Deloitte
Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT

To The Members of Fleur Hotels Private Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Fleur Hotels Private Limited ("the Company"), which comprise the Balance Sheet as at March 2019, 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 significant accounting policies and other explanatory information (herein referred to as "the standalone financial statements").

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

Basis for Opinion

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

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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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 relevant books of account.

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

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

   In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note 31)

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note 38)

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. (Refer Note 39)

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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)

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Vijay Agarwal

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: New Delhi
Date: May 29, 2019

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note 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

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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, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Vijay Agarwal

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: New Delhi
Date: May 29, 2019

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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 to cover all the items in a phased manner over a period of two 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 discrepancies were noticed on such verification.

(c) According to the information, explanations given to us, and the records examined by us, we report that:

i. based on examination of the confirmation received by us from "Vistra ITCL (India) Limited" (custodian) on behalf of Yes Bank and confirmation received from Kotak Mahindra Bank in respect of immovable properties (freehold land and buildings disclosed as fixed asset in the financial statements), whose title deeds have been pledged as security for loans, are held in the name of the Company.

ii. based on the examination of the registered sale deeds and conveyance deeds of remaining immovable properties of freehold land provided to us, such immovable properties are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the period by the Management at reasonable intervals and no 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) 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 making investments. The Company has not granted any loans, made investments or provide guarantees under Section 185 of the Companies Act, 2013. As per Section 186 (11) read with Schedule VI, provisions of Section 186 with respect to grant of loans and providing guarantees would not apply to the Company as the Company is providing infrastructural facilities.

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

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(vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, hence reporting under clause (vi) of the Companies (Auditor's Report) Order, 2016 ("CARO 2016") is not applicable.

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

(a) The Company has been regular in depositing undisputed statutory dues, including Employees' State Insurance, Provident Fund, Income-tax, Sales tax, Value added tax, Goods and Services tax, cess and other material statutory dues applicable to it to the appropriate authorities. Also refer to the note 31(e) in the financial statement regarding management assessment on certain matters relating to the provident fund.
We are informed that Customs duty and Excise duty is not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Value added tax, Goods and Services tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
We are informed that Customs duty and Excise duty is not applicable to the Company.

(c) There are no dues of Income tax, Sales tax, Customs duty, Value added tax and Excise duty which have not been deposited as on March 31, 2019 on account of disputes. Details of dues of Service tax which have not been deposited as on March 31, 2019 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* (Rs. in lacs)
Service Tax Rule, 1994	Service tax	Central Excise and Service Tax Appellate tribunal	October 2010 to March 2011	69.28

* Net of Rs. 23.10 lacs paid under protest

(viii) 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 or borrowings from financial institutions, government or issued any debentures.

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

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

(xi) According to the information and explanations given to us, the Company has not paid / provided managerial remuneration under the provisions of section 197 of the Companies Act, 2013 and hence reporting under clause (xi) of the CARO 2016 is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, for all transactions with the related parties entered during the period 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 directors of its holding, subsidiary or persons connected with them 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 and hence reporting under clause (xvi) of CARO 2016 is not applicable to the Company.

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

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: New Delhi
Date: May 29, 2019

Fleur Hotels Private Limited
Balance Sheet as at March 31, 2019

	Note	As at March 31, 2019 Rs. In lakhs	As at March 31, 2018 Rs. In lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	66,329.61	47,225.22
(b) Capital work-in-progress	4	28,594.64	29,917.24
(c) Intangible assets	5	104.67	50.49
(d) Intangible assets under development	5	-	36.31
(e) Financial assets	6		
(i) Investments		41,395.30	41,395.30
(ii) Other financial assets		472.21	459.24
(f) Non-current tax assets (net)	7	273.92	112.40
(g) Other non-current assets	8	1,643.01	1,415.64
		138,813.36	120,611.84
Current assets			
(a) Inventories	9	145.31	118.43
(b) Financial assets	10		
(i) Trade receivables		1,118.12	1,170.35
(ii) Cash and cash equivalents		474.06	236.53
(iii) Loans		4,543.47	3,180.42
(c) Other current assets	11	1,639.34	599.35
		7,920.30	5,305.08
Total Assets		146,733.66	125,916.92
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	12	5,928.63	5,928.63
(b) Other equity	13	93,107.00	93,326.81
Total Equity		99,035.63	99,255.44
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	37,749.29	21,896.78
(b) Provisions	15	10.61	7.63
(c) Deferred tax liabilities (net)	16	260.24	348.44
		38,020.14	22,252.85
Current liabilities			
(a) Financial liabilities	17		
(i) Borrowings		660.00	-
(ii) Trade payables		2,656.97	1,427.15
(iii) Other financial liabilities		5,870.02	2,678.23
(b) Other current liabilities	18	462.47	282.38
(c) Provisions	15	28.43	20.87
		9,677.89	4,408.63
Total Liabilities		47,698.03	26,661.48
Total Equity and Liabilities		146,733.66	125,916.92

The accompanying notes are an integral part of the financial statements. 1 to 39

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

Place : New Delhi
Date : May 29, 2019

For and on behalf of the Board of Directors of Fleur Hotels Private Limited

Patanjali G. Keswani
Chairman & Managing Director
DIN 00002974

Inder Pal Batra
Chief Financial Officer

Pooja Arora
Company Secretary

Place : New Delhi
Date : May 29, 2019

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Private Limited
Statement of Profit and Loss for the year ended March 31, 2019

	Note	Year ended March 31, 2019 Rs. In lakhs	Year ended March 31, 2018 Rs. In lakhs
Revenue from operations	19	11,447.49	8,812.37
Other income	20	31.38	9.27
Total Income (I)		11,478.87	8,821.64
Expenses			
Cost of food & beverages consumed	21	1,304.46	942.90
Employee benefits expense	22	2,236.27	1,737.06
Other expenses	23	5,454.25	4,746.47
Total expenses (II)		8,994.98	7,426.43
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II) (Refer note 2.2 (p))		2,483.89	1,395.21
Finance costs	24	1,388.08	1,038.34
Finance income	25	(12.77)	(54.42)
Depreciation and amortization expense	26	1,419.48	1,092.02
Loss before tax		(310.90)	(680.75)
Tax expense:	27		
(1) Current tax (MAT)		-	(13.46)
(2) Deferred tax		(89.16)	(332.51)
		(89.16)	(345.97)
Loss for the year		(221.74)	(334.78)
Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		2.89	(2.94)
(ii) Income tax effect		(0.96)	0.60
		1.93	(2.34)
Total comprehensive loss for the year		(219.81)	(337.12)
Earnings per equity share:			
(1) Basic	28	(0.37)	(0.56)
(2) Diluted	28	(0.37)	(0.56)

The accompanying notes are an integral part of the financial statements. 1 to 39

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Vijay Agarwal
Partner

Place : New Delhi
Date : May 29 , 2019

For and on behalf of the Board of Directors of Fleur Hotels Private Limited

Keswani
Patanjali G. Keswani
Chairman & Managing Director
DIN-00002974

Inderpal
Inder Pal Batra
Chief Financial Officer

Pooja
Pooja Arora
Company Secretary

Place : New Delhi
Date : May 29 , 2019

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Private Limited
Statement of Changes in Equity

A. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	No. of shares	Amount (Rs in lakhs)
As at April 1, 2017	59,286,253	5,928.63
Issue of share capital	-	-
As at March 31, 2018	59,286,253	5,928.63
Issue of share capital	-	-
As at March 31, 2019	59,286,253	5,928.63

B. Other Equity
For the year ended March 31, 2019

Rs in lakhs

	Reserves and Surplus		Items of OCI	Other equity
	Securities Premium	Surplus in the statement of profit & loss	Remeasurement gains/(losses) on defined benefit plans	
Balance as at April 1, 2017	89,422.28	4,242.25	(0.59)	93,663.93
Loss for the year	-	(334.78)	-	(334.78)
Other Comprehensive Loss for the year	-	-	(2.34)	(2.34)
Balance as at March 31, 2018	89,422.28	3,907.47	(2.93)	93,326.81
Loss for the year	-	(221.74)	-	(221.74)
Other Comprehensive Income for the year	-	-	1.93	1.93
Balance as at March 31, 2019	89,422.28	3,685.73	(1.00)	93,106.99

