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 Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Fleur Hotels Private Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

DELOITTE HASKINS & SELLS LLP Chartered Accountants

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated loss, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of 5 subsidiaries and 1 Limited Liability Partnership Firm (as mentioned below), whose financial statements reflect total assets of Rs. 44,812.37 lacs as at March 31, 2018, total revenues of Rs. 4,695.69 lacs and net cash inflows amounting to Rs. 90.07 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Subsidiaries and Limited Liability Partnership Firm included in consolidated Ind AS financial statements are as below:

A. Subsidiaries-

1. Celsia Hotels Private Limited
2. Inovoa Hotels and Resorts Limited
3. Iora Hotels Private Limited
4. Ophrys Hotels Private Limited
5. Bandhav Resorts (P) Limited

B. Limited Liability Partnership firm –

1. Mezereon Hotels LLP

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, referred in the Other Matters paragraph above we report that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

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

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies.

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 25, 2018

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, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 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

Deloitte Haskins & Sells LLP Chartered Accountants 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the 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
(Partner)
(Membership No. 094468)

Place: New Delhi
Date: May 25, 2018

Fleur Hotels Private Limited
Consolidated Balance Sheet as at March 31, 2018

	Note No.	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	76,885.61	73,549.66
(b) Capital work-in-progress	4	40,188.64	24,623.43
(c) Intangible assets	5	9,417.94	9,426.39
(e) Intangible assets under development	5	36.31	-
(d) Financial assets	6		
(i) Other financial assets		3,171.17	2,595.19
(e) Non-current tax assets (net)	7.1	415.41	317.82
(f) Other non-current assets	7.2	17,267.89	22,390.23
		147,382.87	132,902.72
Current assets			
(a) Inventories	8	254.16	202.50
(b) Financial assets	9		
(i) Trade receivables		2,173.67	1,035.20
(ii) Cash and Cash equivalents		820.44	550.89
(iii) Investments		116.01	-
(iv) Other financial assets		322.57	182.14
(c) Other current assets	10	1,507.78	691.15
		5,194.63	2,661.88
Total Assets		152,577.50	135,564.60
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	11	5,928.63	5,928.63
(b) Other Equity	12	89,464.22	89,461.37
Equity attributable to equity holders of the parent		95,392.85	95,390.00
(c) Non-controlling interests	13	1,020.06	1,020.06
Total Equity		96,412.91	96,410.06
Liabilities			
Non-current liabilities			
(a) Financial liabilities	14		
(i) Borrowings		42,834.37	27,666.93
(ii) Other financial liabilities		454.75	403.86
(b) Provisions	15	25.20	22.02
(c) Deferred tax liabilities (net)	16	536.77	792.11
(d) Other non-current liabilities	17	3,999.44	3,648.74
		47,850.53	32,533.66
Current liabilities			
(a) Financial liabilities	18		
(i) Trade payables		2,914.08	1,865.27
(ii) Other financial liabilities		4,548.56	3,883.63
(b) Other current liabilities	19	754.10	794.99
(c) Provisions	15	97.32	76.99
		8,314.06	6,620.88
Total Liabilities		56,164.59	39,154.54
Total Equity and Liabilities		152,577.50	135,564.60

The accompanying notes are an integral part of the financial statements 1 to 44

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

Place : New Delhi
Date : May 25, 2018

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 Bakshi
Company Secretary

Place : New Delhi
Date : May 25, 2018

Fleur Hotels Private Limited
Consolidated statement of Profit and Loss for the year ended March 31, 2018

	Note No.	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Revenue from operations	20	19,555.60	14,384.41
Other Income	21	349.86	452.03
Total Income (I)		19,905.47	14,836.44
Expenses			
Cost of food and beverages consumed	22	2,026.41	1,396.34
Employee benefits expense	23	3,609.44	2,595.27
Other expenses	24	9,194.41	6,587.85
Total (II)		14,830.25	10,579.46
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		5,075.22	4,256.98
Depreciation and amortization expense	25	2,452.97	2,001.20
Finance costs	26	2,928.76	1,941.06
Finance income	27	(104.95)	(110.35)
(Loss) /Profit before tax		(201.57)	425.07
Tax expense:	29		
(1) Current tax (MAT)		49.52	45.61
(2) Adjustment of tax relating to earlier periods		0.16	(31.92)
(3) Deferred tax		(255.84)	203.55
		(206.16)	217.24
Net profit for the year		4.58	207.83
Other comprehensive income / (loss)			
Remeasurements of defined benefit plans		(2.12)	(1.13)
Income tax relating to items that will not be reclassified to profit or loss		0.39	-
		(1.73)	(1.13)
Total Comprehensive Income for the year		2.85	206.70
Profit for the year		4.58	207.83
Attributable to:			
Equity holders of the parent		4.58	207.87
Non-controlling interests		-	-
Total comprehensive income for the year		2.85	206.70
Attributable to:			
Equity holders of the parent		2.85	206.70
Non-controlling interests		-	-
Earnings per equity share			
(1) Basic	28	0.01	0.35
(2) Diluted	28	0.01	0.35

The accompanying notes are an integral part of the financial statements. 1 to 44

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS
Chartered Accountants

Vijay Agarwal
Partner

Place : New Delhi
Date : May 25, 2018

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 Bakshi
Company Secretary

Place : New Delhi
Date : May 25, 2018

Fleur Hotels Private Limited
Consolidated cash flow statement for the year ended March 31, 2018

		For the year ended March 31, 2018 (Rs in lakhs)	For the year ended March 31, 2017 (Rs in lakhs)
A.	**Cash flow from / (used in) operating activities**		
	(Loss)/Profit before tax	**(201.57)**	425.07
	Non-cash adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation expenses	**2,452.97**	2,001.20
	Lease equalisation reserve	**492.02**	502.99
	Finance income (including fair value change in financial instruments)	**(99.04)**	(108.69)
	Finance costs (including fair value change in financial instruments)	**2,721.19**	1,799.80
	Advances written off	**-**	1.38
	Provision for gratuity	**2.61**	7.39
	Provision for leave encashment	**5.82**	8.59
	Excess provision/ credit balances written back	**(0.02)**	(38.10)
	Provision for litigation	**12.97**	12.97
	Provision for doubtful debts	**3.03**	10.30
	Net (gain)/ loss on sale of property, plant & equipment	**(0.35)**	0.60
	Net (gain) on sale of current investments	**-**	(1.65)
	Operating profit before working capital changes:	**5,389.63**	4,621.85
	Movements in working capital:		
	(Increase) in trade receivables	**(1,141.50)**	(340.98)
	(Increase) /Decrease in loans and advances and other current assets	**(25.04)**	336.51
	(Increase)/ Decrease in inventories	**(51.66)**	6.82
	Increase in liabilities and provisions	**1,048.97**	1,064.39
	Cash Generated from Operations	**5,220.40**	5,688.59
	Direct taxes paid (net of refunds)	**(146.39)**	(145.35)
	Net cash flow from/ (used in) operating activities (A)	**5,074.01**	5,543.24
B.	**Cash flows used in investing activities**		
	Purchase of property, plant & equipment including CWIP, capital advances and capital creditors	**(17,768.72)**	(18,593.32)
	Proceeds from sale of property, plant & equipment	**1.52**	23.27
	Acquisition of shares in subsidiaries	**-**	(885.62)
	Proceeds from sale of current investment(net)	**(116.01)**	1.65
	Loans recovered from/(given to) related parties (including fair value changes)	**0.00**	57.48
	Interest received	**99.04**	108.69
	Net Cash flow used in investing activities (B)	**(17,784.17)**	(19,287.85)
C	**Cash flows from financing activities***		
	Proceeds from issuance of share capital	**-**	-
	Proceeds from issuance of compulsory convertible debentures	**-**	200.00
	Proceeds from long term borrowings(Net)	**15,700.90**	15,404.91
	Interest paid	**(2,721.19)**	(1,799.80)
	Net Cash from financing activities (C)	**12,979.71**	13,805.11

