,862
General administrative expenses	**7,377**	28,069
Impairment loss on interest in subsidiaries	**24,340,802**	11,237,606
Impairment loss on loan advanced to a related party	**751,529**	-
Legal and professional fees	**187,130**	138,113
Loss on disposal of the subsidiary	**50**	8,502,430
Technical fees	**54,938**	463,538
Withholding taxes	**323,330**	257,523
	25,700,124	20,969,570

D. FINANCE COSTS	2017 US$	2016 US$
Agency and arrangement fee	**595,811**	176,763
Interest on bank and other loans	**320,188**	1,549,572
	915,999	1,726,335

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended 31 March 2017 and 2016 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 AND CORPORATE INFORMATION

BAHC 5 PTE. LIMITED
(Incorporated in the Republic of Singapore)

Directors

Rajeshkumar Harshadrai Parekh
Ivy Ong Lay Kuan

Secretaries

Kong Yuh Ling Doreen
Nur Iman Binte Rohan (Appointed on 27 June 2016)

Registered Office

8 Shenton Way
#21-07, AXA Tower
Singapore 068811

Auditors

Rohan · Mah & Partners LLP

Banker

Hong Kong & Shanghai Banking Corporation Ltd

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 31 March 2017.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 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 its willingness to accept re-appointment as auditor.

ON BEHALF OF THE BOARD

Rajeshkumar Harshadrai Parekh	**Ivy Ong Lay Kuan**
Director	Director

Singapore,

May 4, 2017

INDEPENDENT AUDITOR's REPORT TO THE MEMBERS OF

BAHC 5 PTE. LIMITED

(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BAHC 5 Pte. Limited ("the Company"), which comprise the statement of financial position as at 31 March 2017, 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 31 March 2017 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 in the financial statements, which indicates that Company's current liabilities exceeded its current assets and the accumulated losses exceeded its share capital as at 31 March 2017. As stated in Note 2.2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. 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,
4 May 2017

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 US$	2016 US$
ASSETS LESS LIABILITIES			
Non-Current Asset			
Plant and equipment	4	**83,854,500**	33,345,833
Current Assets			
Other receivables	5	**-**	52,000,000
Cash and cash equivalents	6	**1,146,627**	1,255
		1,146,627	52,001,255
Current Liabilities			
Other payables	7	**2,603**	2,618
Loans	8	**101,339,157**	130,007,839
		101,341,760	130,010,457
Net Current Liabilities		**(100,195,133)**	(78,009,202)
Net Liabilities		**(16,340,633)**	(44,663,369)
Capital and reserves attributable to equity holders of the Company			
Share capital	9	**1**	1
Accumulated losses		**(16,340,634)**	(44,663,370)
		(16,340,633)	(44,663,369)

STATEMENT OF COMPRENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017	2016
Continuing operations		**US$**	US$
Other income	10	**44,302,214**	2,578
Administrative expenses	11	**(3,147)**	(3,465)
Other operating expenses	12	**(13,345,833)**	(2,650,000)
Finance costs	13	**(2,630,498)**	(3,670,389)
Profit/(Loss) before taxation		**28,322,736**	(6,321,276)
Taxation	14	**-**	-
Profit/(Loss) for the year		**28,322,736**	(6,321,276)
Total comprehensive income/(loss)		**28,322,736**	(6,321,276)
Profit/(Loss) attributable to:			
Equity holders of the Company		**28,322,736**	(6,321,276)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**28,322,736**	(6,321,276)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share Capital	Accumulated Losses	Total
	US$	**US$**	**US$**
As at 1 April 2015	1	(38,342,094)	(38,342,093)
Total comprehensive loss for the year	-	(6,321,276)	(6,321,276)
As at 31 March 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)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	**28,322,736**	(6,321,276)
Adjustments for:		
Depreciation of plant and equipment	**2,650,000**	2,650,000
Impairment of plant and equipment	**10,695,833**	
Interest expense	**2,630,498**	3,670,389
Interest income	**(2)**	-
Loan written back	**(44,299,180)**	-
Operating loss before working capital changes	**(115)**	(887)
Working capital changes, excluding related to cash:		
Other receivables	**52,000,000**	(52,000,000)
Other payables	**(15)**	2,618
Cash generated from/(used in) operations	**51,999,870**	(51,998,269)
Interest paid	**-**	(3,670,389)
Interest received	**2**	-
Net cash generated from/(used in) operating activities	**51,999,872**	(55,668,658)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	**(63,854,500)**	-
Net cash used in investing activities	**(63,854,500)**	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	**13,000,000**	55,667,810
Net cash generated from financing activities	**13,000,000**	55,667,810
Net increase/(decrease) cash and cash equivalents	**1,145,372**	(848)
Cash and cash equivalents at the beginning of year	**1,255**	2,103
Cash and cash equivalents at the end of year (Note 6)	**1,146,627**	1,255

Notes to Financial Statements for the year ended March 31, 2017

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 21 August 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 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 2017 were authorised for issue in accordance with a resolution of the Directors on 4 May 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, expressed in United States Dollar (USD or US$) are prepared based on the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity except as disclosed in Note 3.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2016. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

The Company has not applied any new standard or interpretation that has been issued but is not yet effective. The new standards that have been issued and not yet effective do not have any impact on the result of current or prior years.

2.2 Going Concern

The Company's total liabilities exceeded its total assets. 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.

Notes to Financial Statements for the year ended March 31, 2017

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:

	Years
Aircraft	15

The useful life of aircraft is 15 years with a residual value of 25% of original cost.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.3.4 Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as an expense in the 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 Revenue Recognition

Provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of comprehensive income as follows:

2.4.1 Interest Income

Interest income is measured using the effective interest method.

2.5 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.

Notes to Financial Statements for the year ended March 31, 2017

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.

2.6 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.

2.7 Foreign Currencies

2.7.1 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.

2.7.2 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.

2.8 Impairment of Non-Financial Assets

2.8.1 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

Notes to Financial Statements for the year ended March 31, 2017

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.

2.9 Financial Assets

2.9.1 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.

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.

2.9.2 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 Financial Statements for the year ended March 31, 2017

(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.

2.9.3 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.

2.10 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.

2.10.1 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 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

Notes to Financial Statements for the year ended March 31, 2017

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.

2.10.2 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.

2.10.3 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.

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

2.11.1 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.

2.11.2 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

Notes to Financial Statements for the year ended March 31, 2017

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.

2.11.3 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.

2.12 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.

2.13 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);

Notes to Financial Statements for the year ended March 31, 2017

(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 reporting entity or to the parent of the reporting entity.

2.14 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.

2.15 Employee Benefits

2.15.1 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.

2.15.2 Employee Leave Entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

2.16 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.

2.17 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.

Notes to Financial Statements for the year ended March 31, 2017

3 CRITICAL Accounting Judgements and Estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key Source of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the 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 2017 is US$83,854,500 (2016: US$33,345,833). 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.

Income Tax Provision

Significant judgment is involved in determining the Company provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4 PLANT AND EQUIPMENT

2017	**Aircraft US$**
Cost	
At beginning of year	53,000,000
Addition	63,854,500
At end of the year	116,854,500
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

Notes to Financial Statements for the year ended March 31, 2017

4 PLANT AND EQUIPMENT - cont'd

2016	**Aircraft US$**
Cost	
At beginning and end of year	53,000,000
Accumulated Depreciation	
At beginning of year	17,004,167
Depreciation	2,650,000
At end of year	19,654,167
Carrying Amount	
At end of year	33,345,833

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$20,000,000 (2016: US$33,345,833) is pledged to secure the loan which are set out in Note 8.

5 OTHER RECEIVABLES

	2017 US$	2016 US$
Advance payment	**-**	52,000,000

This is an advance for the acquisition of an aircraft. During the financial year, the Company has obtained the rights and obligations upon delivery of the aircraft. The entire loan amount used to purchase the aircraft still remains outstanding as at year end (Note 8 and 16).

The carrying amounts of other receivables approximate their fair values and are denominated in United States Dollar.

6 CASH AND CASH EQUIVALENTS

	2017 US$	2016 US$
Cash at bank	**1,146,626**	1,254
Cash on hand	**1**	1
	1,146,627	1,255

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in United States Dollar.

7 OTHER PAYABLES

	2017 US$	2016 US$
Accruals	**2,603**	2,618

The carrying amounts of other payables approximate their fair values and denominated in Singapore Dollar.

Notes to Financial Statements for the year ended March 31, 2017

8 LOANS

	2017 US$	2016 US$
Principal		
Secured loan - LIBOR plus 3.5%*	**30,727,553**	52,000,000
Unsecured loan - LIBOR plus 4%	**901,935**	-
Unsecured loan - LIBOR	**65,000,000**	75,928,669
	96,629,488	127,928,669
Accrued interest	**4,709,669**	2,079,170
	101,339,157	130,007,839

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.

9 SHARE CAPITAL

	2017 No. of shares	2017 US$	2016 No. of shares	2016 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.

10 OTHER INCOME

	2017 US$	2016 US$
Expenses chargeback #	**3,032**	2,578
Interest received	**2**	-
Loan written back *	**44,299,180**	-
	44,302,214	2,578

* 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.

Expenses chargeback represents expenses relating to the use of the aircraft directly borne by the users.

11 ADMINISTRATION EXPENSES

Administrative expenses include:	2017 US$	2016 US$
Bank charges	**164**	139

Notes to Financial Statements for the year ended March 31, 2017

12 OTHER OPERATING EXPENSES

Other operating expenses include:	2017 US$	2016 US$
Depreciation expense	**2,650,000**	2,650,000
Impairment loss	**10,695,833**	-

13 FINANCE COSTS

	2017 US$	2016 US$
Interest on loans	**2,630,498**	3,670,389

14 TAXATION

Major components of income tax expense are as follows:

	2017 US$	2016 US$
Current year tax	**-**	-

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follow:

	2017 US$	2016 US$
Profit/(Loss) before taxation	**28,322,736**	(6,321,276)
Current tax expense on profit/(loss) before tax at 17%	**4,814,865**	(1,074,617)
Non-deductible expenses	**2,715,976**	1,074,617
Non-taxable income	**(7,530,860)**	-
Unutilised tax losses	**19**	-
	-	-

15 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:

	2017	2016
Financial assets	**US$**	US$
Loans and receivables:		
Cash and cash equivalents	**1,146,627**	1,255
Financial liabilities		
Financial liabilities measured at amortised cost:		
Other payables	**2,603**	2,618
Loans	**101,339,157**	130,007,839
	101,341,760	130,010,457

Notes to Financial Statements for the year ended March 31, 2017

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$
2017	
Other payables	(2,603)
2016	
Other payables	(2,618)

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$
2017	
Singapore dollar	130
2016	
Singapore dollar	131

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.

Notes to Financial Statements for the year ended March 31, 2017

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		
2017	**Less than 1 year US$**	**2 to 5 years US$**	**Less than 1 year US$**	**2 to 5 years US$**	**Total US$**
Liabilities					
Loans	(96,629,488)	-	-	-	(96,629,488)
2016					
Liabilities					
Loans	(127,928,669)	-	-	-	(27,928,669)

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.

	Statement of Comprehensive Income US$
2017	
Loans	966,295
2016	
Loans	1,279,286

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.

2017	**Within 1 year US$**	**Within 2 to 5 years US$**	**More than 5 years US$**	**Total US$**
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 Financial Statements for the year ended March 31, 2017

2016	Within 1 year US$	Within 2 to 5 years US$	More than 5 years US$	Total US$
Financial Assets				
Cash and cash equivalents	1,255	-	-	1,255
Total undiscounted financial assets	1,255	-	-	1,255
Financial liabilities				
Other payables	2,618	-	-	2,618
Loans	130,007,839	-	-	130,007,839
Total undiscounted financial liabilities	130,010,457	-	-	130,010,457
Total net undiscounted Financial liabilities	(130,009,202)	-	-	(130,009,202)

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.

16 Capital commitments

	2017 US$	2016 US$
Amount authorised and contracted for but not recognised in the financial statements	**-**	9,500,000

The Company has entered into a contract to acquire an aircraft.

During the year, portion of the unsecured loans (Note 8) is used to settle the remaining contract value of the aircraft.

17 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximize 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 2017 and 31 March 2016.

The Company will continue to be guided by prudent financial policies of which gearing is an important aspects. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt

	2017 US$	2016 US$
Net debts	**100,195,133**	130,009,202
Total equity	**(16,340,633)**	(44,663,369)
Total capital	**83,854,500**	85,345,833
Gearing ratio	**1.19**	1.52

NOTES

NOTES

AWARDS – TAJ HOTELS PALACES RESORTS SAFARIS 2016-17

The Taj Mahal Palace, Mumbai

Rambagh Palace, Jaipur

Taj Lake Palace, Udaipur

The Pierre, A Taj Hotel, New York

Taj Hotels Palaces Resorts Safaris

CNBC – TV18 India Risk Management Awards - IHCL awarded 'Firm of the Year' in the hospitality industry

T + L India's Best Awards – Voted Best Hotel Group in India

Business Traveller Awards - Rated Best Business Hotel Chain in India

Business Today India Awards - Taj Hotels Palaces Resorts Safaris was awarded 'Best Company to Work for' in the hospitality industry

The Taj Mahal Palace, Mumbai

Conde Nast Traveler Readers' Choice Awards US – ranked 7th in the list of Top Hotels in India

Condé Nast Traveler US Gold List- Featured on the Condé Nast Traveler US Gold List

Business Traveller Asia-Pacific Awards - Named Best Business Hotel in Mumbai

Umaid Bhawan Palace, Jodhpur

TripAdvisor Travellers' Choice Awards 2017 - Ranked 21st in the list of 'Top 25 Hotels in the World'; 8th in the list of Top 25 Hotels in Asia'; 2nd in the list of 'Top Hotels in India

Conde Nast Traveler Readers' Choice Awards US - named Best Hotel in India and ranked 4th in the Top 50 hotels in the world list

Condé Nast Traveler US Gold List - Featured on the Condé Nast Traveler US Gold List

Taj Lake Palace, Udaipur

Conde Nast Traveller Readers' Travel Awards UK - Named Best Hotel in Asia and the Indian Sub-Continent

Conde Nast Traveler Readers' Choice Awards US – ranked 3rd in the list of 'Top Hotels in India

Condé Nast Traveler US Gold List - Featured on the Condé Nast Traveler US Gold List

Travel+Leisure USA World's Best Awards – ranked 4th in in list of The Best Resort Hotels in India'

TripAdvisor Travellers' Choice Awards – ranked 15th in the list of 'Top 25 Hotels in Asia'

TripAdvisor Travellers' Choice Awards – ranked 3rd in the list of 'Top Hotels in India'

Rambagh Palace, Jaipur

TripAdvisor Travellers' Choice Awards - Featured in the list of 'Top Hotels in India'

Conde Nast Traveller Readers' Travel Awards UK - Ranked 13th on the Conde Nast Traveller Readers' Travel Awards UK 2016

Conde Nast Traveler Readers' Choice Awards US - Ranked 8th in the list of Top Hotels in India

Taj Falaknuma Palace, Hyderabad

Travel + Leisure India's Best Awards – Voted Best Heritage Hotel

Conde Nast Traveler Readers' Choice Awards US - Ranked 11th in the list of Top Hotels in India

Conde Nast Traveller Readers' Travel Awards UK - Ranked 16th on the Conde Nast Traveller Readers' Travel Awards UK

Condé Nast Traveler US Gold List - Featured on the Condé Nast Traveler US Gold List

Taj West End, Bangaluru

Karnataka Tourism Awards - FKCCI Conferred Taj West End, Bangalore with the 'The Best in Luxury Hotel Award' at Karnataka Tourism Awards 2016

Taj Exotica Resort & Spa Maldives

Condé Nast Traveller Readers' Travel Awards – Voted Favorite Overseas Leisure Hotel

Taj Campton Place, San Francisco

Michelin Guide - Awarded second Michelin Star in the Michelin Guide 2016

Taj 51 Buckingham Gate Suites and Residences, London

Forbes Travel Guide Star Ratings - Awarded a four-star rating on the 2016 Forbes Travel Guide Star Ratings

Taj Tashi, Bhutan

Condé Nast Traveler US Gold List - Featured on the Condé Nast Traveler US Gold List

Meghauli Serai, A Taj Safari Lodge, Chitwan National Park

Travel + Leisure US It List 2017 - Featured on the list of Best New Hotels in the world

The Pierre, A Taj Hotel, New York

Forbes Travel Guide Star Ratings - Awarded a five-star rating

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