The accompanying notes are an integral part of the financial statements. 1 to 39

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

Place : New Delhi
Date : May 29, 2019

For and on behalf of the Board of Directors of
Fleur Hotels Private Limited

Patanjali G. Keswani
Chairman & Managing Director
DIN:00002974

Inder Pal Batra
Chief Financial Officer

Pooja Arora
Company Secretary

Place : New Delhi
Date : May 29, 2019

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Private Limited
Cash flow statement for the year ended March 31, 2019

	Year ended March 31, 2019 Rs in lakhs	Year ended March 31, 2018 Rs in lakhs
A. Cash flow from operating activities		
Loss before tax	(310.90)	(680.75)
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	1,419.48	1,092.02
Unwinding of discount on security deposits	18.46	17.44
Finance income (including fair value change in financial instruments)	(12.77)	(54.42)
Finance costs (including fair value change in financial instruments)	1,297.80	925.77
Provision for gratuity	2.99	(1.74)
Provision for leave encashment	9.47	5.32
Operating profit before working capital changes:	2,424.53	1,303.64
Movements in working capital:		
Decreae/(Increase) in trade receivables	52.23	(832.62)
(Increase) in loans and advances and other current assets	(1,090.91)	(795.96)
(Increase) in inventories	(26.88)	(59.13)
Increase in liabilities and provisions	2,220.72	524.91
Cash Generated from Operations	3,579.69	140.84
Direct tax refunds(Net of Payments)	(160.55)	(60.90)
Net cash flow from operating activities (A)	3,419.14	79.94
B. Cash flows used in investing activities		
Purchase of property, plant and equipment (adjustment of CWIP, capital advances and capital creditors)	(17,295.25)	(12,612.14)
Purchase of investment in subsidiary companies	-	(19,678.36)
Short term loans (given)/repaid (to)/by subsidiaries	(1,358.14)	(4,558.36)
Long term loans repaid by subsidiaries	-	28,335.21
Interest received	7.86	6.90
Net Cash flow used in investing activities (B)	(18,645.53)	(8,506.75)
C Cash flows from financing activities*		
Proceeds from long term borrowings	16,421.74	9,480.94
Proceeds/repayment from short term borrowings	660.00	-
Repayment of long term borrowings	(320.00)	(85.32)
Interest paid	(1,297.82)	(925.77)
Net Cash flow from financing activities (C)	15,463.92	8,469.85

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Fleur Hotels Private Limited

Cash flow statement for the year ended March 31, 2019

	For the year ended March 31, 2019 Rs in lakhs	For the year ended March 31, 2018 Rs in lakhs
Net increase in cash and cash equivalents (A + B + C)	237.53	43.04
Cash and cash equivalents at the beginning of the year	236.53	193.49
Cash and cash equivalents at the end of the year	474.06	236.53
Components of cash and cash equivalents		
Cash on Hand	10.10	5.33
Balances with Scheduled Banks in		
- Current accounts	463.96	231.20
Total cash and cash equivalents	474.06	236.53

*There are no non-cash changes arising from financing activities.

The accompanying notes are an integral part of the financial statements. 1 to 39

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

Place : New Delhi
Date : May 29, 2019

For and on behalf of the Board of Directors of Fleur Hotels Private Limited

Patanjali G. Keswani
Chairman & Managing Director
DIN-00002974

Pooja Arora
Company Secretary

Place : New Delhi
Date : May 29, 2019

Inder Pal Batra
Chief Financial Officer

1. Corporate Information

Fleur Hotels Private Limited (the Company) is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Asset No. 6, Aerocity Hospitality District, New Delhi-110037.

The principal activities of the Company is to carry out business of developing, owning, acquiring, renovating and promoting hotels, motels, resorts, restaurants, etc. under the brand name of Lemon Tree Hotel, Lemon Tree Premier and Red Fox Hotel.

The financial statements are approved for issue in accordance with a resolution of the directors on May 29, 2019.

2 Basis of preparation

2.1 Significant accounting policies

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act ,2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value/ amortised cost (refer note 33 below)

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing account standard required a change to the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, expect where otherwise indicated.

2.2 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies

Functional and presentation currency

The Company's financial statements are presented in INR, which is also the Company's functional currency. Presentation currency is the currency in which the company's financial statements are presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of lakhs rupees, except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(c) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of 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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 29)
- Quantitative disclosures of fair value measurement hierarchy (note 33)
- Financial instruments (including those carried at amortised cost) (note 33)

(d) Revenue recognition

The Company earns revenue primarily from the business of carrying developing, owning, acquiring, renovating and promoting hotels, motels, resorts, restaurants, etc. under the brand of Lemon Tree Premier, Lemon Tree Hotel and Red Fox Hotel.

Effective April 1, 2018, the Company has applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework to depict timing and amount of revenue to be recognised. The Company has adopted Ind AS 115 using cumulative catch-up transition method, where any effect arising upon application of this standard is recognised as at the date of initial application (i.e April 1, 2018). The standard is applied only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under previous standards on revenue i.e Ind AS 18 and Ind AS 11. There was no impact on adoption of Ind AS 115 to the financial statements of the Company.

In arrangements for room revenue and related services, the Company has applied the guidance in Ind AS 115 for recognition of Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering room revenue and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sales tax/ value added tax (VAT)/Goods and Service Tax(GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rooms, Restaurant, Banquets and Other Services

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Service Tax, Value Added Taxes (VAT) /Goods and Service Tax(GST) and Luxury Tax. Difference of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.

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Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of Sales Tax / VAT/Goods and Service Tax(GST).

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Management Fee

Revenue from management services comprises fixed & variable income. Fixed income is recognised pro-rata over the period of the contract as and when services are rendered. Variable income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

(e) Taxes

Taxes comprises current income tax and deferred tax.
Current income tax

The tax currently payable is based on taxable profit for the period/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. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (including MAT credit) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises 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 the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

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Sales/ value added taxes/goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/goods and service tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(f) Property, plant and equipment

On transition to IND AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

Capital work in progress is stated at cost. Property plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on fixed assets is provided as per schedule II of Companies Act, 2013 on Straight Line Method over its economic useful life of fixed assets as follows:

Fixed Assets	Useful life considered (SLM)
Building	60 Years
Plant & Machinery	15 Years
Electrical installations and fittings	10 Years
Office Equipments	5 Years
Furniture and Fixtures	8 Years
Commercial Vehicles	6 Years
Private Vehicles	8 Years
Computers	3 Years
Crockery, cutlery and soft furnishings	3 Years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

(g) Intangible assets

On transition to IND AS, the Company has elected to continue with the carrying value of all of its Intangible assets recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Intangible asset.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised 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 3 years and the same shall be amortised on Straight line basis over its useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually at year end 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 income statement when the asset is derecognized.

(h) Borrowing costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability after considering all the contractual terms of the financial instrument.

(i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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.All other leases are classified as operating lease.

Finance leases are capitalised 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 recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.1.h). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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 recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless either:

(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or

(b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Operating lease receipt are recognised as income in the statement of profit and loss on a straight-line basis over the lease term unless either:

(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the receipt from the lessee are not on that basis, or

(b) The receipts from the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If receipts from the lessee vary because of factors other than general inflation, then this condition is not met.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Stamp duties payable to local authorities on registration of lease agreements, are recognised as prepaid expense and charged off to Statement of Profit and Loss on an equitable basis over the lease term.

Conversion charges payable to local authorities on conversion of use of industrial plot for hotel purposes, are recognised as prepaid expense and charged off to statement of profit and loss on an equitable basis over the lease term.

(j) Inventories

Stock of food & beverages, stores and operating supplies are valued at lower of cost and net realisable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.