(This space has been intentionally left blank)

Fleur Hotels Private Limited
Consolidated cash flow statement for the year ended March 31, 2018

	For the year ended March 31, 2018 (Rs in lakhs)	For the year ended March 31, 2017 (Rs in lakhs)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	269.55	60.50
Cash and cash equivalents at the beginning of the year	550.89	490.39
Cash and cash equivalents at the end of the year	820.44	550.89
Components of cash and cash equivalents		
Cash on Hand	18.80	10.83
Balances with Scheduled Banks in		
- Current accounts	801.64	540.06
Total cash and cash equivalents	820.44	550.89

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

The accompanying notes are an integral part of the financial statements. 1 to 44

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

Place : New Delhi
Date : May 25, 2018

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 Bakshi
Company Secretary

Place : New Delhi
Date : May 25, 2018

Fleur Hotels Private Limited
Consolidated statement of Changes in Equity as at March 31, 2018

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares	Amount Rs in lakhs
At April 1, 2016	59,286,253	5,928.63
Issued during the year	-	-
As at March 31, 2017	59,286,253	5,928.63
Issued during the year	-	-
As at March 31, 2018	59,286,253	5,928.63

B. Other Equity

For the year ended March 31, 2018

Rs in lakhs

	Reserves and Surplus			Items of OCI	Non-controlling interest	Other equity
	Securities Premium	Compulsory convertible debentures	Surplus in the statement of Profit and Loss	Remeasurement gains (losses) on defined benefit plans and income tax effect		
Balance as at April 1, 2016	89,422.28	-	(2,447.55)	-	-	86,974.72
Profit for the year	-	-	207.83	-	-	207.83
Other comprehensive loss for the year	-	-	-	(1.13)	-	(1.13)
Issue of compulsory convertible debentures	-	148.23	-	-	1,020.06	1,168.29
Balance as at March 31, 2017	89,422.28	2,279.94	(2,239.72)	(1.13)	1,020.06	90,481.43
Profit for the year	-	-	4.58	-	-	4.58
Other comprehensive loss for the year	-	-	-	(1.73)	-	(1.73)
Balance as at March 31, 2018	89,422.28	2,279.94	(2,235.14)	(2.86)	1,020.06	90,484.28

The accompanying notes are an integral part of the financial statements — 1 to 44

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Place : New Delhi
Date : May 25, 2018

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

Patanjali G. Keswani
Chairman & Managing Director
DIN-00002974

Pooja Bakshi
Company Secretary

Place : New Delhi
Date : May 25, 2018

Inder Pal Batra
Chief Financial Officer

1. Corporate Information

Fleur Hotels Private Limited (the Company) and its subsidiaries (collectively, the Group) 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 Company, its subsidiaries and limited liability partnership (together referred as "The Group") intend 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 consolidated financial statements are approved for issue by the Board of directors on May 25, 2018.

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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Effective April 1, 2016, the Group has adopted Indian Account Standards (Ind AS) and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian GAAP as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The consolidated 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 34).

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

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company its subsidiaries and limited liability partnership (together referred as "The Group") as at 31 March 2018. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its return

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

Deloitte Haskins & Sells Chartered Accountants

Fleur Hotels Pvt. Ltd.

- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

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

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

A change in the ownership interest of a subsidiary (including deemed acquisition/ deemed disposal), without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree'sidentifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 Revenue.

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(b) Current versus non-current classification

The Group 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.

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 Group 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 Group has identified twelve months as its operating cycle.

(c) Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group 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).

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

(d) Fair value measurement

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

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

- 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 Group.

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 Group 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 consolidated 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 consolidated financial statements on a recurring basis, the Group 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 Group 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 Group'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 34)
- Financial instruments (including those carried at amortised cost) (note 34)

(e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group 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 Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group 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 & Service Tax(GST) is not received by the Group 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.

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/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.

Deloitte Haskins & Sells LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

Dividends

Revenue is recognized when the Group'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.

(f) Taxes

Taxes comprises current income tax and deferred tax

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated 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 Group's 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 Group 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.

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

Deloitte Haskins & Sells LLP Chartered Accountants

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

Fleur Hotels Pvt. Ltd.

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.

Sales/ value added taxes/GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/GST 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

Deloitte Haskins & Sells LLP Chartered Accountants

Fleur Hotels Pvt. Ltd

(g) Property, plant and equipment

On transition to IND AS, the Group 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, 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 Group 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)
Plant & Machinery	15 Years
Building	60 Years
Electrical installations and fittings	10 Years
Office Equipments	5 Years
Furniture and Fixtures	8 Years
Crockery, cutlery and soft furnishings	3 Years
Commercial Vehicles	6 Years
Private Vehicles	8 Years
Computers	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.

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.

(h) Intangible assets

On transition to IND AS, the Group 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

Deloitte Haskins & Sells LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

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.

(i) 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 aproject, the amount capitalised represents the actulborrowing costs incurred. Where surplus funds areavailable out of money borrowed specifically to financea project, the income generated from such currentinvestments is deducted from the total capitalizedborrowing cost. Where the funds used to finance aproject form part of general borrowings, the amountcapitalised is calculated using a weighted average ofrates applicable to relevant general borrowings of thecompany during the year. Capitalisation of borrowingcosts is suspended and charged to profit and loss duringthe extended periods when the active development onthe qualifying assets is interrupted.

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

(j) 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 Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

Group 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 Group 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 Group's general policy on the borrowing costs.

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 Group 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 termunless 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.

Group as a lessor

Leases in which the Group 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.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group'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.

Operating lease receipt are recognised as income in the statement of profit and loss on a straight-line basis over the lease termunless 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 receiptsfrom 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.

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.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd

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.

(k) 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.

(l) Impairment of non-financial assets

The Group 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 Group 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 Group 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 Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group'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 Group 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 losses, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, 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 Group 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.

Deloitte Haskins & Sells LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

(m) Provisions

General

Provisions are recognised when the Group 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.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortization recognised in accordance with the requirements for revenue recognition.

(n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group 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 expenses 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.

Deloitte Haskins & Sells LLP Chartered Accountants

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 Group recognises related restructuring costs

Fleur Hotels Pvt. Ltd.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated 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 Group treats leaves 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. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group 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 Group 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.

(o) 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 Group commits to purchase or sell the asset.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Subsequent measurement

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

Fleur Hotels Pvt. Ltd.

- 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)

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 Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans to subsidiaries etc. For more information on receivables, refer to Note 9.

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 Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. 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 Group 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 Group 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 in scope of Ind AS 109 are measured at fair value. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Deloitte Haskins & Sells LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 Group 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 Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group 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.

For recognition of impairment loss on other financial assets and risk exposure, the Group 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.

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 Group 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

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

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 Group 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.

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

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 Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the 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 Group 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 Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Group. 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.

Financial guarantee contracts

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

If a financial guarantee is an integral element of a debt instrument held by the entity, it should not be 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 consolidated 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.

(p) 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.

(q) Measurement of EBITDA

The Group 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 Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, interest income, finance costs and tax expense.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

(r) 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.

(s) Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Group is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:
• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Group is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

Fleur Hotels Private Limited
Notes to Consolidated financial statements for the year ended March 31, 2018

3. Property, Plant & Equipment

Rs. In lakhs

Particulars	Freehold land	Building on freehold Land	Building on leasehold land	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Crockery, cutlery and soft furnishings	Computers	Vehicles	Total (Tangible Assets)
	Tangible Assets											
Cost or valuation												
As at April 1, 2016	7,578.21	16,455.35	15,838.64	5,237.02	1,340.62	918.54	73.33	2,157.45	277.66	45.84	111.76	50,034.42
Additions	11,390.64	12,161.24	-	2,241.21	0.75	17.38	29.97	731.74	376.40	55.16	32.86	27,037.35
Additions on inclusion of new subsidiary	110.00	353.11	-	17.85	-	20.19	1.88	12.52	-	0.41	18.41	534.37
Disposals	-	-	-	-	-	-	-	19.94	-	-	12.61	32.55
As at March 31, 2017	19,078.85	28,969.70	15,838.64	7,496.08	1,341.37	956.11	105.18	2,881.77	654.06	101.41	150.42	77,573.59
Additions	4,229.75	986.36	1.68	145.88	112.23	46.61	3.52	141.41	30.86	7.63	62.24	5,768.17
Disposals	-	-	-	-	-	-	-	-	-	-	5.47	5.47
As at March 31, 2018	**23,308.60**	**29,956.06**	**15,840.32**	**7,641.96**	**1,453.60**	**1,002.72**	**108.70**	**3,023.18**	**684.92**	**109.04**	**207.20**	**83,336.29**
Depreciation												
As at April 1, 2016	-	288.54	257.06	507.65	187.78	120.39	42.73	428.10	155.95	25.14	17.79	2,031.13
Charge for the year	-	302.31	256.36	512.73	186.93	124.22	10.68	429.27	122.27	20.08	25.16	1,990.01
Additions on inclusion of new subsidiary	-	4.11	-	1.20		1.37	0.12	1.29	-	0.15	3.23	11.47
Disposals	-	-	-	-	-	-	-	6.75	-	-	1.93	8.68
As at March 31, 2017	-	594.96	513.42	1,021.58	374.71	245.98	53.53	851.91	278.23	45.37	44.25	4,023.93
Charge for the year	-	517.23	256.38	682.66	190.89	126.86	16.71	455.44	130.85	23.76	30.26	2,431.05
Disposals	-	-	-	-	-	-	-	-	-	-	4.30	4.30
As at March 31, 2018	-	**1,112.19**	**769.80**	**1,704.24**	**565.60**	**372.84**	**70.24**	**1,307.35**	**409.08**	**69.13**	**70.22**	**6,450.68**
Net Block												
As at March 31, 2018	**23,308.60**	**28,843.87**	**15,070.52**	**5,937.72**	**888.00**	**629.88**	**38.46**	**1,715.83**	**275.84**	**39.91**	**136.98**	**76,885.61**
As at March 31, 2017	19,078.85	28,374.75	15,325.23	6,474.51	966.66	710.13	51.66	2,029.85	375.84	56.05	106.17	73,549.66

Net book value	As at March 31, 2018	As at March 31, 2017
Plant, property and equipment	76,885.61	73,549.66

Notes
a). Certain property, plant and equipments are pledged as collateral against borrowings, the details related to which have been described in Note no. 14 on "Borrowings".

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

4. Capital work-in-progress

	As at March 31, 2018 (Rs in lakhs)	As at March 31, 2017 (Rs in lakhs)
Hotel at Guragon Sector 60 (Lemon Tree)		
Material	-	4,125.57
Professional charges	-	827.33
Borrowing cost	-	368.10
Salary, Wages & Bonus	-	150.78
Project staff expenses other then salary	-	81.12
Rates and Taxes	-	477.36
Others	-	237.53
	-	6,267.78
Less Capitalised during the year	-	6,267.78
	-	-
Hotel at Gurgaon Sector 60 (Red Fox)		
Material	-	1,931.95
Professional charges	-	407.77
Borrowing cost	-	119.83
Rates and Taxes	-	393.90
Salary, Wages & Bonus	-	124.99
Project staff expenses other then salary	-	45.54
Others	-	128.95
	-	3,152.91
Less Capitalised during the year	-	3,152.91
	-	-
Hotel at City Center Pune		
Material	**7,096.25**	4,200.43
Professional charges	**2,095.81**	1,667.34
Borrowing cost	**1,985.50**	1,695.21
Salary, wages & bonus	**162.44**	136.24
Project staff expenses other then salary	**93.19**	51.80
Travelling	**12.68**	9.34
Rates and taxes	**1,670.68**	575.29
Others	**35.34**	25.40
	13,151.89	8,361.05

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

Fleur Hotels Private Limited
Notes to Consolidated financial statements for the year ended March 31, 2018

	As at March 31, 2018 (Rs in lakhs)	As at March 31, 2017 (Rs in lakhs)
Hotel at Udaipur		
Material	**9,728.08**	5,268.15
Professional charges	**1,846.34**	1,383.31
Borrowing cost	**680.56**	240.72
Salary, Wages & Bonus	**168.64**	85.47
Project staff expenses other then salary	**49.35**	28.14
Travelling	**16.62**	12.22
Rates and taxes	**46.89**	30.55
Others	**0.26**	0.26
	12,536.74	7,048.82
Hotel at Kolkata		
Material	**2,768.79**	1,293.55
Professional charges	**928.63**	776.29
Borrowing cost	**204.11**	34.10
Salary, Wages & Bonus	**90.73**	52.28
Project staff expenses other then salary	**62.95**	39.22
Travelling	**5.33**	4.20
Others	**1.35**	1.06
	4,061.89	2,200.70
Hotel at MIAL Aerocity		
Material	**71.12**	4.12
Professional charges	**4,823.50**	3,719.11
Lease rent	**4,006.00**	2,723.29
Salary, wages & bonus	**23.93**	5.97
Project staff expenses other then salary	**8.52**	4.14
Travelling	**25.98**	16.22
Rates and taxes	**1,280.37**	345.83
Others	**31.87**	24.49
	10,271.29	6,843.17
Hotel at Bandhavgarh		
Material	**1,110.56**	152.37
Professional charges	**214.20**	2.28
Salary, wages & bonus	**20.04**	8.46
Project staff expenses other than salary	**0.11**	0.06
Travelling	**4.68**	3.38
Rates and taxes	**0.66**	0.66
Others	**6.63**	2.48
	1,356.88	169.69
Less Capitalised during the year	**(1,356.88)**	-
	-	169.69
Hotel at Dehradun		
Material	**157.01**	-
Project staff expenses other then salary	**1.10**	-
Travelling	**0.82**	
Rates and Taxes	**7.80**	-
	166.73	-
Total	**40,188.54**	**24,623.43**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

Fleur Hotels Private Limited
Notes to Consolidated financial statements for the year ended March 31, 2018

5. Intangible Assets

Rs. In lakhs

Particulars	Software	Goodwill on Consolidation	Total
Cost or valuation			
As at April 1, 2016	59.39	8,658.97	**8,718.35**
Additions	58.14	673.42	**731.56**
Disposals	-	-	-
As at March 31, 2017	117.52	9,332.39	**9,449.91**
Additions (Also refer note 38)	13.47	-	13.47
Disposals	-	-	-
As at March 31, 2018	**130.99**	**9,332.39**	**9,463.38**
Amortisation and impairment			
As at April 1, 2016	12.32	-	12.32
Amortisation	11.20	-	11.20
Disposals	-	-	-
As at March 31, 2017	23.52	-	23.52
Amortisation	21.92	-	21.92
Disposals	-	-	-
As at March 31, 2018	**45.44**	-	**45.44**
Net Block			
As at March 31, 2018	**85.55**	**9,332.39**	**9,417.94**
As at March 31, 2017	94.00	9,332.39	9,426.39
As at April 1, 2016	59.39	8,658.97	8,718.35

Net book value	**As at March 31, 2018**	**As at March 31, 2017**
Intangible assets	9,417.94	9,426.39
Intangible assets under development (Software implementation)	36.31	-

(This space has been intentionally left blank)

Deloitte Haskins & Sells LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

6 Financial assets	**As at March 31, 2018 Rs in lakhs**	As at March 31, 2017 Rs in lakhs
(i) Other financial assets		
Unsecured, considered good		
Security deposits at amortised cost	**2,859.28**	2,334.96
Interest accrued on deposits with banks	**93.14**	73.93
Fixed deposits under lien*	**218.75**	186.30
	3,171.17	2,595.19

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

DELOITTE HASKINS & SELLS LLP Chartered Accountants

(This space has been intentionally left blank)

Fleur Hotels Pvt. Ltd.