(k) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair valueless costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment lossesincluding impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(l) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of gratuity is a defined benefit scheme.Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year. Company's contribution made to Life Insurance Corporation is expensed off at the time of payment of premium.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

The company treats leave expected to be carried forward for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurementgains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

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(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments in subsidiaries carried at cost

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. The difference between the transaction amount and amortized cost in case of interest free loan to subsidiaries based on the expected repayment period is considered as 'deemed investment on account of interest free loan to subsidiaries' (Refer Note 6(i)). 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. If there is any change in estimate for payment of loan (provided that there was no error in original estimate) , difference in carrying amount and repayment has been adjusted as return on capital by the parent, based on condition/ situation prevailing on that date. The losses arising from impairment are recognised in the profit or loss.

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Debt instrument at FVTOCI

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments (other than equity investments in subsidiaries) in scope of Ind AS 109 are measured at fair value. Equity instruments in subsidiaries are carried at cost in separate financial statements less impairments if any. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company 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.

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, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Trade receivables or any contractual right to receive cash or another financial asset

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables:

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 reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

Financial liabilities at amortised cost

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings. For more information refer Note 14.

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Financial guarantee

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

If a financial guarantee is an integral element of debts held by the entity, itisnot accounted for separately.

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 or 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.

(o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(p) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs and tax expense.

(q) Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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(r) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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(s) Recent accounting pronouncement issued but not yet effective upto the date of issuance of financial statements

(i) Ind AS 116, Leases

Ind AS 116 – 'Leases' was notified on 30th March 2019, which is applicable for the accounting period beginning from 1st April 2019. For lessees, the standard eliminates the classification of leases as either operating or finance, as required by Ind AS 17, and instead introduces a single lease accounting model. Applying that model a lessee is required to recognize, (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and (b) depreciation of leased assets separately from interest on lease liabilities in the income statement. Lessor Accounting under Ind AS 116 will not be having any transitional impact on initial recognition. Under Ind AS 17, the company was charging lease rental in statement of Profit and loss, which would be charged as depreciation and finance cost under Ind AS 116, having a favourable impact on EBITDA.

A lessor shall recognise lease payments from leases as income on either straight-line or another systematic basis. The standard permits two possible methods of transition:

• Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

• Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either at:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The company is in the process of evaluating the impact of transitioning from old standard i.e Ind AS 17 to new standard i.e Ind AS 116 and the transition approach.

(ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

This Appendix clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in Ind AS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Appendix. The Company is in the process of evaluating the impact of this Appendix.

(iii) Amendment to Ind AS 12- Income Taxes

On March 30, 2019, the amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment is effective from annual period beginning from April 1, 2019. There Company is currently evaluating the effect of this amendment.

(iv) Amendment to Ind AS 19- Employee Benefits

On March 30, 2019, the amendments to Ind AS 19, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity, to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

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Fleur Hotels Private Limited
Notes to financial statements for the year ended March 31, 2019

3. Property, plant and equipment

Rs. In lakhs

Particulars	Freehold land	Building on freehold land	Plant and Machinery	Office equipments	Furniture and Fixtures	Crockery, cutlery and soft furnishings	Computers	Vehicles	Total
Cost or valuation									
As at April 1, 2017	18,379.64	20,726.28	4,176.60	43.33	1,222.80	376.40	56.44	53.28	45,034.77
Additions	4,229.75	1.96	30.21	0.12	21.65	2.91	2.52	31.67	4,320.79
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**22,609.39**	**20,728.24**	**4,206.81**	**43.45**	**1,244.45**	**379.31**	**58.96**	**84.95**	**49,355.56**
Additions	261.86	15,643.17	2,649.40	16.00	995.56	803.19	74.38	59.79	20,505.41
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**22,871.25**	**36,371.41**	**6,856.21**	**59.45**	**2,240.01**	**1,182.50**	**133.34**	**144.74**	**69,860.97**
Depreciation									
As at April 1, 2017	-	294.35	476.10	12.32	247.20	1.03	5.97	11.74	1,048.71
Charge for the year	-	347.31	405.74	6.53	166.66	125.59	20.15	9.64	1,081.62
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	**641.66**	**881.84**	**18.85**	**413.87**	**126.62**	**26.12**	**21.38**	**2,130.34**
Charge for the year	-	435.35	488.26	7.71	210.08	219.62	26.62	13.39	1,401.02
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	**1,077.01**	**1,370.10**	**26.56**	**623.95**	**346.24**	**52.74**	**34.77**	**3,531.36**
Net Book value									
As at March 31, 2019	**22,871.25**	**35,294.39**	**5,486.11**	**32.89**	**1,616.06**	**836.26**	**80.61**	**109.97**	**66,329.61**
As at March 31, 2018	22,609.39	20,086.57	3,324.97	24.59	830.57	252.69	32.84	63.56	47,225.22

Net book value	As at March 31, 2019	As at March 31, 2018
Plant, property and equipment	66,329.61	47,225.22

Notes
a) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in note 14 on 'borrowings'.

4. Capital work-in-progress

	As at March 31, 2019 Rs. In lakhs	As at March 31, 2018 Rs. In lakhs
Hotel at City Centre Pune		
Civil structure acquired on amalgamation	3,164.78	3,164.78
Material	10,505.55	6,232.36
Professional charges	2,080.38	1,661.36
Borrowing cost	997.34	505.52
Salary, wages & bonus	133.43	102.49
Project staff expenses other than salary	231.88	59.61
Travelling	15.28	8.07
Rates and taxes	1,488.04	1,397.18
Others	19.67	20.51
Less: Capitlised during the year	(18,636.34)	-
Total	-	13,151.89
Hotel at Udaipur		
Material	14,818.99	9,728.08
Professional charges	2,944.02	1,846.34
Borrowing cost	1,527.46	680.56
Salary, wages & bonus	242.38	168.64
Project staff expenses other than salary	175.45	49.35
Travelling	27.88	16.62
Rates and taxes	46.89	46.89
Others	0.26	0.26
Total	19,783.33	12,536.74
Hotel at Kolkata		
Material	6,706.87	2,768.79
Professional charges	1,229.58	928.63
Borrowing cost	591.41	204.11
Salary, wages & bonus	129.18	90.73
Project staff expenses other than salary	137.32	62.95
Travelling	15.59	5.33
Others	1.35	1.35
Total	8,811.31	4,061.89
Hotel at Dehradun		
Material	1,463.03	157.01
Professional charges	288.23	-
Salary, Wages & Bonus	19.11	-
Project staff expenses other than salary	11.42	1.10
Rates and Taxes	7.92	7.80
Travelling	4.34	0.82
Less: Capitlised during the year	(1,794.04)	-
Total	-	166.73
Total	28,594.64	29,917.24

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5. Intangible Assets

Rs in lakhs

Particulars	Software	Total
Cost or valuation		
As at April 1, 2017	56.29	56.29
Additions	6.18	6.18
Disposals	-	-
As at March 31, 2018	62.47	62.47
Additions	72.65	72.65
Disposals	-	-
As at March 31, 2019	**135.11**	**135.11**
Amortisation and impairment		
As at April 1, 2017	1.58	1.58
Amortisation	10.40	10.40
Disposals	-	-
As at March 31, 2018	11.98	11.98
Amortisation	18.46	18.46
Disposals	-	-
As at March 31, 2019	**30.44**	**30.44**
Net Block		
As at March 31, 2019	**104.67**	**104.67**
As at March 31, 2018	50.49	50.49

Intangible assets under development

	As at March 31, 2019 Rs. In lakhs	As at March 31, 2018 Rs. In lakhs
Software implementation	-	36.31