7.1	Non-current tax assets (net)	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
	Advance Income Tax (net of provision for taxation)	**415.41**	317.82
		415.41	317.82

7.2	Other non-current assets	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
	Unsecured, considered good		
	Capital Advances	**669.49**	4,283.83
	Balance with statutory/ government authorities	**48.81**	66.84
	Prepaid expenses	**107.91**	88.54
	Unamortised portion of security deposits	**16,441.68**	17,951.02
	Total	**17,267.89**	22,390.22

(This space has been intentionally left blank)

Deloitte Haskins & Sells LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

8 **Inventories** (valued at lower of cost and net realisable value)	**As at March 31, 2018 Rs in lakhs**	As at March 31, 2017 Rs in lakhs
Food and beverages (excluding liquor and wine)	**78.74**	32.56
Liquor and wine	**59.20**	69.92
Stores, cutlery, crockery, linen, provisions and others	**116.22**	100.02
Total	**254.16**	202.50

As at March 31, 2018: Rs. 5.48 lakhs, (March 31, 2017: Rs. 5.48 lakhs) was recognised as provision for inventories carried at net realisable value.

Refer footnote to Note 14 for inventories pledged.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

(This space has been intentionally left blank)

Fleur Hotels Pvt. Ltd.

9 Financial assets	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
(i) Trade receivables		
Trade receivables	2,173.67	1,035.20
	2,173.67	1,035.20
Break-up for security details:		
Secured, considered good		
Secured, considered doubtful		
Unsecured, considered good	2,173.67	1,035.20
Doubtful	18.41	18.53
	2,192.08	1,053.73
Impairment Allowance (allowance for bad and doubtful debts)		
Doubtful	18.41	18.53
	18.41	18.53
	2,173.67	1,035.20

No trade or other receivable are due from directors or other officers of the Group 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.

	As At March 31, 2018 Rs in lakhs	As At March 31, 2017 Rs in lakhs
(ii) Cash and cash equivalents		
Balance with banks		
On current & cash credit accounts	801.64	540.06
Cash on hand	18.80	10.83
	820.44	550.89

	As At March 31, 2018 Rs in lakhs	As At March 31, 2017 Rs in lakhs
(iii) Investments		
Investments at fair value through Profit & Loss		
Unquoted mutual funds		
4,756.947 (Previous year Nil) Units of Reliance Money Manager Fund	116.01	-
	116.01	-
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Current	116.01	-
Non-Current	-	-
	116.01	-

Deloitte Haskins & Sells LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

	As At March 31, 2018 Rs in lakhs	As At March 31, 2017 Rs in lakhs
(iv) Other financial assets		
Advances recoverable		
- Employee Advance	**0.82**	1.42
- Others	**302.98**	161.02
- Others, considered doubtful	**8.75**	8.75
	312.55	171.19
Provision for doubtful advances	**(8.75)**	(8.75)
	303.80	162.44
Security deposits	**14.73**	15.70
	14.73	15.70
Others		
Interest accrued on fixed deposits	**4.04**	4.00
	322.57	182.14

10 Other current assets	As At March 31, 2018 Rs in lakhs	As At March 31, 2017 Rs in lakhs
Accrued revenue	**11.43**	101.31
Balance with statutory/ government authorities	**373.40**	249.94
Prepaid expenses	**175.25**	142.44
Unamortized portion of security deposits	**947.70**	197.47
Total	**1,507.78**	691.15

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

11 Share capital

Authorised Share Capital

	Equity shares	
	No. of shares	Rs in lakhs
As at April 1, 2016	1,210,000,000	121,000
Increase/(decrease) during the year	-	-
As at March 31, 2017	1,210,000,000	121,000
Increase/(decrease) during the year	-	
As at March 31, 2018	1,210,000,000	121,000

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 INR 10 each issued, subscribed and fully paid	No. of shares	Rs in lakhs
As at April 1, 2016	59,286,253	5,928.63
Issued during the year	-	-
As at March 31, 2017	59,286,253	5,928.63
Issued during the year	-	-
As at March 31, 2018	59,286,253	5,928.63

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 1 each fully paid up				
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%

12 Other equity

Securities Premium	Rs in lakhs
As at April 1, 2016	89,422.28
Increase/(decrease) during the year	-
As at March 31, 2017	89,422.28
Add: premium on issue of shares	-
As at March 31, 2018	89,422.28

Retained Earnings	Rs in lakhs
As at April 1, 2016	(2,447.55)
Profit for the year	206.70
As at March 31, 2017	(2,240.85)
Profit for the year	2.85
As at March 31, 2018	(2,238.00)

Compulsorily convertible debentures	Rs in lakhs
As at April 1, 2016	2,131.71
Increase/(decrease) during the year	148.23
As at March 31, 2017	2,279.94
Increase/(decrease) during the year	-
As at March 31, 2018	2,279.94

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Other reserves		
Securities Premium	89,422.28	89,422.28
Retained Earnings	(2,238.00)	(2,240.85)
Compulsorily convertible debentures	2,279.94	2,279.94
	89,464.22	89,461.37

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.
Compulsory convertible debentures: Each Compulsorily convertible debenture is convertible into one hundred equity shares of Iora Hotels Private Limited of Re one each fully paid. The Debentures are zero coupon and do not carry any interest rate.

13 Non-controlling Interest	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Non-controlling interest	1,020.06	1,020.06
	1,020.06	1,020.06

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

14 Financial Liabilities	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
(i) Non-current borrowings		
Term Loans		
Indian rupee loans from Banks (Secured)		
Axis Bank Limited (Refer note 1 below)	**13,014.87**	6,414.37
Kotak Mahindra Bank Limited (Refer note 2 and 5 below)	**10,490.93**	5,133.52
Yes bank Limited (Refer note 3 and 4 below)	**19,267.86**	16,079.20
Vehicle loans (Refer note 6 below)	**60.71**	39.84
Total non-current borrowings	**42,834.37**	27,666.93
Current borrowings		
Term Loans		
Current maturity of long term loans		
Axis Bank Limited (Refer note 1 below)	**916.25**	720.00
Kotak Mahindra Bank Limited (Refer note 2 and 5 below)	**582.42**	495.92
Yes bank Limited (Refer note 3 and 4 below)	**333.50**	94.00
Vehicle loans (Refer note 6 below)	**23.77**	12.55
Total current borrowings	**1,855.94**	1,322.47
Less: Amount clubbed under "other current financial liabilities"	**(1,855.94)**	(1,322.47)
Net current borrowings	**-**	-

Term loans

1). Rupee term loan from Axis Bank Limited (sanction amount Rs 9,000 lakhs) was taken during financial year 2010-11 and 2014-15 and carries the interest rate @ base rate + 2.35%, Currently 9.50% (previous year 11.60%). The Loan is repayable in 40 quarterly instalments with first installment falling due after a period of 3 years from first disbursement. It is secured by way of
(a) A first pari passu charge on the Borrower's properties & assets, both present & future, pertaining to the Lemon Tree Hotel project of the Company at Delhi Aerocity Hospitality District (Except Project Land).
(b) A first pari passu charge on Company's bank accounts and all revenues of the Company.
(c) Right of substitution provided by DIAL under tripartite agreement with the Company and Axis bank as lender's agent.
(d) Pledge of 51% equity shares of the Company held by the Holding Company.
(e) Corporate guarantee of the Company.

TL-III (sanction amount Rs. 7500 lakhs) was taken during the year 2017-18 and is repayable in 59 quarterly installments commencing 6 months after first disbursement.

2). Rupee term loan from Kotak Mahindara Bank (sanction amount Rs 6,030 lakhs) carries current interest rate of 9.85% (previous year 11.50%). The loan is secured by first and exclusive charge on all existing and future current assets and moveable fixed assets of the company, first and exclusive equitable charge on immoveable properties being land and building situated at 54B/55A Hosur Main road Electronic city Phase 1 Bangalore Karnataka and Corporate guarantee of Fleur Hotels Pvt Ltd.. Loan shall be repaid by way of 120 equal monthly installments starting from month following the month of first disbursement of loan i.e. December 2015

3). Rupee term loan from Yes Bank Limited (santion amount Rs 12,000 lakhs) was taken during financial year 2015-16 and presently carries interest rate @ 6 month's MCLR + 0.90%, Currently 9.95% (previous year 9.50%). 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 fixed assets of Lemon tree hotels Premier, Hyderabad.
b) Exclusive charge on all moveable fixed assets and current assets both present and future of LTH, Hyderabad.
c) Corporate guarantee of the Company

4). Rupee term loan from Yes Bank Limited (santion amount Rs 4,500 lakhs) was taken during financial year 2016-17 and presently carries interest rate @ 6 month's MCLR + 1.15%, Currently 8.85% (Previous year 9.70%). The loan is repayable 44 structured quarterly installment after a moratorium period of 36 months from the date of first disbursement. Interest is payable monthly as and when due. It is secured by :
a) Exclusive charge on all immoveable fixed assets, moveable fixed assets and current assets of Lemon tree Sector 60 Gurgaon, and covention centre within Hotel premises of 20,000 sq.ft (appox.).
b) Corporate guarantee of the Company
5). Rupee term loan from Kotak Mahindara Bank (sanction amount Rs 6,000 lakhs) carries current interest rate of 8.85% (previous year Nil). The loan is secured by:
a) first and exclusive charge on all existing and future current assets and moveable fixed assets of Red Fox Hotel at Sector 60, Gurgaon.
b) Subservient charge on all existing and future current assets of the same hotel.
c) Equitable mortgage by way of exclusive charge on the land and building of the hotel.
Loan shall be repaid by way of 48 quarterly installments starting from 39th month following the month of first disbursement of term loan.

6). Vehicle loan is secured by hypothecation of underlying motor vehicle acquired out of such loans. The loan is repaid on agreed equal monthly installments.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
(ii) Other financial liabilities		
Security deposits	454.75	403.86
	454.75	403.86

15 Provisions

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Provision for gratuity	32.63	27.90
Current	7.43	5.88
Non-current	25.20	22.02

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Provision for leave benefits	35.96	30.14
Current	35.96	30.14
Non-current	-	-

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Provision for litigations (Refer note 32)	53.94	40.97
Current	53.94	40.97
Non-current	-	-
Total current	97.32	76.99
Total non-current	25.20	22.02

(This space has been intentionally left blank)

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

16 Deferred tax liabilities (net)	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Property, plant and equipments and intangible assets	663.30	1,902.03
Borrowings cost	1.38	2.14
Security deposits payable	(281.60)	
Revaluation of land	377.64	401.78
Deferred tax liability	760.72	2,305.95
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	10.66	5.08
Provision for doubtful debts and advances	(0.28)	-
MAT credit entitlement	1,347.54	1,284.88
Effect of unabsorbed depreciation and business loss	(733.99)	203.66
Provision for gratuity	0.31	3.26
Provision for leave compensation	3.67	4.76
Non moving inventory	0.48	
Security deposits	(386.61)	2.33
Others	(17.83)	9.87
Deferred tax asset	223.95	1,513.84
Deferred tax liabilities (net)	536.77	792.11

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

	March 31, 2018	March 31, 2017
Profit/(loss) before tax	(201.57)	425.07
Tax rate	25.75% - 30.90%	33.99%
Tax at statutory income tax rate	(67.93)	144.48
Effect of incomes taxable at nil/lower rate	10.64	(48.35)
Effect of non-deductible expenses	70.10	(55.15)
Tax Effect of expenses/ income not allowed/ required to tax under	(13.89)	(31.92)
Income tax charge/ (credit) in respect of earlier year		
Unrecognized tax assets (net)	(102.94)	208.17
Other adjustments	(102.13)	-
Net	(206.16)	217.24
As per statement of profit and loss	(206.16)	217.24

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

17 Other Non-current liabilities

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Reserve for lease equalisation	1,597.20	1,105.19
Unamortised portion of security deposits	2,402.24	2,543.55
	3,999.44	3,648.74

(This space has been intentionally left blank)

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

18 Financial liabilities

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
(i) Trade payables		
Trade Payables		
-Other than Micro and small enterprises	2,914.08	1,865.27
	2,914.08	1,865.27

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
(ii) Other financial liabilities		
Current maturities of long-term borrowings	1,855.94	1,322.47
Book overdraft	82.50	448.76
Other payables		
-Payable for capital goods	2,352.39	1,884.76
-Sundry Deposits	0.75	0.75
Outstanding dues of other creditors	256.98	226.89
	4,548.56	3,883.63

19 Other current liabilities

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Advance from customers	343.70	200.85
Unamortised portion of security deposits	141.31	141.31
Statutory Dues	269.09	452.83
	754.10	794.99

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

20 Revenue from operations

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Revenue from operations		
Sale of products and services		
- Room rental	13,607.98	8,977.58
- Food and beverage (excluding liquor and wine)	3,578.57	3,039.22
- Liquor and wine	589.68	508.92
- Banquet rentals	33.01	96.80
- Telephone and telex	8.98	67.32
- Other Services (including service charge income)	1,733.66	1,403.15
Other Operating Revenue		
- Management fee	-	286.74
- Commission income	3.72	4.68
Revenue from operations	19,555.60	14,384.41

21 Other Income

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Income from serve for India scheme	-	4.24
Profit on sale of fixed assets	0.35	-
License fees received	316.05	390.13
Rent received	6.14	6.34
Excess provision/ credit balances written back	0.02	38.10
Exchange difference (net)	-	0.34
Miscellaneous income	27.30	12.88
Total	349.86	452.03

22 Cost of food and beverages consumed

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
(a) Consumption of food & beverages excluding liquor & wine		
Inventory at the beginning of the year	32.56	35.15
Add: Purchases	1,867.31	1,211.56
	1,899.87	1,246.71
Less: Inventory at the end of the year	78.74	32.56
Cost of food and beverage consumed	1,821.13	1,214.15
(b) Consumption of liquor & wine		
Inventory at the beginning of the year	69.92	64.02
Add: Purchases	194.55	188.09
	264.47	252.11
Less: Inventory at the end of the year	59.20	69.92
Cost of liquor and wine consumed	205.27	182.19
	2,026.41	1,396.34

23 Employee benefit expense

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Salaries, wages and bonus	2,959.57	2,195.89
Contribution to provident fund and other funds	127.75	84.20
Gratuity expense	10.62	8.20
Leave compensation expenses	8.82	11.31
Staff welfare expenses	502.68	295.67
Total	3,609.44	2,595.27