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6. Financial assets

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
(i) Investments		
Investments at cost		
Unquoted equity shares of subsidiary companies at cost		
352,677 (Previous Year: 352,677) equity shares of Celsia Hotels Private Limited of Rs. 10 each fully paid.	6,973.93	6,973.93
38,280,000 (Previous Year: 38,280,000) equity shares of Inovoa Hotels & Resorts Limited of Rs. 10 each fully paid.	3,843.54	3,843.54
82,10,000 (Previous Year: 82,10,000) equity shares of Hyacinth Hotels Private Limited of Rs. 1 each fully paid.	13,245.53	13,245.53
76,140,000 (Previous Year: 76,140,000) equity shares of IORA Hotels Private Limited of Rs. 1 each fully paid.	15,007.95	15,007.95
250,000 (Previous Year: 250,000) equity shares of Oplurys Hotels Private Limited of Rs. 1 each fully paid.	2.50	2.50
90,110 (Previous Year : 90,110) equity shares of Bandhav Resorts(P) Limited of Rs. 100 each fully paid.	2,147.82	2,147.82
Investment in Limited Liabiliy Partnership (at cost)		
Investment in Mezereon Hotels LLP	1.00	1.00
Deemed investment (equity portion) on account of interest free loan to subsidiaries (Repaid)		
Celsia Hotels Private Limited	7.47	7.47
Inovoa Hotels & Resorts Limited	47.42	47.42
Hyacinth Hotels Private Limited	52.90	52.90
Iora Hotels Private Limited	63.47	63.47
Bandhav Resorts(P) Limited	1.77	1.77
	41,395.30	41,395.30
Aggregate book value of quoted investments	-	-
Aggregate book value of unquoted investments	41,395.30	41,395.30
Current	-	-
Non-Current	41,395.30	41,395.30
	41,395.30	41,395.30

The above investment in subsidiaries are pledged as security against borrowings.

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
(ii) Other financial assets		
Security Deposits (unsecured, considered good)	360.33	354.26
	360.33	354.26
Interest accrued on deposits with banks and others	39.06	32.16
Fixed Deposits under lien*	72.82	72.82
	472.21	459.24

* Fixed deposits under lien includes deposits lien marked with banks against guarantees issued in favour of various Government departments.

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7. Non-Current tax assets (net)

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
Advance Income Tax (net of provision for taxation)	**273.92**	112.40
Total	**273.92**	112.40

8. Other non-current assets

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
Unsecured considered good		
Capital Advances	**872.76**	664.99
Others		
Balance with statutory/ government authorities	**23.81**	23.81
Prepaid expenses	**145.97**	107.91
Unamortized portion of security deposits	**600.47**	618.93
	770.25	750.65
Total	**1,643.01**	**1,415.64**

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9. Inventories

(valued at lower of cost and net realisable value)

	As At March 31, 2019 Rs in lakhs	As At March 31, 2018 Rs in lakhs
Food and beverages (excluding liquor and wine)	**38.34**	53.26
Liquor and wine	**30.55**	15.88
Stores, cutlery, crockery, linen, provisions and others	**76.42**	49.29
Total	**145.31**	118.43

As at March 31,2019 : Rs. 3.46 lakhs (March 31, 2018: Rs. 3.46 lakhs) was recognised as provision for inventories carried at net realisable value
Refer footnote to Note 14 for inventories pledged.

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10. Financial assets

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
(i) Trade receivables		
Trade receivables	1,118.12	1,170.35
	1,118.12	1,170.35
Break-up for security details:		
Trade receivables		
Unsecured, considered good	1,118.12	1,170.35
Total	1,118.12	1,170.35

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non interest bearing and are generally on terms of 30 to 90 days from the date of invoice.

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
(ii) Cash and cash equivalents		
Balance with banks		
On current accounts	463.96	231.20
Cash on hand	10.10	5.33
	474.06	236.53

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
(iii) Loans		
Unsecured, considered good		
Loans and advance to subsidiaries	4,543.47	3,180.42
	4,543.47	3,180.42

11. Other current assets

	As At March 31, 2019 Rs in lakhs	As At March 31, 2018 Rs in lakhs
Advances recoverable		
-Others, considered good	918.38	169.44
-Others, considered doubtful	8.75	8.75
	927.12	178.19
Provision for doubtful advances	8.75	8.75
	918.38	169.44
Unbilled revenue	0.12	0.22
Balance with statutory/ government authorities	544.71	305.71
Prepaid expenses	154.82	102.68
Unamortized portion of security deposits	21.31	21.30
	720.96	429.91
Total	1,639.34	599.35

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12. Equity Share capital

Authorised Share Capital

	Equity shares	
	No. of shares	Rs in lakhs
As at April 1, 2017	1,210,000,000	121,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2018	1,210,000,000	121,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2019	1,210,000,000	121,000.00

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	No. of shares	Rs in lakhs
As at April 1, 2017	59,286,253	5,928.63
Increase/(decrease) during the year	-	-
As at March 31, 2018	59,286,253	5,928.63
Increase/(decrease) during the year	-	-
As at March 31, 2019	59,286,253	5,928.63

Shares held by Holding company

	As at March 31, 2019		As At March 31, 2018	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
Lemon Tree Hotels Limited	34,374,498	3,437.45	34,374,498	3,437.45

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

	As at March 31, 2019		As At March 31, 2018	
Name of the shareholder	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid				
Lemon Tree Hotels Limited	34,374,498	57.98%	34,374,498	57.98%
APG Strategic Real Estate Pool N.V	24,911,755	42.02%	24,911,755	42.02%

The Company has not issued Bonus Share, Share for consideration other than Cash and has not bought back shares during the period of five years immediately preceding the reporting date.

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13. Other equity

Securities Premium	**Rs in lakhs**
As at April 1, 2017	**89,422.28**
Increase/(decrease) during the year	-
As at March 31, 2018	**89,422.28**
Increase/(decrease) during the year	-
As at March 31, 2019	**89,422.28**

Retained Earnings	**Rs in lakhs**
As at April 1, 2017	**4,241.65**
Loss for the year	(337.12)
As at March 31, 2018	**3,904.53**
Loss for the year	(219.81)
As at March 31, 2019	**3,684.72**

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
Other reserves		
Securities Premium	**89,422.28**	89,422.28
Retained Earnings	**3,684.72**	3,904.53
Total	**93,107.00**	93,326.81

Securities premium: Securities premium comprises premium received on issue of shares.
Retained earnings: Retained earnings comprise balances of profit and loss at each year end.

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14. Financial Liabilities

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
(i) Borrowings		
Non-current borrowings		
Term Loans		
Loans from Banks (Secured)		
Yes bank Limited (Refer note 1, 2, 3 & 6 below)	31,745.85	15,917.12
Kotak Mahindra Bank Limited (Refer note 5 below)	5,942.88	5,942.88
Vehicle loans (Refer note 4 below)	60.56	36.78
Total non-current borrowings	37,749.29	21,896.78
Current maturity of loans from Banks		
Yes bank Limited (Refer note 1, 2, 3 & 6 below)	500.00	260.00
Vehicle loans (Refer note 4 below)	21.34	12.10
Current maturity of loans	521.34	272.10
Less: Amount clubbed under "other current financial liabilities"	(521.34)	(272.10)
Net current borrowings	-	-

Term loans

1) Rupee term loan I from Yes Bank Limited was taken during financial year 2015-16 and carries interest rate @ 6 months MCLR + 0.90% (Currently 9.80%). The loan is repayable in scattered quarterly installment beginning from April 2017. Interest is payable monthly as and when due. It is secured by:

a) Exclusive charge on all immoveable assets of Lemon tree Premier, Hyderabad.

b) Exclusive charge on all moveable fixed assets and current assets both present and future of LTP, Hyderabad.

c) Corporate guarantee of Lemon Tree Hotels Limited.

d) Minimum asset cover of 1.5x to be maintained throughout the tenor of bank's loan.

2) Rupee term loan II from Yes Bank Limited was taken during financial year 2016-17 and carries interest rate @ 6 Months MCLR + 0.90% (Currently 9.80%). The loan is repayable in scattered quarterly installment beginning from July 2018. Interest is payable monthly as and when due. It is secured by :

a) Exclusive charge on all immoveable assets of Lemon tree Premier, Hyderabad.

b) Exclusive charge on all moveable fixed assets and current assets both present and future of LTP, Hyderabad.

c) Corporate guarantee of Lemon Tree Hotels Limited.

d) Minimum asset cover of 1.5x to be maintained throughout the tenor of bank's loan.