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

24 Other Expenses

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	336.33	254.02
License fee	623.65	403.97
Power and fuel	2,096.34	1,223.42
Linen & uniform washing and laundry expenses	195.36	169.43
Guest transportation	553.58	333.71
Spa expenses	86.93	78.52
Subscription charges	37.49	45.21
Repair and maintenance		
- Buildings	137.57	264.72
- Plant and machinery	221.24	196.35
- Others	307.82	294.47
Rent	984.74	654.08
Rates and taxes	381.17	300.88
Insurance	36.46	28.03
Communication costs	214.95	200.70
Printing and stationery	110.68	67.63
Traveling and conveyance	40.13	66.68
Vehicle running and maintenance	78.25	64.02
Advertisement and business promotion	580.75	470.70
Management fees	931.08	651.48
Commission -other than sole selling agent	505.59	235.10
Security and cleaning expenses	293.91	155.82
Membership and subscriptions	2.43	3.47
Legal and professional fees	186.64	237.99
Advances written off	-	1.38
Water and sewerage charges	4.70	3.93
Freight and cartage	0.94	0.39
Exchange difference (net)	0.06	-
Donations	4.68	8.60
Loss on sale of property, plant & equipment	-	0.60
Provision for doubtful debts	3.03	10.30
Payment to auditor	33.00	43.29
Miscellaneous expenses	204.91	118.96
Total	9,194.41	6,587.85

Payment to auditor

For Statutory audit	23.00	23.75
For Tax audit	2.00	-
For Other services	8.00	18.58
Reimbursement of expenses	-	0.96
	33.00	43.30

Details of CSR expenditure:

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
(a) Gross amount required to be spent by the group during the year	20.54	21.18

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

	In cash	Yet to be paid in cash*	Total
(c) Amount spent during the year ending on 31st March, 2017:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	8.60	-	8.60

*Company did not find any adequate opportunity for spending the balance amount

25 Depreciation and amortization expense

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Depreciation of tangible assets	2,431.52	1,990.00
Amortization of intangible assets	21.45	11.20
Total	2,452.97	2,001.20

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

26 Finance costs

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Interest		
- on term loans from banks	2,661.13	1,750.27
- on vehicle loans	7.51	3.64
- on income tax	0.03	2.89
- on others	52.55	45.88
Bank charges (including commission on credit card collection)	207.54	138.38
Total	2,928.76	1,941.06

27 Finance income

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Profit on sale of investment	-	1.65
Interest Income on :		
-Bank Deposits	19.38	20.54
- Interest on income tax refund	4.90	-
-Others	79.66	88.16
Fair value loss on financial instruments at fair value through profit or loss	1.01	-
	104.95	110.35

28 Earnings per share (Basic and Diluted)

Basic EPS amounts are calculated by dividing the profit for the period/year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the period/year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the period/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 earnings and weighted average number of ordinary shares used in the calculation of Basic and Diluted EPS are as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
(Loss)/Profit attributable to equity holders (for basic and diluted)	4.58	207.83
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	0.01	0.35

* 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.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

29. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated 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 liabilitiesaffected in future periods.

Judgements

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

Operating lease commitments – Group as lessee

The Group has taken certain land and land and building on long term lease basis. The lease agreements generally have an escalation clause.These leases are generally non-cancellable. The Group 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/ remaining 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 Group 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 Group 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 Group. Such changes are reflected in the assumptions when they occur. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods. See Note 34 for further disclosures.

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.

Deloitte Haskins & Sells LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

Taxes

Considering that nature of the Company's operations and history of past tax losses, deferred tax assets (including MAT credit) are recognized to the extent that it is probable that taxable profit will be generated in future against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, it is considered prudent to recognize the deferred tax assets only to the extent of deferred tax liabilities and the Company has not recognised deferred tax assets of Rs 8,48.50 lakhs and Rs 9,05.40 lakhs as of March 31, 2018 and March 31, 2017 respectively.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd

30. Group information

The consolidated financial statements of the Group include subsidiaries and Limited liability partnership listed in the table below:

a) Subsidiaries/LLP under Direct Control

S. No.	Name of the Company	Principal Activities	Country of Incorporation	% of equity interest	
				March 31, 2018	March 31, 2017
1.	Celsia Hotels Private Limited	Hotel Business	India	**100%**	100%
2.	Inovoa Hotels & Resorts Limited	Hotel Business	India	**100%**	100%
3.	IORA Hotels Private Limited	Hotel Business	India	**100%**	100%
4.	Ophrys Hotels Private Limited	Hotel Business	India	**100%**	100%
5.	Hyacinth Hotels Private Limited	Hotel Business	India	**100%**	100%
6.	Bandhav Resorts Private Limited	Hotel Business	India	**100%**	100%
7.	Mezereon Hotels LLP	Hotel Business	India	**99.99%**	99.99%

DELOITTE HASKINS & SELLS LLP Chartered Accountants

(This space has been intentionally left blank)

Fleur Hotels Pvt. Ltd.

31. Gratuity

The Group 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 Group 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

Benefit Liability	**March 31, 2018**	March 31, 2017
Gratuity plan	**32.63**	27.90
Total	**32.63**	27.90

Risk analysis

Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

- Investment risk

  The most of the Indian defined benefit plans are funded with Life Insurance Corporation of India. Group does not have any liberty to manage the fund provided to Life Insurance Corporation of India.

  The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds for Group's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.
- Interest risk

  A decrease in the interest rate on plan assets will increase the plan liability.
- Longevity risk/life expectancy

  The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. Increases in the life expectancy of the plan participants will increase the plan liability.
- Salary growth risk

  The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

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/income	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, 2018
Defined benefit obligation	34.23	8.29	2.29	10.58	(1.03)	-	-	(0.90)	2.89	1.99	-	45.77
Fair value of plan assets	6.33	-	0.43	0.43	(0.42)	(0.14)	-	-	-	(0.14)	6.94	13.14
Benefit liability	**27.90**	**8.29**	**1.86**	**10.15**	**(0.61)**	**0.14**	-	**(0.90)**	**2.89**	**2.13**	**(6.94)**	**32.63**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2017:

Rs. in lakhs

	Opening Balance	cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2016	Service cost	Net interest expense/Income	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, 2017
Defined benefit obligation	25.94	6.75	1.96	8.71	(1.56)	-	-	0.99	0.15	1.14	-	34.23
Fair value of plan assets	6.56	-	0.50	0.50	(0.75)	0.01	-	-	-	0.01	0.02	6.33
Benefit liability	**19.38**	**6.75**	**1.46**	**8.21**	**(0.81)**	**(0.01)**	-	**0.99**	**0.15**	**1.13**	**(0.02)**	**27.90**

Deloitte Haskins & Sells LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

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

	March 31, 2018	March 31, 2017
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 Group's plans are shown below:

	March 31, 2018	March 31, 2017
Discount rate:		
Pension plan	7.30%	6.70%
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, 2018 is as shown below:

India gratuity plan:

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	1.43	1.53	1.55	1.48

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

Rs in lakhs

	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	1.05	1.13	1.18	1.17

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, 2018	For the year ended March 31, 2017
1	11.00	7.63
2	9.43	6.52
3	8.00	6.12
4	6.91	5.24
5	5.76	4.38
Above 5	18.89	14.51
Total expected payments	**59.99**	**44.39**

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2017: 5 years).

32. Commitments and contingencies

a. Leases

Operating lease commitments — Group as lessee

The Group has taken hotel properties under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms. The lease for hotel properties are non-cancellable for a period of twenty three to twenty nine years.