3) Rupee term loan III from Yes Bank Limited was taken during financial year 2016-17 and carries interest rate @ 6 Months MCLR + 1.15% (Currently 9.80%). The loan is repayable in 44 scattered quarterly installment beginning after a moratorium period of 36 months. Interest is payable monthly as and when due. It is secured by :

a) First charge on all immoveable assets of Lemon Tree Hotel, Sector-60 (both present and future).

b) First charge on all moveable fixed and current assets of Lemon Tree Hotel, Sector-60 (both present and future).

c) Escrow of all receivables of Lemon Tree Hotel, Sector-60 including security deposits.

d) Corporate guarantee of Lemon Tree Hotels Limited.

4) Vehicle loan are secured by hypothecation of underlying motor vehicle acquired out of such loans. Rate of interest of the loan ranges from 10.50% to 13%. The loan is repaid on agreed monthly installments.

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5) Rupee term loan I from Kotak Mahindra Bank was taken during financial year 2017-18 and carries interest rate @ 6 months MCLR plus 50 bps (Currently 9.35%). The loan is repayable in 48 scattered quarterly installment beginning after a moratorium period of 36 months. Interest is payable monthly as and when due.The loan is secured by:

a) Exclusive charge on all existing and future current assets of Red Fox Hotel at Sector-60, Gurgaon.

b) Minimum asset cover of 1.2x to be maintained throughout the tenor of bank's loan as per valuation accepted by bank.

c) Subservient charge over all existing and future current assets of the borrower except current assets of the borrower's commercial space at Sector-60, Gurgaon on which bank has exclusive charge.

d) Equitable Mortgage by way of exclusive charge on the on the proportionate share of land and building of commercial space of the borrower at Sector-60, Gurgaon.

e) Exclusive charge over Moveable Fixed assets of commercial space at Sector-60, Gurgaon.

6) Rupee term loan IV from Yes Bank Limited was taken during financial year 2018-19 and carries interest rate @ 6 months MCLR + 0.65% (Currently 9.80%). The loan is repayable in scattered quarterly installment beginning from April 2021. Interest is payable monthly as and when due. It is secured by:

a) First charge on all immoveable assets of Lemon tree Premier, Kolkata, Lemon Tree Premier, Pune and Lemon Tree Hotel Sector 60

b) First charge on all immoveable assets of Lemon tree Premier, Kolkata, Lemon Tree Premier, Pune and Lemon Tree Hotel Sector 60.

c) Escrow of all receivables of the above mentioned Hotels including security deposits.

d) Corporate guarantee of Lemon Tree Hotels Limited.

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Fleur Hotels Private Limited
Notes to financial statements for the year ended March 31, 2019

15. Provisions

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
Provision for gratuity	**10.61**	9.55
	10.61	9.55
Current	-	1.92
Non-current	**10.61**	7.63

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
Provision for leave benefits	**28.43**	18.95
Current	**28.43**	18.95
Non-current	-	-
Total current	**28.43**	20.87
Total non-current	**10.61**	7.63

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16. Deferred tax liabilities (net)

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
Property, plant and equipment and intangible assets	2,542.15	1,932.09
Revaluation of land	417.04	416.46
Deferred tax liabilities	2,959.19	2,348.55
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	25.12	27.18
Provision for doubtful debts and advances	2.92	2.89
MAT credit entitlement	957.77	957.77
Effect of unabsorbed depreciation and business losses carried forward	1,687.47	994.80
Gratuity	3.54	3.16
Non moving inventory	1.15	1.14
Leave compensation	9.49	6.27
Security deposits	11.49	6.90
Deferred tax assets	2,698.95	2,000.11
Deferred tax liabilities (net)	260.24	348.44

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

	March 31, 2019	March 31, 2018
Loss before tax	(308.97)	(683.08)
Tax rate	33.38%	33.06%
Tax at statutory income tax rate	(103.15)	(225.85)
Effect of incomes taxable at nil/lower rate	(0.28)	1.87
Effect of non-deductible expenses	(5.33)	(6.58)
Tax Effect of expenses/ income not allowed/ required to tax under	-	(14.06)
Income tax charge/ (credit) in respect of earlier year		
Other adjustments	11.30	(101.35)
Net	(89.16)	(345.97)
As per profit and loss account	(89.16)	(345.97)

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Fleur Hotels Private Limited
Notes to financial statements for the year ended March 31, 2019

17. Financial liabilities

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
(i) Short term borrowings		
Loan from Related Party	660.00	-
	660.00	-

*Loans bear interest rate of 10.25% and is repayable on demand.

(i) Trade Payables

-Micro and small enterprises	74.86	-
-Other than Micro and small enterprises	2,582.11	1,427.15
Total	2,656.97	1,427.15

(ii) Other financial liabilities	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
Current maturities of long-term borrowings	521.34	272.10
Interest accrued but not due on borrowings	30.94	-
Security Deposits	43.31	-
Book overdraft	818.31	81.68
Payable for capital goods	4,456.12	2,324.45
Total	5,870.02	2,678.23

18. Other current liabilities

	As at March 31, 2019 Rs in lakhs	As at March 31, 2018 Rs in lakhs
Advance from customers	230.78	164.19
Statutory dues	231.69	118.19
Total	462.47	282.38

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19. Revenue From operations

	Year ended March 31, 2019 Rs. In lakhs	Year ended March 31, 2018 Rs. In lakhs
Revenue from operations		
Sale of products and services		
- Room rental	7,841.87	6,136.49
- Food and beverage (excluding liquor and wine)	2,262.97	1,736.17
- Liquor and wine	389.37	184.79
- Banquet rentals	114.11	31.13
- Telephone and telex	0.45	7.15
- Other Services (including service charge income)	837.56	715.48
Other Operating Revenue		
- Commission income	1.16	1.16
Revenue from operations	11,447.49	8,812.37

20. Other income

	Year ended March 31, 2019 Rs. In lakhs	Year ended March 31, 2018 Rs. In lakhs
Rent received	6.10	6.14
Miscellaneous income	25.28	3.13
Total	31.38	9.27

21. Cost of food & beverages consumed

	Year ended March 31, 2019 Rs. In lakhs	Year ended March 31, 2018 Rs. In lakhs
(a) Consumption of food & beverages excluding liquor & wine		
Inventory at the beginning of the year	53.26	9.30
Add: Purchases	1,167.75	915.30
	1,221.01	924.60
Less: Inventory at the end of the year	38.34	53.26
Cost of food and beverage consumed	1,182.67	871.34
(b) Consumption of liquor & wine		
Inventory at the beginning of the year	15.88	20.92
Add: Purchases	136.46	66.52
	152.34	87.44
Less: Inventory at the end of the year	30.55	15.88
Cost of liquor and wine consumed	121.79	71.56
Total	1,304.46	942.90

22. Employee benefits expense

	Year ended March 31, 2019 Rs. In lakhs	Year ended March 31, 2018 Rs. In lakhs
Salaries, wages and bonus	1,902.55	1,374.82
Contribution to provident fund and other funds	85.41	64.42
Gratuity expense	4.08	4.64
Leave compensation expenses	10.83	6.61
Staff welfare expenses	233.40	286.59
Total	2,236.27	1,737.08

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23. Other expenses

	Year ended March 31, 2019 Rs. In lakhs	Year ended March 31, 2018 Rs. In lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	130.14	145.56
Power and fuel	1,223.78	1,203.84
Linen & uniform washing and laundry expenses	161.28	61.49
Guest transportation	268.46	261.34
Spa expenses	30.96	26.94
Subscription charges	20.47	15.71
Repair and maintenance		
- Buildings	46.09	52.65
- Plant and machinery	194.52	83.80
- Others	172.25	175.38
Rent	1,012.79	971.99
Rates and taxes	182.84	233.04
Insurance	20.07	15.99
Communication costs	100.69	85.43
Printing and stationery	52.26	61.37
Traveling and conveyance	8.57	20.52
Vehicle running and maintenance	54.61	-
Advertisement and business promotion	370.36	278.05
Management fee paid	564.69	388.58
Commission -other than sole selling agent	477.68	213.26
Security and cleaning expenses	238.48	173.97
Membership and subscriptions	1.51	0.23
Legal and professional fees	57.29	135.00
Donations	8.63	4.68
Payment to auditors*	25.00	25.00
Miscellaneous expenses	30.83	112.65
Total	5,454.25	4,746.47

***Payment to auditor**		
For statutory audit	16.00	16.00
For tax audit	1.00	1.00
Other services	8.00	8.00
	25.00	25.00

Details of CSR expenditure:	Year ended March 31, 2019 Rs. In lakhs	Year ended March 31, 2018 Rs. In lakhs
(a) Gross amount required to be spent by the company during the year	5.82	12.33

(b) Amount spent during the year ending on March 31, 2019:	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	8.57

(c) Amount spent during the year ending on March 31, 2018:	Yet to be paid in cash^	Total
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	4.30

^Company has not found any adequate opportunity for spending the balance amount.

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24. Finance costs

	Year ended March 31, 2019 Rs. In lakhs	Year ended March 31, 2018 Rs. In lakhs
Interest		
- on term loans from banks	1,258.25	920.78
- on loans from others	34.37	-
- on vehicle loans	5.20	4.99
- on income tax	0.00	0.03
Bank charges (including commission on credit card collection)	90.26	112.54
Total	**1,388.08**	1,038.34

25. Finance Income

	Year ended March 31, 2019 Rs. In lakhs	Year ended March 31, 2018 Rs. In lakhs
Interest Income on		
-Bank Deposits	7.86	6.90
-Others	4.91	47.52
Total	**12.77**	54.42

26. Depreciation and amortization expense

	Year ended March 31, 2019 Rs. In lakhs	Year ended March 31, 2018 Rs. In lakhs
Depreciation of tangible assets	1,401.02	1,081.62
Amortization of intangible assets	18.46	10.40
Total	**1,419.48**	1,092.02

27. Tax expense

	Year ended March 31, 2019 Rs. In lakhs	Year ended March 31, 2018 Rs. In lakhs
Current tax	-	0.60
Adjustment of tax relating to earlier periods	-	(14.06)
Deferred tax	(89.16)	(332.51)
Total	**(89.16)**	(345.97)

28. Earnings Per Share (Basic And Diluted)

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.
Diluted EPS amounts are calculated by dividing the loss attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.
The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2019	March 31, 2018
Loss attributable to equity holders (for basic and diluted)	(221.74)	(334.78)
Weighted average number of equity Shares (for basic and diluted earnings per share)*	59,286,253	59,286,253
Basic and Diluted earnings per share	(0.37)	(0.56)

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

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Fleur Hotels Pvt. Ltd.

29. Significant accounting judgements, estimates and assumptions

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 amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Company as lessee

The Company has taken certain land and land and building on long term lease basis. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the property and the fair value of the asset, that it does not have all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Further, the Company based on an evaluation of the terms and conditions of the respective agreements decided that wherever the escalations (generally 15% every 3 years or 20% every 4 years) are aligned to the average expected general inflation of the lease term period, operating lease payments are not required to be provided on a straight-line basis over the lease term as an expense in the statement of profit and loss and in other cases (including structured payment terms), operating lease payments are expensed on a straight-line basis over the lease term in the statement of profit and loss.

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 consolidated 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.

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 other valuation techniques. 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. See Note 33 for further disclosures.

Further, the management has estimated the expected future cash receipts through the expected life of the financial asset of interest free loans given to subsidiaries which is repayable on demand (generally 30 years-40 years) based on the financial position of the respective Subsidiaries and repayment period of the borrowings taken by these Subsidiaries.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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30. Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.

Rs. in lakhs

	March 31, 2019	March 31, 2018
Gratuity plan	10.61	9.55
Total	**10.61**	9.55

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Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019:

Rs. in lakhs

	Opening Balance	cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2018	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement arising from changes in demographic assumptions	Remeasurement arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2019
Defined benefit obligation	22.67	5.28	1.66	6.94	-	-	-	0.27	(2.61)	(2.34)	-	27.27
Fair value of plan assets	13.12	-	0.96	0.96	-	0.55	-	-	-	0.55	2.03	16.66
Benefit liability	**9.55**	**5.28**	**0.70**	**5.98**	**-**	**0.55**	**-**	**0.27**	**(2.61)**	**(2.89)**	**(2.02)**	**10.61**

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Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2018:

Rs. in lakhs

	Opening Balance	cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2017	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement arising from changes in demographic assumptions	Remeasurementarising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2018
Defined benefit obligation	15.29	3.99	1.02	5.01	(0.42)	-	-	(0.45)	3.24	2.79	-	22.67
Fair value of plan assets	6.33	-	0.41	0.41	(0.42)	(0.14)	-	-	-	(0.14)	6.94	13.12
Benefit liability	**8.96**	**3.99**	**0.61**	**4.60**	**-**	**0.14**	**-**	**(0.45)**	**3.24**	**2.93**	**(6.94)**	**9.55**

The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2019	March 31, 2018
Unquoted investments:		
Asset invested in insurance scheme with the LIC	100%	100%
Total	**100%**	**100%**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	March 31, 2019	March 31, 2018
	%	%
Discount rate:		
Pension plan	**7.00%**	**7.30%**
Future salary increases:		
Pension plan	**5.00%**	**5.00%**
Life expectation for pensioners at the age of 65:	**Years**	**Years**
Pension plan		
Male	**60**	**60**
Female	**60**	**60**

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

India gratuity plan:

Rs in lakhs

	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.88	0.94	0.95	0.90

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Rs. in lakhs

	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.71	0.75	0.76	0.73

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Rs. in lakhs

Duration (Years)	For the year ended March 31, 2019	For the year ended March 31, 2018
1	6.43	5.54
2	5.27	4.69
3	4.52	3.90
4	4.04	3.32
5	3.65	2.85
Above 5	11.70	9.42
Total expected payments	**35.62**	29.72

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2018: 5 years).

31. Commitments and contingencies

a. Leases

Operating lease commitments — Company as lessee

The Company has entered into operating leases on hotel buildings, with lease terms between twenty three twenty five and twenty nine years.

The Company has recognised Rs. 1,012.79 lakhs (March 31, 2018, Rs. 971.99 lakhs) as expense in statement of profit & loss towards minimum lease payment.

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Future minimum rentals payable under non-cancellable operating leases as at year endare, as follows:

Rs in lakhs

	March 31, 2019	March 31, 2018
Within one year	1,085.52	1,032.23
After one year but not more than five years	4,947.79	4,767.89
More than five years	32,632.96	33,783.67
	38,666.27	39,583.79

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

At March 31, 2019, the Company had commitments of Rs.5,388.15 lakhs (March 31, 2018: Rs11,567.70 lakhs)

c. Contingent liabilities

(i) Legal claim contingency

Rs. in lakhs

		March 31, 2019	March 31, 2018
b.	Service Tax	**92.38**	**92.38**

The Company's pending litigations above pertains to proceedings pending with Service Tax and Sales/VAT tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(ii) Pledge of shares

Pledge of 51% of the shareholding held in Hyacinth Hotels Private Limited by the Company for term loan facility availed by Hyacinth Hotels Private Limited . Amount of Loan outstanding as on March 31, 2019 of Rs. 13,173.25 lakhs

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Fleur Hotels Pvt. Ltd.

d. Financial guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of term loan facilities availed by its group companies for construction of new hotel project. In accordance with the policy of the Company (refer note 2.2(n) the Company has designated such guarantees as 'Insurance Contracts'. The Company has classified financial guarantees as contingent liabilities.These financial guarantees are an integral element of debts held by entities, hence has not been accounted for separately. Accordingly, there are no assets and liabilities recognized in the balance sheet under these contracts. Refer below for details of the financial guarantees issued:

Rs. in lakhs

		Loan Outstanding as on March 31, 2019	**Guarantees as on March 31, 2019**	Loan Outstanding as on March 31, 2018	Guarantees as on March 31, 2018
a.	Counter guarantees issued in respect of guarantees issued by company's bankers	-	**670.39**	-	233.52
b.	Guarantee given on behalf of Hyacinth Hotels Private Limited	**13,027.35**	**16,105.00**	14,089.50	16,105.00
c.	Guarantee given on behalf of Celsia Hotels Private Limited	**4,613.39**	**5,972.00**	5,185.71	5,972.00
d.	Guarantee given on behalf of Inovoa Hotels & Resorts Limited	**3,451.00**	**3,500.00**	3,486.00	3,500.00

(e) Note on Provident Fund:

Based upon the legal opinion obtained by the management, the Company found numerous interpretation issues and thus is in the process of evaluating the impact of the recent Supreme Court Judgment in the case of "Vivekananda Vidyamandir vs Regional Provident Fund Commissioner (II), West Bengal in relation to non-exclusion of certain allowances from the definition of "basis wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952.

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32. Related Party Transactions

Names of related parties	
Holding company	- Lemon Tree Hotels Limited
Subsidiary company	- Celsia Hotels Private Limited - Inovoa Hotels & Resorts Limited - IORA Hotels Private Limited - Ophrys Hotels Private Limited - Hyacinth Hotels Private Limited - Bandhav Resorts Private Limited
Fellow subsidiary companies	- Begonia Hotels Private Limited - Nightingale Hotels Private Limited - Meringue Hotels Private Limited
Limited Liability Partnership	- Mezereon Hotels LLP
Key Management Personnel	- Mr. PatanjaliGovindKeswani(Chairman & Managing Director) - Mr. Sachin Doshi(Director)(UptoAugust 10,2017) - Mr.Niten Malhan(Director)(upto August 13, 2018) - Mr. Rattan Keswani(Director) - Mr. Gopal Sitaram Jiwarajka(Independent Director) - Mr. Sanjeev Kaul Duggal(Independent Director)(Upto April 1, 2017) - Mr. Dominic James Doran(Director) - Mr. Anish Kumar Saraf(Director) - Mr. Brian Lap Hei Hung(Director) -Mr. Paramartha Saikia(IndependentDirector) -Mr. Ashish Kumar Guha(Additional Director) (w.e.f August 13, 2018)
Enterprises owned or significantly influenced by key management personnel or their relatives	- Toucan Real Estates Private Limited
Enterprise in which Holding company has Significant Influence	-Mind Leaders Learning India Private Limited

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Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

Chief Financial Officer	: Mr. Inder Pal Batra
Company Secretary	: Ms. Pooja Arora

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Notes to financial statements for the year ended March 31, 2019

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

Rs in lakhs

Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
Reimbursement of expenses paid on behalf of party							
Iora Hotels Private Limited	31-Mar-19	-	**0.09**	-	-	-	-
	31-Mar-18	-	0.78	-	-	-	-
Bandhav Resorts Private Limited	31-Mar-19	-	**0.09**	-	-	-	-
	31-Mar-18	-	3.46	-	-	-	-
Reimbursement of expenses incurred on company's behalf							
Lemon Tree Hotels Limited	31-Mar-19	**4.35**	-	-	-	-	-
	31-Mar-18	2.73	-	-	-	-	-
Hyacinth Hotels Private Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	11.53	-	-	-	-
Loans (given)							
Celsia Hotels Private Limited	31-Mar-19	-	**49.65**	-	-	-	-
	31-Mar-18	-	167.00	-	-	-	-
Inovoa Hotels & Resorts Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	115.69	-	-	-	-

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Fleur Hotels Pvt. Ltd.

Fleur Hotels Private Limited
Notes to financial statements for the year ended March 31, 2019

Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
Hyacinth Hotels Private Limited	31-Mar-19	-	**335.00**	-	-	-	-
	31-Mar-18	-	280.00	-	-	-	-
Iora Hotels Private Limited	31-Mar-19	-	**1,198.32**	-	-	-	-
	31-Mar-18	-	2,948.20	-	-	-	-
Bandhav Resorts Private Limited	31-Mar-19	-	**130.00**	-	-	-	-
	31-Mar-18	-	1,131.70	-	-	-	-
Repayment of Loan Given							
Celsia Hotels Private Limited	31-Mar-19	-	**120.00**	-	-	-	-
	31-Mar-18	-	132.06	-	-	-	-
Inovoa Hotels & Resorts Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	1,808.24	-	-	-	-
Hyacinth Hotels Private Limited	31-Mar-19	-	**230.00**	-	-	-	-
	31-Mar-18	-	10,104.35	-	-	-	-
Iora Hotels Private Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	15,057.95	-	-	-	-
Bandhav Resorts Private Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	1,313.78	-	-	-	-
Loans (taken)							
Meringue Hotels Private Limited	31-Mar-19	-	-	**2,460.00**	-	-	-
	31-Mar-18	-	-	-	-	-	-

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Fleur Hotels Private Limited
Notes to financial statements for the year ended March 31, 2019

Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
Manakin Resorts Private Limited	31-Mar-19	-	-	**450.00**	-	-	-
	31-Mar-18	-	-	-	-	-	-
Repayment of Loan taken							-
Meringue Hotels Private Limited	31-Mar-19	-	-	**2,250.00**	-	-	-
	31-Mar-18	-	-	-	-	-	
Management Fees paid (Net of TDS)							
Lemon Tree Hotels Limited	31-Mar-19	**2,476.52**	-	-	-	-	-
	31-Mar-18	1,652.84	-	-	-	-	-
Training expenses paid (net of TDS)							
Mind Leaders Learning India Private Limited	31-Mar-19	-	-	-	-	-	**66.15**
	31-Mar-18	-	-	-	-	-	47.32
Renumeration Paid							
Inder Pal Batra	31-Mar-19				**54.41**		
	31-Mar-18	-	-	-	38.89	-	-
Pooja Bakshi	31-Mar-19				**11.73**		
	31-Mar-18	-	-	-	7.78	-	-
Subscription to Share Capital of the Company/LLP							

Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
Bandhav Resorts Private Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	1,313.78	-	-	-	-
Celsia Hotels Private Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	97.06	-	-	-	-
Inovoa Hotels & Resorts Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	1,710.24	-	-	-	-
Hyacinth Hotels Private Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	1,999.33	-	-	-	-
Iora Hotels Private Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	14,557.95	-	-	-	-
Security Deposit Given during the year							
Toucan Real Estates Private Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	-	-	-	192.00	-
Advance given to the party							
Toucan Real Estates Private Limited	31-Mar-19	-	-	-	-	**142.64**	-
	31-Mar-18	-	-	-	-	-	-
Guarantees Given for loan taken by the party							
Hyacinth Hotels Private Limited	31-Mar-19	-	**16,105.00**	-	-	-	-
	31-Mar-18	-	16,105.00	-	-	-	-

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Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
Celsia Hotels Private Limited	31-Mar-19	-	**5,972.00**	-	-	-	-
	31-Mar-18	-	5,972.00	-	-	-	-
Inovoa Hotels & Resorts Limited	31-Mar-19	-	**3,500.00**	-	-	-	-
	31-Mar-18	-	3,500.00	-	-	-	-
Guarantee Taken for Loan received by the Company							
Lemon Tree Hotels Limited	31-Mar-19	**18,000.00**	-	-	-	-	-
	31-Mar-18	18,000.00	-	-	-	-	-
Amount Received on behalf of the Company							
Celsia Hotels Private Limited	31-Mar-19	-	**1.79**	-	-	-	-
	31-Mar-18	-	-	-	-	-	-
Inovoa Hotels & Resorts Limited	31-Mar-19	-	**0.12**	-	-	-	-
	31-Mar-18	-	-	-	-	-	-
Nightingale Hotels Private Limited	31-Mar-19	-	-	**0.76**	-	-	-
	31-Mar-18	-	-	-	-	-	-
Interest Paid(Gross)							
Meringue Hotels Private Limited	31-Mar-19	-	-	**30.98**	-	-	-
	31-Mar-18	-	-	-	-	-	-
Manakin Resorts Private Limited	31-Mar-19	-	-	**3.40**	-	-	-

Fleur Hotels Private Limited
Notes to financial statements for the year ended March 31, 2019

Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
	31-Mar-18	-	-	-	-	-	-
Amount paid on behalf of the party							
Lemon Tree Hotels Limited	31-Mar-19	3.94	-	-	-	-	-
	31-Mar-18	-	-	-	-	-	-
Canary Hotels Private Limited	31-Mar-19	-	-	0.14	-	-	-
	31-Mar-18	-	-	-	-	-	-
Balances outstanding at the year end- Loans given							
Celsia Hotels Private Limited	31-Mar-19	-	-	-	-	-	-
	31-Mar-18	-	70.35	-	-	-	-
Hyacinth Hotels Private Limited	31-Mar-19	-	771.98	-	-	-	-
	31-Mar-18	-	666.98	-	-	-	-
Iora Hotels Private Limited	31-Mar-19	-	3,242.16	-	-	-	-
	31-Mar-18	-	2,043.75	-	-	-	-
Bandhav Resorts Private Limited	31-Mar-19	-	529.43	-	-	-	-
	31-Mar-18	-	399.34	-	-	-	-
Balances outstanding at the year end- Loans taken							
Meringue Hotels Private Limited	31-Mar-19	-	-	210.00	-	-	-
	31-Mar-18	-	-	-	-	-	-

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Fleur Hotels Pvt. Ltd.

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Notes to financial statements for the year ended March 31, 2019

Transactions with Related Party	Year ended	Holding Company	Subsidiaries	Fellow subsidiaries	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
Manakin Resorts Private Limited	31-Mar-19	-	-	450.00	-	-	-
	31-Mar-18	-	-	-	-	-	-
Balances outstanding at the year end- (Credit)/ Debit							
Lemon Tree Hotels Limited	31-Mar-19	(2,476.52)					
	31-Mar-18	(69.52)	-	-	-	-	-
Inder Pal Batra	31-Mar-19				(0.79)		
	31-Mar-18	-	-	-	(0.59)	-	-
Mind Leaders Learning India Private Limited	31-Mar-19	-	-	-	-	-	2.36
	31-Mar-18	-	-	-	-	-	14.59
Toucan Real Esates Private Limited	31-Mar-19					334.64	-
	31-Mar-18	-	-	-	-	192.00	-

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Terms and conditions of transactions with related parties

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The company has not entered into any commitments with related parties during the year.

33. Fair value measurement

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of 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

a. **Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)**

Rs. in lakhs

	March 31, 2019		March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade Receivables	-	**1,118.12**	-	1,170.35
Security Deposits (non-current)	-	**360.33**	-	354.26
Other bank balances	-	**72.82**	-	72.82
Cash and Cash Equivalents	-	**474.06**	-	236.53
Interest accrued on deposit with banks	-	**39.06**	-	32.16
Loans (current)		**4,543.47**		3180.42
Total Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)	-	**6,607.86**	-	5046.54

Note: The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 101 and Ind AS 27.

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b. Financial Liabilities

Rs. in lakhs

	March 31, 2019		March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities				
Borrowings	-	**38,930.63**	-	22,168.88
Trade Payables	-	**2,656.97**	-	1,427.14
Other Current Financial Liabilities	-	**5,348.68**	-	2,406.12
Total Financial Liabilities	-	**46,936.28**	-	26,002.14

c. Fair value measurement hierarchy for assets and liabilities

Fair value measurement

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

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

i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

iii) Level 3

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

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The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Financial assets and liabilities measured at fair value

Rs. in lakhs

	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial investments as FVTPL	-	-	-	

	March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial investments as FVTPL	-	-	-	

34 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure 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 risk, which are summarised as 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 of interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings.

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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

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Rs. In lakhs

	March 31, 2019	March 31, 2018
Variable rate borrowings	38,848.73	22,120.00
Fixed rate borrowings	81.90	48.88

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Rs. In lakhs

Particulars	Increase/decrease in basis points	Effect on profit before tax
March 31, 2019		
INR	50	157.15
INR	-50	(157.15)
March 31, 2018		
INR	50	97.50
INR	-50	(97.50)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has no exposure in foreign currency.

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 deposits to landlords) and from its financing activities, including deposits with banks and other financial instruments.

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

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 maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Company does not hold collateral as security.

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Rs. in lakhs

Ageing	March 31, 2019	March 31, 2018
Not due	-	-
0-60 days past due	562.12	699.35
61-120 days past due	299.86	166.83
121-180 days past due	76.10	133.45
180-365 days past due	77.48	149.53
365-730 days past due	102.56	17.64
more than 730 days	-	3.55

Provision for doubtful debts (including provision for expected credit loss)

Ageing	March 31, 2019	March 31, 2018
Not due	-	-
0-60 days past due	-	-
61-120 days past due	-	-
121-180 days past due	-	-
180-365 days past due	-	-
365-730 days past due	-	-
more than 730 days	-	-

Reconciliation of provision for doubtful debts - Trade receivables(including provision for expected credit loss)

	March 31, 2019	March 31, 2018
Provision at beginning	-	-
Addition during the year	-	-
Reversal during the year	-	-
Utilised during the year	-	-
Provision at closing	-	-

Reconciliation of provision for doubtful debts - Loans and deposits(including provision for expected credit loss)

	March 31, 2019	March 31, 2018
Provision at beginning	8.75	8.75
Addition during the year	-	-
Reversal during the year	-	-
Utilised during the year	-	-
Provision at closing	8.75	8.75

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amount as given in Note 10.

Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. As at March 31, 2019, the company had available Rs.3,860 lakhs (March 31, 2018: 20,500 lakhs) of undrawn committed borrowing facilities.

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

Rs. In lakhs

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2019						
Borrowings	660.00	113.39	407.95	7,935.76	29,813.53	38,930.63
Trade and other payables	2,656.96	-	-	-	-	2,656.96
Other Financial Liabilities(Other than current maturity)	5,348.68	-	-	-	-	5,348.68
	8,665.64	**113.39**	**407.95**	**7,935.76**	**29,813.53**	**46,936.27**
Year ended March 31, 2018						
Borrowings	-	32.02	240.09	3,891.77	18,005.00	22,168.88
Trade and other payables	1,427.14	-	-	-	-	1,427.14
Other Financial Liabilities(Other than current maturity)	2,406.12	-	-	-	-	2,406.12
	3,833.26	**32.02**	**240.09**	**3,891.77**	**18,005.00**	**26,002.14**

35 Capital management

For the purpose of the Company's capital management, capital includesissuedequity capital, share premium and all otherequityreservesattributable to the equityholders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makesadjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Companymayadjust the dividendpayment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, whichis net debtdividedby total capital plus net debt. The Companyincludeswithin net debt, interestbearingloans and borrowings, trade payables, less cash and cash equivalents.

Rs. In lakhs

	March 31, 2019	March 31, 2018
Borrowings (Note 14)	38,930.63	22,168.88
Trade payables (Note 17)	2,656.97	1,427.14
Less: cash and cash equivalents (Note 10)	474.06	236.53
Net debt	**41,113.54**	**23,359.49**
Total capital	99,035.63	99,255.45
Capital and net debt	**140,149.17**	**122,614.94**
Gearing ratio	**29%**	**19%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

36. Segment Reporting

The Company is into Hoteliering business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 – "Operating Segments".
Information about geographical areas

The Company has only domestic operations and hence no information required for the Company as per the requirements of Ind AS 108 – "Operating Segments".

Information about major customers
No customer individually accounted for more than 10% of the revenue

37. **Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.**

Rs. in Lakhs

	March31, 2019	March31, 2018
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	74.86	Nil
the amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
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 Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprisefor the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

38. The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

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

As per our report of even date

For and on behalf of the Board of Directors of
Fleur Hotels Private Limited

Patanjali G.Keswani
Chairman and Managing Director

DIN-00002974

Pooja Arora
Company Secretary

Place : New Delhi
Date : May 29, 2019

Inder Pal Batra
Chief Financial Officer

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