The Group has recognised the following expenses as rent in the statement of Profit & Loss towards minimum lease payment.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Lease Rent on Hotel Properties	1,595.64	646.46
Total	**1,595.64**	**646.46**

Future minimum rentals payable under non-cancellable operating leases as at March 31 are, as follows:

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Minimum Lease Payments :		
Not later than one year	1,723.75	1,574.08
Later than one year but not later than five years	7,922.40	6,910.98
Later than five years	57,956.95	53,676.88
Total	**67,603.10**	**62,161.94**

b. Commitments

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

Estimated amount of contracts remaining to be executed and not provided for March 31, 2018 Rs. 13,950.14 lakhs (March 31,2017 Rs. 14,175.49 lakhs)

c. Contingent liabilities

(i) Legal claim contingency

Rs. in lakhs

		March 31, 2018	March 31, 2017
a.	Counter guarantees issued in respect of guarantees issued by company's bankers	341.97	267.63
c.	Value Added Tax (VAT)	-	43.50
d.	Service Tax	92.38	92.38
e.	Income Tax	16.40	-
f.	Property Tax	69.34	69.34

The Group's pending litigations above pertains to proceedings pending with Income Tax, Sales/VAT tax and other authorities. The Group 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.

Deloitte Haskins & Sells LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(ii) During the earlier years, the Ultimate Holding Company and one of the subsidiary company, Hyacinth Hotels Private Limited (collectively known as "Companies") had received a show cause notice dated April 25, 2014 from Collector of Stamps, Delhi ('Department'), wherein the department was of the view that prima facie the companies has not paid stamp duty as per Indian Stamp Act, 1899 on right to use the land given by Delhi International Airport (P) Ltd. (DIAL) under the Development Agreement dated May 25, 2009 ('DA'). The Companies contested the matter and the Department pursuant to the response received from all the developers of area where the Companies project is located, and arguments thereon, passed a common order on July 14, 2014 ("Order") and subsequently, the Companies and its directors received show cause notice dated August 14, 2014 from the Department as to why criminal prosecution for non- payment of requisite stamp duty should not be initiated against them. The Company along with certain other developers had filed a writ petition before the Honorable High Court of Delhi (HC) and the HC vide its order dated August 25, 2014 has granted ex- parte interim stay from all proceedings under the Order including the said show cause notice dated August 14, 2014. The next date of hearing before the HC is scheduled for October 11, 2018. The companies, based on advice from legal experts, is of the view that there is no likelihood of any liability devolving on the Companies on this ground.

(iii) Hyacinth Hotels Private Limited, one of the subsidiary company, has received a demand from South Delhi Municipal Corporation ('the Authority') wherein the Authority has called upon the subsidiary company to pay an amount of Rs. 68.20 lakhs (for the financial Years 2010-11 to financial years 2013-2014) towards annual value in respect of the hotel property situated in Hospitality District, Aerocity. The Subsidiary Company filed a writ petition in the high court against the said order. Pending adjudication, the High Court had given interim stay directing the subsidiary company to deposit Rs 25 lakhs. The management based upon its assessment and expert's advice believes that any further liability against the aforesaid demand (including the demand for any subsequent year) is improbable to crystallize.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

33. Related Party Transactions

Names of related parties	
Holding company	- Lemon Tree Hotels Limited
Fellow subsidiary companies	- Begonia Hotels Private Limited - Nightingale Hotels Private Limited.
Key Management Personnel	- Mr. Patanjali Govind Keswani(Chairman & Managing Director) - Mr. Sachin Doshi(Director)(Upto August 10,2017) - Mr.Niten Malhan(Director) - 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 (Additional Director)(Wef August 24, 2017) -Mr. Paramartha Saikia(Independent Director)(wef June 8, 2017)
Enterprises owned or significantly influenced by key management personnel or their relatives	- Spank Management Services Private Limited - Toucan Real Estates Private Limited
Enterprise in which Holding company has Significant Influence	-Mind Leaders Learning India Private Limited

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 Bakshi

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

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	Fellow subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	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							
Lemon Tree Hotels Limited	31-Mar-18	**288.94**	-	-	-	-	-
	31-Mar-17	293.48	-	-	-	-	-
Reimbursement of expenses incurred on company's behalf							
Lemon Tree Hotels Limited	31-Mar-18	**5.95**	-	-	-	-	-
	31-Mar-17	75.08	-	-	-	-	-
Bandhav Resorts Private Limited	31-Mar-18	-	-	-	-	-	-
	31-Mar-17	-	2.63	-	-	-	-
Amount received by the company							
Begonia Hotels Private Limited	31-Mar-18	-	-	-	-	-	-

Transactions with Related Party	Year Ended	Holding Company	Fellow subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
	31-Mar-17	-	4.43	-	-	-	-
License Fee Received							
Lemon Tree Hotels Limited	31-Mar-18	**200.95**	-	-	-	-	-
	31-Mar-17	189.64	-	-	-	-	-
Management Fees paid							
Lemon Tree Hotels Limited	31-Mar-18	**3,430.43**	-	-	-	-	-
	31-Mar-17	3,796.38	-	-	-	-	-
Training Fee Paid							
Mind Leaders Learning India Private Limited	31-Mar-18	-	-	-	-	-	**59.78**
	31-Mar-17	-	-	-	-	-	
Renumeration Paid							
Mr. Sumant Jaidka	31-Mar-18				**55.61**		
	31-Mar-17	-	-	-	45.47	-	-
Mr. Inder Pal Batra	31-Mar-18	-	-	**38.89**	-	-	-
	31-Mar-17	-	-	32.50	-	-	-

Deloitte Haskins & Sells LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

Transactions with Related Party	Year Ended	Holding Company	Fellow subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
Ms. Pooja Bakshi	31-Mar-18	-	-	7.78	-	-	-
	31-Mar-17	-	-	6.19	-	-	-
Issue of Compulsory Convertible Debentures							
Begonia Hotels Private Limited	31-Mar-18	-	-	-	-	-	-
	31-Mar-17	-	200.00	-	-	-	-
Purchase of Property, Plant & Equipment							
Lemon Tree Hotels Limited	31-Mar-18	-	-	-	-	-	-
	31-Mar-17	32.48	-	-	-	-	-
Capital advance given during the year							
Toucan Real Estates Private Limited	31-Mar-18	-	-	-	-	-	-
	31-Mar-17	-	-	-	-	1,757.57	
Deposit given							
Toucan Real Estates Private	31-Mar-18	-	-	-	-	**192.00**	-

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

Transactions with Related Party	Year Ended	Holding Company	Fellow subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
Limited							
	31-Mar-17	-	-	-	-	-	-
Guarantee Taken for Loan received							
Lemon Tree Hotels Limited	31-Mar-18	**26,605.00**	-	-	-	-	-
	31-Mar-17	13,500.00	-	-	-	-	-
Balance Outstanding at the year end-Other Long term Liabilities							
Lemon Tree Hotels Limited	31-Mar-18	**3,850.00**	-	-	-	-	-
	31-Mar-17	3,850.00	-	-	-	-	-
Balances outstanding at the year end- (Credit)/ Debit							
Lemon Tree Hotels Limited	31-Mar-18	**(85.78)**	-	-	-	-	-
	31-Mar-17	206.29	-	-	-	-	-
Begonia Hotels Private Limited	31-Mar-18	-	-	-	-	-	-
	31-Mar-17	-	4.43	-	-	-	-

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

Transactions with Related Party	Year Ended	Holding Company	Fellow subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprise in which Holding company has significant influence
Mr. Sumant Jaidka	31-Mar-18	-	-	-	**(6.53)**	-	-
	31-Mar-17	-	-	-	3.48	-	-
Mr. Inder Pal Batra	31-Mar-18	-	-	-	**(0.59)**	-	-
	31-Mar-17	-	-	-	-	-	-
Mind Leaders Learning India Private Limited	31-Mar-18	-	-	-	-	-	**14.07**
	31-Mar-17	-	-	-	-	-	-
Toucan Real Estates Private Limited	31-Mar-18	-	-	-	-	**192.00**	-
	31-Mar-17	-	-	-	-	-	-
Compulsory convertible debentures							
Begonia Hotels Private Limited	31-Mar-18	-	**2,300.00**	-	-	-	-
	31-Mar-17	-	2,300.00	-	-	-	-
Nightingale Hotels Private Limited	31-Mar-18	-	**1,000.00**	-	-	-	-
	31-Mar-17	-	1,000.00	-	-	-	-

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

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, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Rs 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 Group has not entered into any commitments with related parties during the year.

34. Fair value measurement

a. Financial assets

Rs. in lakhs

	March 31, 2018		March 31, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade Receivables	-	**2,173.67**	-	1,035.20
Investments	**116.01**	-	-	-
Security Deposits	-	**2,874.01**	-	2,350.66
Other bank balances	-	**218.75**	-	186.30
Cash and Cash Equivalents	-	**820.44**	-	550.89
Interest accrued on deposit with banks	-	**97.18**	-	77.94
Loans		-	-	-
Other amount recoverable	-	**303.80**	-	162.44
Total Financial Assets	**116.01**	**6,487.85**	-	4,363.43

b. Financial liabilities

Rs. In lakhs

	March 31, 2018		March 31, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Borrowings	-	42,834.37	-	28,989.41
Trade Payables	-	2,914.08	-	1,865.27
Other Financial Liabilities	-	5,003.31	-	2,965.02
Total Financial Liabilities	-	**50,751.76**	-	33,819.69

Deloitte Haskins & Sells LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

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 Group 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 Group's assumptions about pricing by market participants.

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

Financial assets and liabilities measured at fair value

	March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Quoted Mutual Funds	116.01	-	-	116.01

	March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	-	-

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, bank overdrafts, Interest accrued on bank deposits with banks, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of loans, security deposits, borrowings and other financial assets and liabilities are considered to be the same as their carrying values, as there is an immaterial change in the lending rates.

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

- The fair values of the investment in mutual funds have been estimated based on NAV of the assets at each reporting date

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

35. Financial risk management objectives and policies

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

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. This financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Group'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 interest rate 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group is carrying its borrowings primarily at variable rate. The Group expects the variable rate to decline, accordingly the Group is currently carrying its loans at variable interest rates.

Rs. In lakhs

	March 31, 2018	March 31, 2017
Variable rate borrowings	**44,605.83**	28,937.01
Fixed rate borrowings	**84.48**	52.40

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 Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

		Increase/decrease in basis points	Effect on profit before tax
			Rs. In lakhs
March 31, 2018			
INR		50	188.48
INR		-50	(188.48)
March 31, 2017			
INR		50	104.58
INR		-50	(104.58)

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 Group 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 Group 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 financial institutions and other financial instruments.

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Group'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 9. The Group does not hold collateral as security.

(b) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018, March 2017 is the carrying amount as illustrated in Note 9.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

Rs. in lakhs

Ageing	March 31, 2018	March 31, 2017
Not due	-	-
0-60 days past due	1273.98	681.34
61-120 days past due	305.81	169.85
121-180 days past due	223.78	48.81
180-365 days past due	276.42	80.29
365-730 days past due	69.56	45.50
more than 730 days	24.12	9.41

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

Rs. in lakhs

Ageing	March 31, 2018	March 31, 2017
Not due	-	-
0-60 days past due	-	8.81
61-120 days past due	-	-
121-180 days past due	-	-
180-365 days past due	-	-
more than 365 days	18.41	9.72

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

Rs. In lakhs

	March 31, 2018	March 31, 2017
Provision at beginning	18.53	13.82
Addition during the year	-	8.81
Reversal during the year	-	-
Utilised during the year	0.12	4.11
Provision at closing	18.41	18.53

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

	March 31, 2018	March 31, 2017
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

Deloitte Haskins & Sells LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

Liquidity risk

The Group monitors its risk of a shortage of funds by estimating the future cash flows. The Group'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 Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group 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, 2018, the group had available Rs. 20,500 lakhs (March 31, 2017: Rs. 12, 500 lakhs) of undrawn committed borrowing facilities.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

The table below summarises the maturity profile of the Group'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, 2018						
Borrowings	-	218.12	1,659.62	12,297.94	30,514.63	44,690.31
Trade and other payables	2,914.08	-	-	-	-	2,914.08
Other Financial Liabilities	3,147.37	-	-	-	-	3,147.37
	6,061.45	**218.12**	**1,659.62**	**12,297.94**	**30,514.63**	**50,751.76**
Year ended March 31, 2017						
Borrowings	-	111.84	1,118.88	10,220.17	17,538.51	28,989.40
Trade and other payables	1,865.14	-	-	-	-	1,865.14
Other Financial Liabilities	2,965.01	-	-	-	-	2,965.01
	4,830.15	**111.84**	**1,118.88**	**10,220.17**	**17,538.51**	**33,819.55**

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

36. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

Rs. in lakhs

	March 31, 2018	March 31, 2017
Borrowings	44,690.31	28,989.41
Trade payables (Note 18)	2,914.08	1,865.27
Less: cash and cash equivalents (Note 9)	820.44	550.89
Net debt	**46,783.95**	**30,303.78**
Total capital	96,412.91	96,410.06
Capital and net debt	143,196.86	126,713.84
Gearing ratio	**33%**	**24%**

In order to achieve this overall objective, the Group'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, 2018 and March 31, 2017.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

37. Segment Reporting

The Group 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 Group performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore there is no reportable segment for the Group as per the requirements of Ind AS 108 – "Operating Segments".

Information about geographical areas

The Group has only domestic operations and hence no information required for the Group 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

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Fleur Hotels Pvt. Ltd.

38. Business combination

During the previous year, on 13th May, 2016, one of the subsidiary Company, M/s. Fleur Hotels Private Limited purchased 23,110 shares of Bandhav Resorts Private Limited, constituting 100% stake, from its previous owners. On acquisition of Bandhav hotels, the Group has recognized Rs. 673.42 lakhs being the excess of amount paid for the transfer amounting to Rs. 834.04 lakhs and net assets taken over amounting to INR 160.62 lakhs as Goodwill under Intangible assets.

The fair value of assets and liabilities of Bandhav Resorts Private Limited taken over as at the date of business combination were as follows:

Particulars	Fair value of assets and liabilities
Property plant & equipment	522.90
Other Non-current assets	18.01
Other non-financial assets	0.72
Cash and short term deposits	2.69
Total assets (A)	**544.32**
Interest-bearing loans and borrowings	364.86
Other non-financial liabilities	18.84
Total liabilities (B)	**383.70**
Net asset taken over (A-B)	**160.62**
Amount paid	**834.04**
Goodwill	**673.42**
Cash acquired on acquisition	2.69
Cash paid	834.04
Net cash on acquisition	**831.35**

39. During the earlier years, one of the subsidiary had entered into an Infrastructure development and services agreement with Delhi International Airport Limited to develop two hotels at Aero City, New Delhi for an initial term of 27 years, extendable at the option of the subsidiary for an additional period of 30 years provided DIAL gets the extension from Airport Authority of India. DIAL is committed to take over the building at 'Book values', as defined in the aforesaid agreement in case the agreement is not extended further.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

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

Rs in lakhs

	March 31, 2018	March 31, 2017
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	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	0.05
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

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

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Fleur Hotels Pvt. Ltd.

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

43. Previous period's figures in the financial statements, including the notes thereto, have been reclassified wherever required to confirm to the current period's presentation/classification. These are not material and do not affect the previously reported net profit or equity.

44. Amounts for year ended March 31, 2017 and as at March 31, 2017 were audited by previous auditors – S.R. Batliboi & Co. LLP.

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 & Managing Director

Inder Pal Batra
Chief Financial Officer

Pooja Bakshi
Company Secretary

Place : New Delhi
Date: May 25, 2018

Fleur Hotels Pvt. Ltd.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants