S.R. BATLIBOI & CO. LLP
Chartered Accountants

Golf View Corporate Tower - B
Sector-42, Sector Road
Gurgaon -122 002, Haryana, India

Tel : +91 124 464 4000
Fax: +91 124 464 4050

INDEPENDENT AUDITOR'S REPORT

To the Members of Hyacinth Hotels Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Hyacinth Hotels Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 27 to the standalone Ind AS financial statements;

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

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

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Chartered Accountants

iv. The Company has provided requisite disclosures in Note 34 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 95[illegible]
Place: Gurgaon
Date: 13 JUN 2017

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date
Re: Hyacinth Hotels Private Limited (the Company)

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

(i) (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i) (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the company does not own any immoveable property. Accordingly, the provisions of clause 3(i)(c) of the Order is not applicable to the Company and hence not commented upon.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.

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

(vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.

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(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way of term loans were applied for the purposes for which those were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has not been paid / provided by the Company. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 95169
Place of Signature: Gurgaon
Date: 13 JUN 2017

Annexure referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date
Re: Hyacinth Hotels Private Limited (the Company)

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

We have audited the internal financial controls over financial reporting of Hyacinth Hotels Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S.R. BATLIBOI & CO. LLP GURGAON

per Sanjay Vij
Partner
Membership Number: 95[illegible]
Place of Signature: Gurgaon
Date: 13 JUN 2017

Hyacinth Hotels Private Limited
Balance Sheet as at March 31, 2017

	Notes	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	**18,972.88**	19,823.65	20,620.03
(b) Intangible assets	4	**26.83**	33.28	27.06
(c) Financial assets	5			
(i) Other non-current financial assets		**606.86**	540.70	482.62
(d) Other non-current assets	6	**1,300.55**	1,285.63	1,423.97
		20,907.12	21,683.26	22,553.68
Current assets				
(a) Inventories	7	**77.93**	91.34	86.41
(b) Financial assets	8			
(i) Trade receivables		**539.46**	300.65	273.49
(ii) Cash and Cash equivalents		**169.51**	183.71	59.27
(c) Other current assets	9	**320.56**	212.92	210.50
		1,107.46	788.62	629.67
Total Assets		**22,014.58**	22,471.88	23,183.35
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	10	**71.00**	71.00	71.00
(b) Other equity	11	**12,994.25**	13,016.20	13,539.09
Total Equity		**13,065.25**	13,087.20	13,610.09
Liabilities				
Non-current liabilities				
(a) Financial liabilities	12			
(i) Borrowings		**6,595.40**	7,391.63	8,321.38
(ii) Other non-current financial liabilities		**403.86**	358.67	318.53
(b) Provisions	13	**4.82**	2.85	2.16
		7,004.08	7,753.15	8,642.07
Current liabilities				
(a) Financial liabilities	14			
(i) Trade payables		**911.10**	621.74	323.39
(ii) Other current financial liabilities		**793.32**	795.31	547.47
(b) Other current liabilities	15	**191.36**	179.93	55.08
(c) Provisions	13	**49.47**	34.55	5.25
		1,945.25	1,631.53	931.19
Total Liabilities		**8,949.33**	9,384.68	9,573.26
Total Equity and Liabilities		**22,014.58**	22,471.88	23,183.35

Summary of significant accounting policies 2.2

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No. 301003E/E300005
Chartered Accountants

S.R. BATLIBOI & CO. LLP GURGAON

per Sanjay Vij
Partner
Membership No. 95169

Place : Gurgaon
Date : June 13, 2017

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

Kapil Sharma
Director
DIN: 00352890

J.K. Chawla
Director
DIN: 00003022

HYACINTH HOTELS PVT. LTD. New Delhi

Place : New Delhi
Date : June 13, 2017

Hyacinth Hotels Private Limited
Statement of Profit and Loss for the year ended March 31, 2017

	Notes	Year ended March 31, 2017 Rs in lakhs	Year ended March 31, 2016 Rs in lakhs
Revenue from operations	16	**5,129.03**	4,733.35
Other income	17	**401.62**	395.33
Total Income (I)		**5,530.65**	5,128.68
Expenses			
Cost of food & beverages	18	**573.37**	499.27
Employee benefits expense	19	**818.04**	709.74
Other expenses	20	**2,806.05**	2,532.73
Total expenses (II)		**4,197.46**	3,741.74
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		**1,333.19**	1,386.94
Finance costs	21	**1,025.27**	1,062.86
Finance income	22	**(64.12)**	(60.26)
Depreciation and amortization expense	23	**864.85**	906.79
Loss before tax		**(492.81)**	(522.45)
Tax expense:			
-Adjustment of tax relating to earlier periods		**(2.75)**	1.05
		(2.75)	1.05
Loss for the year		**(490.06)**	(523.50)
Other comprehensive income			
Remeasurements of defined benefit plans		**(0.78)**	0.61
		(490.84)	(522.89)
Total comprehensive loss for the year		**(490.84)**	(522.89)
Loss per equity share:			
(1) Basic	24	**(6.90)**	(7.37)
(2) Diluted	24	**(6.90)**	(7.37)

Summary of significant accounting policies 2.2

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No. 301003E/E300005
Chartered Accountants

S.R. BATLIBOI & CO. LLP GURGAON

per Sanjay Vij
Partner
Membership No. 95169

Place : Gurgaon
Date : June 13, 2017

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

Kapil Sharma
Director
DIN: 00352890

J.K. Chawla
Director
DIN: 00003022

HYACINTH HOTELS PVT. LTD. New Delhi

Place : New Delhi
Date : June 13, 2017

Hyacinth Hotels Private Limited
Statement of changes in equity for the year ended March 31, 2017

A. Equity Share Capital

Equity shares of INR 1 each issued, subscribed and fully paid	No. of shares	Amount (Rs in lakhs)
At 1 April 2015	7,100,000	71.00
Issue of share capital	-	-
At 31 March 2016	7,100,000	71.00
Issue of share capital	-	-
At 31 March 2017	7,100,000	71.00

B. Other Equity
For the year ended March 31, 2017

Rs In lakhs

	Reserves and Surplus			Items of OCI	Other Equity
	Capital reserve	Securities Premium	Retained Earnings	Remeasurement gains (losses) on defined benefit plans	
Balance at 1 April 2015	9,878.76	6,930.00	(3,269.67)	-	13,539.09
Total comprehensive Income for the year	-	-	(523.50)	0.61	(522.89)
Balance at 31 March 2016	9,878.76	6,930.00	(3,793.17)	0.61	13,016.20
Total comprehensive Income for the year	-	-	(490.06)	(0.78)	(490.84)
Increase/(decrease) during the year	468.89		-	-	468.89
Balance at 31 March 2017	10,347.65	6,930.00	(4,283.23)	(0.17)	12,994.25

Summary of significant accounting policies 2.2

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No. 301003E/E300005
Chartered Accountants

per Sanjay Vij
Partner
Membership No. 95169

S.R. BATLIBOI & CO. LLP GURGAON

Place : Gurgaon
Date : June 13, 2017

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

Kapil Sharma
Director
DIN: 00352890

J.K. Chawla
Director
DIN: 00003022

Place : New Delhi
Date : June 13, 2017

HYACINTH HOTELS PVT. LTD. New Delhi

Hyacinth Hotels Private Limited
Cash flow statement for the year ended March 31, 2017

	Year ended March 31, 2017 Rs in lakhs	Year ended March 31, 2016 Rs in lakhs
A. Cash flow from operating activities		
Loss before tax	**(492.81)**	(522.45)
Non-cash adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expenses	**864.85**	906.79
Unwinding of discount on security deposits	**56.16**	56.16
Finance income (including fair value change in financial instruments)	**(0.97)**	(0.97)
Finance costs (including fair value change in financial instruments)	**957.53**	1,002.90
Advance written off	**1.12**	28.47
Provision for gratuity	**1.89**	1.28
Provision for leave encashment	**1.25**	1.34
Excess provision/ credit balances written back	**4.51**	1.09
Provision for contingencies	**12.97**	28.00
Loss on sale of property plant & equipment	**3.11**	-
Operating profit before working capital changes:	**1,409.61**	1,502.61
Movements in working capital:		
(Increase) in trade receivables	**(238.81)**	(27.16)
(Increase) in loans and advances and other current assets	**(174.84)**	(113.95)
Decrease/(Increase) in inventories	**13.41**	(4.93)
Increase in liabilities and provisions	**312.66**	519.66
Cash Generated from Operations	**1,322.03**	1,876.23
Direct taxes paid (net of refunds)	**(68.41)**	43.41
Net cash flow from operating activities (A)	**1,253.62**	1,919.64
B. Cash flows used in investing activities		
Purchase of property, plant & equipment including capital advances	**(20.82)**	(53.94)
Proceeds from sale of property, plant & equipment	**10.08**	-
Interest received	**0.97**	0.97
Net Cash flow used in investing activities (B)	**(9.77)**	(52.97)
C Cash flows used in financing activities		
Repayment of long term borrowings	**(300.52)**	(739.33)
Interest paid	**(957.53)**	(1,002.90)
Net Cash flow used in financing activities (C)	**(1,258.05)**	(1,742.23)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**(14.20)**	124.44
Cash and cash equivalents at the beginning of the year	**183.71**	59.27
Cash and cash equivalents at the end of the year	**169.51**	183.71
Components of cash and cash equivalents		
Cash on hand	**1.23**	3.35
Balances with scheduled banks in		
- Current accounts	**168.28**	180.36
Total cash and cash equivalents	**169.51**	183.71

Summary of significant accounting policies 2.2

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No. 301003E/E300005
Chartered Accountants

per Sanjay Vij
Partner
Membership No. 95169

S.R. BATLIBOI & CO. LLP GURGAON

Place : Gurgaon
Date : June 13, 2017

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

Kapil Sharma
Director
DIN: 00352890

J.K. Chawla
Director
DIN: 00003022

Place : New Delhi
Date : June 13, 2017

HYACINTH HOTELS PVT. LTD. New Delhi

1. **Corporate Information**

Hyacinth Hotels Private Limited (the Company) is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at B-6/17 Safdarjung Enclave New Delhi 110029.

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

The financial statements are approved for issue in accordance with a resolution of the directors on June 13, 2017.

2 **Basis of preparation**

2.1 **Significant accounting policies**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 33 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value/ amortised cost (refer note 30 below)

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

2.2 **Summary of significant accounting policies**

(a) **Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

HYACINTH HOTELS PVT. LTD. New Delhi

S.R. BATLIBOI & CO. LLP GURGAON

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

(b) Foreign currencies

Transactions and balances

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

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

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

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

(c) Fair value measurement

The Company measures financial instruments, 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 Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants

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act in their economic best interest.

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

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

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

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

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

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

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the 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 as explained above.

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

- Financial instruments (including those carried at amortised cost) (note 30)

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(d) Revenue recognition

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

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

Rooms, Restaurant, Banquets and Other Services

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Service Tax, Value Added Taxes (VAT) 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.

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.

(e) Taxes

Taxes comprises current income tax and deferred tax

Current income tax

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

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

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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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

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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 paid on acquisition of assets or on incurring expenses

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

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

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

(f) Property, plant and equipment

On transition to IND AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment (See Note 33)

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.

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

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

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

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

* Building on leasehold land is depreciated over the primary lease period or useful life whichever is lower.

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The Company, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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.

(g) Intangible assets

On transition to IND AS, the Company has elected to continue with the carrying value of all of its Intangible assets recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Intangible asset (See Note 33)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as 3 years and the same shall be amortised on straight line basis over its useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually at year end either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

(h) Borrowing costs

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

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

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

(i) Leases

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

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

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.All other leases are classified as operating lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.1.h). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

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

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

Company as a lessor

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

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

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leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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

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

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

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

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

(j) Inventories

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

(k) Impairment of non-financial assets

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

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

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

(l) Provisions

General

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

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.

(m) 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.

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

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

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

The company 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. Remeaseurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(n) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

This category is the most relevant to the Company. 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 8.

Debt instrument at FVTOCI

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the 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 Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

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

Equity investments

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

Derecognition

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

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

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Trade receivables or any contractual right to receive cash or another financial asset

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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

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

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

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

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

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

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

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

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Interest free loan from holding Company are recognized at fair value and differential is considered as 'capital reserves'.

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 12.

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Financial guarantee

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

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.

(o) Cash and cash equivalents

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

(p) Measurement of EBITDA

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

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3 Property, plant and equipment

Rs in lakhs

Particulars	Building on leasehold land(also refer note 37)	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Crockery, cutlery and soft furnishings	Computers	Vehicles	Total
Cost or valuation										
Deemed cost as at April 1, 2015	15,791.12	1,854.64	1,009.37	492.71	26.91	1,137.08	218.25	31.84	58.11	20,620.03
Additions	47.52	54.41	-	1.47	-	0.66	-	-	-	104.06
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2016	**15,838.64**	**1,909.05**	**1,009.37**	**494.18**	**26.91**	**1,137.74**	**218.25**	**31.84**	**58.11**	**20,724.09**
Additions	-	0.80	-	4.79	0.58	14.55	-	0.10	-	20.82
Disposals	-	-	-	-	-	19.94	-	-	-	19.94
As at March 31, 2017	**15,838.64**	**1,909.85**	**1,009.37**	**498.97**	**27.49**	**1,132.35**	**218.25**	**31.94**	**58.11**	**20,724.97**
Depreciation										
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-
Charge for the year	257.06	136.36	121.70	51.51	7.23	169.66	126.50	18.12	12.30	900.44
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2016	**257.06**	**136.36**	**121.70**	**51.51**	**7.23**	**169.66**	**126.50**	**18.12**	**12.30**	**900.44**
Charge for the year	256.36	136.43	121.36	50.86	7.21	168.74	91.75	13.42	12.27	858.40
Disposals	-	-	-	-	-	6.75	-	-	-	6.75
As at March 31, 2017	**513.42**	**272.79**	**243.06**	**102.37**	**14.44**	**331.65**	**218.25**	**31.54**	**24.57**	**1,752.09**
Net Book value										
As at March 31, 2017	**15,325.22**	**1,637.06**	**766.31**	**396.60**	**13.05**	**800.70**	**-**	**0.40**	**33.54**	**18,972.88**
As at March 31, 2016	15,581.58	1,772.69	887.67	442.67	19.68	968.08	91.75	13.72	45.81	19,823.65
As at April 1, 2015	15,791.12	1,854.64	1,009.37	492.71	26.91	1,137.08	218.25	31.84	58.11	20,620.03

Notes

a) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in note 12 on 'borrowings'.

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Hyacinth Hotels Private Limited
Notes to financial statements for the year ended March 31, 2017

4 Intangible assets *Rs. in lakhs*

Particulars	Software	Total
Cost or valuation		
Deemed cost as at April 1, 2015	27.06	27.06
Additions	12.57	12.57
Disposals	-	-
As at March 31, 2016	**39.63**	**39.63**
Additions	-	-
Disposals	-	-
As at March 31, 2017	**39.63**	**39.63**
Amortisation and impairment		
As at April 1, 2015	-	-
Amortisation	6.35	6.35
Disposals	-	-
As at March 31, 2016	**6.35**	**6.35**
Amortisation	6.45	6.45
Disposals	-	-
As at March 31, 2017	**12.80**	**12.80**
Net Block		
As at March 31, 2017	**26.83**	**26.83**
As at March 31, 2016	33.28	33.28
As at April 1, 2015	27.06	27.06

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Hyacinth Hotels Private Limited
Notes to financial statements for the year ended March 31, 2017

5	Financial assets	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(i)	**Other non-current financial assets**			
	Unsecured considered good			
	Security deposits at amortized cost	**606.86**	540.70	482.62
		606.86	540.70	482.62

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Hyacinth Hotels Private Limited
Notes to financial statements for the year ended March 31, 2017

6 Other non-current assets	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Unsecured considered good			
Capital Advances	-	-	62.69
Balance with statutory/ government authorities	**25.00**	25.00	-
Advance income tax (net of provision for taxation)	**208.66**	137.50	181.97
Prepayments	**1,066.89**	1,123.13	1,179.31
Total	**1,300.55**	1,285.63	1,423.97

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7 Inventories (valued at lower of cost and net realisable value)	**As at March 31, 2017 Rs in lakhs**	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Food and beverages (excluding liquor and wine)	**9.39**	12.20	7.36
Liquor and wine	**39.14**	36.23	23.24
Stores, cutlery, crockery, linen, provisions and others	**29.40**	42.91	55.81
Total	**77.93**	91.34	86.41

During the year ended March 31,2017 : Rs. 2.02 lakhs (March 31, 2016: Rs. Nil, April 1, 2015: Rs. Nil) was recognised as an expense for inventories carried at net realisable value.

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Hyacinth Hotels Private Limited
Notes to financial statements for the year ended March 31, 2017

8 Financial assets	**As at March 31, 2017 Rs in lakhs**	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(i) Trade receivables			
Trade receivables	539.46	300.65	273.49
	539.46	300.65	273.49
Break-up for security details:			
Trade receivables			
Secured, considered good	-	-	-
Unsecured, considered good	539.46	300.65	273.49
Doubtful	-	-	-
	539.46	300.65	273.49
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	-	-	-
Doubtful	-	-	-
	-	-	-
Total	539.46	300.65	273.49

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. The interest free credit period given to customers is upto 90 days.

	As At March 31, 2017 Rs in lakhs	As At March 31, 2016 Rs in lakhs	As At April 1, 2015 Rs in lakhs
(ii) Cash and cash equivalents			
Balance with banks			
On current & cash credit accounts	168.28	180.36	56.52
Cash on hand	1.23	3.35	2.75
Total	169.51	183.71	59.27

At March 31, 2017, the Company had available Rs. Nil (March 31, 2016: Rs. Nil, April 1, 2015: Rs.Nil) of undrawn committed borrowing facilities.

9 Other current assets	**As At March 31, 2017 Rs in lakhs**	As At March 31, 2016 Rs in lakhs	As At April 1, 2015 Rs in lakhs
Advances recoverable in cash or kind	88.47	23.18	121.69
Accrued revenue	35.55	56.23	-
Balance with statutory/ government authorities	128.55	59.70	12.78
Prepaid expenses	67.99	73.81	76.03
Total	320.56	212.92	210.50

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10 Equity share capital

Authorised Share Capital

	Equity shares	
	No. of shares	**Rs in lakhs**
At 1 April 2015	8,350,000	83.50
Increase/(decrease) during the year	-	-
At 31 March 2016	8,350,000	83.50
Increase/(decrease) during the year	-	-
At 31 March 2017	8,350,000	83.50

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 1 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 1 each issued, subscribed and fully paid	**No. of shares**	**Rs in lakhs**
At 1 April 2015	7,100,000	71.00
Increase/(decrease) during the year	-	-
At 31 March 2016	7,100,000	71.00
Increase/(decrease) during the year	-	-
At 31 March 2017	7,100,000	71.00

Shares held by holding company

	As at March 31, 2017		As At March 31, 2016	
	No. of shares	**Rs in lakhs**	**No. of shares**	**Rs in lakhs**
Equity shares of Re. 1 each fully paid up				
Fleur Hotels Private Limited	7,100,000	71.00	7,100,000	71.00

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	**% held**	**No. of shares**	**% held**	**No. of shares**	**% held**
Equity shares of INR 1 each fully paid						
Fleur Hotels Private Limited	7,100,000	100.00%	7,100,000	100.00%	7,100,000	100.00%

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11 Other equity

Securities Premium	**Rs in lakhs**
At 1 April 2015	**6,930.00**
Increase/(decrease) during the year	-
At 31 March 2016	**6,930.00**
Increase/(decrease) during the year	-
At 31 March 2017	**6,930.00**

Retained Earnings	**Rs in lakhs**
At 1 April 2015	**(3,269.67)**
Loss for the year	(522.89)
At 31 March 2016	**(3,792.56)**
Loss for the year	(490.84)
At 31 March 2017	**(4,283.40)**

Capital Reserve(equity component of loan from holding company)	**Rs in lakhs**
At 1 April 2015	**9,878.76**
Increase/(decrease) during the year	-
At 31 March 2016	**9,878.76**
Increase/(decrease) during the year	468.89
At 31 March 2017	**10,347.65**

	As At March 31, 2017 Rs in lakhs	As At March 31, 2016 Rs in lakhs	As At April 1, 2015 Rs in lakhs
Other reserves			
Securities Premium	**6,930.00**	6,930.00	6,930.00
Retained Earnings	**(4,283.40)**	(3,792.56)	(3,269.67)
Capital Reserve(equity component of loan from holding company)	**10,347.65**	9,878.76	9,878.76
	12,994.25	13,016.20	13,539.09

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HYACINTH HOTELS PVT. LTD. New Delhi

12 Financial liabilities

	Effective interest rate %	Maturity	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(i) Borrowings					
Non-current borrowings					
Term Loans					
Indian rupee loans from Banks (Secured)					
Axis Bank Limited (Refer note 1 below)	11.60%	2024-2025	6,414.37	7,233.33	7,913.23
Vehicle loans (Refer note 2 below)	10.5% to 13.00%	2017-2018	-	1.26	15.19
Loan from related parties					
0% loan from Fleur Hotels Private Limited (100% holding company) repayable on demand	0.00%		181.03	157.04	392.96
Total non-current borrowings			6,595.40	7,391.63	8,321.38
Current borrowings					
Term Loans					
Current maturities of long term borrowings					
Axis Bank Limited (Refer note 1 below)	11.60%	2024-2025	720.00	660.00	452.00
Vehicle loans (Refer note 2 below)	10.5% to 13.00%	2017-2018	0.58	13.98	13.98
Total current borrowings			720.58	673.98	465.98
Less: Amount clubbed under "other current liabilities"			(720.58)	(673.98)	(465.98)
Net current borrowings			-	-	-

Term loans

1) Rupee term loan from Axis bank presently carring interest rate of 11.60% (previous year: 11.85%) is secured by :

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 SBI as lender's agent.

D. Pledge of 51% equity shares of the Company held by the holding company.

E. Corporate guarantee of the holding company and ultimate holding company.

A non fund based facility of Rs.3.00 crores from Axis bank Ltd. is secured by second charge,ceded by the term loan lenders, on the aforementioned entire properties, assets, bank accounts, revenues, right of substitution pertaining to Lemon Tree Hotel project at Delhi Aerocity (except Project land) including pledge of 30% equity shares and guarantee of the holding company, the maturity date of the TL1 loan is February 2024 & for TL-2 loan of axis bank is September 2024

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

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(ii) Other financial liabilities			
Security deposits	403.86	358.67	318.53
Total	403.86	358.67	318.53

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Hyacinth Hotels Private Limited
Notes to financial statements for the year ended March 31, 2017

13 Provisions

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Provision for gratuity	**5.80**	3.13	2.47
Current	**0.98**	0.28	0.31
Non-current	**4.82**	2.85	2.16

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Provision for leave benefits	**7.52**	6.27	4.94
Current	**7.52**	6.27	4.94
Non-current	-	-	-

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Provision for contingencies	**40.97**	28.00	-
Current	**40.97**	28.00	-
Non-current	-	-	-
Total current	**49.47**	34.55	5.25
Total non-current	**4.82**	2.85	2.16

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Hyacinth Hotels Private Limited
Notes to financial statements for the year ended March 31, 2017

14 Financial liabilities

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(i) Trade payables			
Trade Payables			
-Micro and small enterprises	-	-	-
-Other than Micro and small enterprises	911.10	621.74	323.39
Total	911.10	621.74	323.39

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(ii) Other current financial liabilities			
Current maturities of long-term borrowings	**720.58**	673.98	465.98
Book overdraft	**68.64**	115.42	15.28
Other payables			
-Payable for capital goods	**3.28**	5.91	6.80
Outstanding dues of other creditors	**0.82**	-	59.41
Total	793.32	795.31	547.47

15 Other current liabilities

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Advance from customers	**76.59**	81.16	17.73
Statutory dues	**114.77**	98.77	37.35
Total	191.36	179.93	55.08

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Hyacinth Hotels Private Limited
Notes to financial statements for the year ended March 31, 2017

16 Revenue from operations

	Year ended March 31, 2017 Rs in lakhs	Year ended March 31, 2016 Rs in lakhs
Revenue from operations		
Sale of products and services		
- Room rental	**3,206.55**	2,982.73
- Food and beverage (excluding liquor and wine)	**1,262.90**	1,114.92
- Liquor and wine	**210.95**	173.21
- Telephone and telex	**1.55**	1.98
- Other Services	**444.97**	456.54
Other Operating Revenue		
- Commission income	**2.11**	3.97
Revenue from operations	**5,129.03**	4,733.35

17 Other income

	Year ended March 31, 2017 Rs in lakhs	Year ended March 31, 2016 Rs in lakhs
Income from serve for India scheme	**4.24**	4.11
License fees received	**390.13**	390.13
Excess provision/ credit balances written back	**4.51**	1.09
Miscellaneous income	**2.74**	-
Total	**401.62**	395.33

18 Cost of food & beverages

	Year ended March 31, 2017 Rs in lakhs	Year ended March 31, 2016 Rs in lakhs
(a) Consumption of food & beverages excluding liquor & wine		
Inventory at the beginning of the year	**12.20**	7.36
Add: Purchases	**490.52**	442.26
	502.72	449.62
Less: Inventory at the end of the year	**9.39**	12.20
Cost of food and beverage consumed	**493.33**	437.42
(b) Consumption of liquor & wine		
Inventory at the beginning of the year	**36.23**	23.24
Add: Purchases	**82.95**	74.84
	119.18	98.08
Less: Inventory at the end of the year	**39.14**	36.23
Cost of liquor and wine consumed	**80.04**	61.85
Total	**573.37**	499.27

19 Employee benefit expense

	Year ended March 31, 2017 Rs in lakhs	Year ended March 31, 2016 Rs in lakhs
Salaries, wages and bonus	**683.07**	586.88
Contribution to provident fund and other funds	**29.09**	24.54
Staff recruitment and training expenses	**0.47**	1.58
Gratuity expense	**1.89**	1.55
Leave compensation expenses	**2.33**	1.34
Staff welfare expenses	**101.19**	93.85
Total	**818.04**	709.74

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Hyacinth Hotels Private Limited
Notes to financial statements for the year ended March 31, 2017
20 Other expenses

	Year ended March 31, 2017 Rs in lakhs	Year ended March 31, 2016 Rs in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	93.57	92.23
License fee	684.63	672.21
Power and fuel	480.82	525.46
Linen & uniform washing and laundry expenses	87.70	79.80
Guest transportation	155.70	148.89
Spa expenses	40.69	43.44
Subscription charges	15.64	9.90
Repair and maintenance		
- Buildings	82.07	39.60
- Plant and machinery	93.03	56.49
- Others	146.76	38.55
Rates and taxes	103.97	146.90
Insurance	11.64	6.07
Communication costs	62.45	84.73
Printing and stationery	28.92	26.48
Traveling and conveyance	22.77	25.47
Vehicle running and maintenance	48.71	45.10
Advertising and sales promotion	158.43	79.75
Management & incentive fees	246.06	229.95
Commission -other than sole selling agent	94.35	47.81
Security and cleaning expenses	62.01	56.53
Membership and subscriptions	0.63	-
Legal and professional fees	23.99	18.45
Advances written off	1.12	28.47
Freight and cartage	0.39	0.72
Exchange difference (net)	0.02	0.03
Loss on sale of property plant & equipment	3.11	-
Payment to auditors*	6.90	5.75
Miscellaneous expenses	49.97	23.95
Total	2,806.05	2,532.73

***Payment to auditor**		
Audit fees	6.33	5.18
Other services	0.57	0.57
	6.90	5.75

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Hyacinth Hotels Private Limited
Notes to financial statements for the year ended March 31, 2017

21 Finance costs

	Year ended March 31, 2017 Rs in lakhs	Year ended March 31, 2016 Rs in lakhs
Interest		
- on term loans from banks	917.03	965.84
- on vehicle loans	0.92	1.91
- on others	0.01	0.01
- Security deposits payable	45.19	40.14
- Loan from holding company	19.79	17.57
Bank charges (including commission on credit card collection)	42.33	37.39
Total	1,025.27	1,062.86

22 Finance income

	Year ended March 31, 2017 Rs in lakhs	Year ended March 31, 2016 Rs in lakhs
Interest Income on :		
- Interest on income tax refund	-	3.20
-Others	0.97	0.97
-Security deposits receivable	63.15	56.09
Total	64.12	60.26

23 Depreciation and amortization expense

	Year ended March 31, 2017 Rs in lakhs	Year ended March 31, 2016 Rs in lakhs
Depreciation of tangible assets	858.40	900.44
Amortization of intangible assets	6.45	6.35
Total	864.85	906.79

24 Earnings per share (Basic And Diluted)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended March 31, 2017	Year ended March 31, 2016
Loss after tax (Rs in lakhs)	(490.06)	(523.50)
Weighted average number of equity shares	7,100,000	7,100,000
Basic & Diluted EPS	(6.90)	(7.37)

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

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25. Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

Taxes

The management based on its assessment of the industry forecasts and current year profits is hopeful of generating future taxable profits to utilize deductible temporary differences, carry forward of unabsorbed depreciation. However, considering the 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 on remaining unused tax losses/credits of Rs. 851.20 lakhs, Rs. 687.29 lakhs and Rs. 523.87 lakhs as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

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26. Gratuity

Rs. in lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Gratuity plan	5.80	3.13	2.47
Total	5.80	3.13	2.47

The Company has a defined benefit gratuity plan . 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 Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.

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

Rs. in lakhs

		Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2016	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement arising from changes in demographic assumptions	Remeasurement arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2017
Defined benefit obligation	3.13	1.65	0.24	1.89	-	-	-	0.21	0.56	0.78	-	5.80
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	**3.13**	**1.65**	**0.24**	**1.89**	-	-	-	**0.21**	**0.56**	**0.78**	-	**5.80**

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Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2016:

Rs. in lakhs

		Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2015	**Service cost**	**Net interest expense**	**Sub-total included in profit or loss**	**Benefits paid**	**Return on plan assets (excluding amounts included in net interest expense)**	**Remeasurement arising from changes in demographic assumptions**	**Remeasurement arising from changes in financial assumptions**	**Experience adjustments**	**Sub-total included in OCI**	**Contributions by employer**	**March 31, 2016**
Defined benefit obligation	2.47	1.09	0.19	1.28	-	-	-	0.01	(0.63)	(0.61)	-	3.13
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	**2.47**	**1.09**	**0.19**	**1.28**	-	-	-	**0.01**	**(0.63)**	**(0.61)**	-	**3.13**

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

	March 31, 2017	March 31, 2016	April 1, 2015
Unquoted investments:			
Asset invested in insurance scheme with the LIC	100%	100%	100%
Total	**100%**	**100%**	**100%**

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

	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate:	%	%	%
Pension plan	**6.70%**	**7.70%**	7.80%
Future salary increases:			
Pension plan	**5.00%**	**5.00%**	5.00%
Life expectation for pensioners at the age of 65:	**Years**	**Years**	Years
Pension plan			
Male	**60**	**60**	60
Female	**60**	**60**	60

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below:

India gratuity plan:

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	0.21	0.23	0.23	0.22

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Rs in lakhs

	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.13	0.14	0.14	0.13

The sensitivity analyses 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)	**Year ended March 31, 2017**	Year ended March 31, 2016
1	1.01	0.29
2	0.96	0.41
3	1.09	0.58
4	0.99	0.69
5	0.87	0.59
Above 5	2.84	2.00
Total expected payments	**7.76**	**4.56**

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2016: 5 years).

27. Commitments and contingencies

a. Leases

Operating lease commitments — Company as lessee

The Company has entered into operating leases on hotel buildings, with lease terms of twenty seven years.

The Company has paid Rs. 403.97 lakhs (March 31, 2016, Rs 382.91 lakhs, April 1, 2015 Rs 362.94 lakhs) during the year towards minimum lease payment.

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

Rs. In lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Within one year	**426.19**	382.91	362.95
After one year but not more than five years	**1,952.41**	1,754.15	1,662.70
More than five years	**11,406.53**	12,434.95	12,909.31
Total	**13,785.13**	14,572.01	14,934.96

b. Commitments

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

At March 31, 2017, the Company had commitments of Rs. Nil (March 31, 2016: Nil, April 1, 2015: Rs Nil)

c. Contingent liabilities

Legal claim contingency

a) During the earlier year, the Company had received a demand from South Delhi Municipal Corporation ('the Authority') wherein the Authority has called upon the Company to pay an amount of Rs. 68.19 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 Company filed a writ petition in the High Court against the said order. Pending adjudication, the High Court had given interim stay directing the 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 and believes that no further adjustment is required in these financial statement in this regard.

b) During the earlier year, the Company 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 Company had 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 Company contested the matter and the Department pursuant to the response received from all the developers of area where the Company's project is located, and arguments thereon, passed a common order on July 14, 2014 ("Order") and subsequently, the Company 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 have filed a writ petition before the Honourable 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 September 05, 2017. The Company,

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based on advice from legal experts, is of the view that there is no likelihood of any liability devolving on the Company on this ground and further, any liability cannot be ascertained at this stage requiring any adjustment in these financial statements.

28. Provisions

A provision for contingencies is recognized based upon expected claims against the Company. The movement in the provision is as follows:

Rs. In lakhs

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening Balance	**28.00**	-	-
Provision created during the year	**12.97**	28.00	-
Provision utilized during the year	-	-	-
Closing Balance	**40.97**	28.00	-

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29. Related Party Transactions

a) Names of related parties where control exists irrespective of whether transactions have occurred

Ultimate Holding company	- Lemon Tree Hotels Limited
Holding Company	- Fleur Hotels Private Limited
Fellow subsidiary companies	- Celsia Hotels Private Limited - Canary Hotels Private Limited - Oriole Dr Fresh Hotels Private Limited - Inovoa Hotels & Resorts Limited - Nightingale Hotels Private Limited - Manakin Resorts Private Limited
Key Management Personnel	- Mr. Jagdish Kumar Chawla(Director) - Mr. Kapil Sharma(Director) - Mr. Arjun Sawhny(Independent Director) - Mr. Sumant Jaidka(Director) - Mr. Paramartha Saikia (Independent Director)

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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	Ultimate Holding Company	Holding Company	Fellow Subsidiaries
Reimbursement of expenses paid on company behalf				
Lemon Tree Hotels Limited	31-Mar-17	**0.20**	-	-
	31-Mar-16	0.03	-	-
Fleur Hotels Private Limited	31-Mar-17	-	**2.90**	-
	31-Mar-16	-	-	-
Oriole Dr Fresh Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	0.06
Reimbursement of expenses incurred by company on party behalf				
Lemon Tree Hotels Limited	31-Mar-17	**276.25**	-	-
	31-Mar-16	247.90	-	-
Loans (taken)				
Fleur Hotels Private Limited	31-Mar-17	-	**1,394.50**	-
	31-Mar-16	-	1,227.50	-
Loan (Repaid)				
Fleur Hotels Private Limited	31-Mar-17	-	**918.50**	-
	31-Mar-16	-	1,466.20	-
License fee Received				
Lemon Tree Hotels Limited	31-Mar-17	**189.64**	-	-
	31-Mar-16	178.97	-	-

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Transactions with Related Party	Year Ended	Ultimate Holding Company	Holding Company	Fellow Subsidiaries
Management Fee				
Lemon Tree Hotels Limited	31-Mar-17	**406.92**	-	-
	31-Mar-16	308.51	-	-
Amount received by the party on company Behalf				
Lemon Tree Hotels Limited	31-Mar-17	-	-	-
	31-Mar-16	66.16	-	-
Canary Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	0.96
Celsia Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	0.90
Fleur Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	23.28	-
Oriole Dr Fresh Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	-
Amount received by the company on party Behalf				
Lemon Tree Hotels Limited	31-Mar-17	-	-	-
	31-Mar-16	72.02	-	-
Fleur Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	16.90	-
Oriole Dr Fresh Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	0.30

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Transactions with Related Party	**Year Ended**	**Ultimate Holding Company**	**Holding Company**	**Fellow Subsidiaries**
Nightingale Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	1.00
Collection of Amount received on behalf of Company				
Lemon Tree Hotels Limited	31-Mar-17	-	-	-
	31-Mar-16	252.85	-	-
Celsia Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	1.21
Fleur Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	11.12	-
Inovoa Hotels & Resorts Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	0.05
Collection of reimbursment of expenses done on behalf of Party				
Lemon Tree Hotels Limited	31-Mar-17	**243.66**	-	-
	31-Mar-16	-	-	-
Payment of reimbursement of expense incurred behalf of Company				
Lemon Tree Hotels Limited	31-Mar-17	0.20	-	-
	31-Mar-16	-	-	-
Fleur Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	14.80	-

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Transactions with Related Party	Year Ended	Ultimate Holding Company	Holding Company	Fellow Subsidiaries
Payment of Amount received by the company on behalf of party				
Lemon Tree Hotels Limited	31-Mar-17	-	-	-
	31-Mar-16	1.79	-	-
Manakin Resorts Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	0.09
Oriole Dr Fresh Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	0.13
Fleur Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	1.62	-
Nightingale Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	1.00
Guarantee Taken for Loan received				
Fleur Hotels Private Limited	31-Mar-17	-	**16,105.00**	-
	31-Mar-16	-	8,605.00	-
	01-Apr-15	-	8,605.00	-
Balances outstanding at the year end - Short term borrowing				
Fleur Hotels Private Limited	31-Mar-17	-	**10,491.33**	-
	31-Mar-16	-	10,018.23	-
	01-Apr-15	-	10,271.73	-
Balances outstanding at the year end- Other current liabilities				
Lemon Tree Hotels Limited	31-Mar-17	**36.30**	-	-

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Hyacinth Hotels Private Limited
Notes to financial statements for the year ended March 31, 2017

Transactions with Related Party	Year Ended	Ultimate Holding Company	Holding Company	Fellow Subsidiaries
	31-Mar-16	45.73	-	-
	01-Apr-15	-	-	-
Balances outstanding at the year end- Current Assets				
Lemon Tree Hotels Limited	31-Mar-17	**32.59**	-	-
	31-Mar-16	-	-	-
	01-Apr-15	60.32	-	-
Canary Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	-
	01-Apr-15	-	-	0.31
Fleur Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	-
	01-Apr-15	-	3.12	-
Oriole Dr Fresh Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	-
	01-Apr-15	-	-	0.23
Inovoa Hotels & Resorts Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	-
	01-Apr-15	-	-	0.05
Balances outstanding at the year end- Other long-term liabilities				
Lemon Tree Hotels Limited	31-Mar-17	**3,850.00**	-	-
	31-Mar-16	3,850.00	-	-
	01-Apr-15	3,850.00	-	-

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Terms and conditions of transactions with related parties

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: INR Nil, April 1, 2015: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

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

30. Fair value measurement

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument

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

Rs. in lakhs

	March 31, 2017		March 31, 2016		April 1, 2015	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets						
Trade Receivables	-	**539.46**	-	300.65	-	273.49
Security Deposits (non current)	-	**606.86**	-	540.70	-	482.62
Cash and Cash Equivalents	-	**169.51**	-	183.71	-	59.27
Total Financial Assets	-	**1,315.83**	-	1,025.06	-	815.38

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

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b. Financial liabilities

Rs. in lakhs

	March 31, 2017		March 31, 2016		April 1, 2015	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities						
Borrowings	-	**6,595.40**	-	7,391.63	-	8,321.38
Trade Payables	-	**911.10**	-	621.74	-	323.39
Other Current Financial Liabilities	-	**793.32**	-	795.31	-	547.47
Other non current Financial Liabilites	-	**403.86**	-	358.67	-	318.53
Total Financial Liabilities	-	**8,703.68**	-	**9,167.35**	-	**9,510.77**

31 Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

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Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates..

Rs. In lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	7,134.37	7,893.33	8,365.23
Fixed rate borrowings	181.61	172.28	422.13

Interest rate sensitivity

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

Rs. in lakhs

		Increase/decrease in basis points	**Effect on profit before tax**
March 31, 2017			
INR		50	38.54
INR		-50	(38.54)
March 31, 2016			
INR		50	42.11
INR		-50	(42.11)

Foreign currency risk

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

Foreign currency risk

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

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and other financial instruments..

(a) Trade receivables

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

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Company does not hold collateral as security.

Gross carrying amount of trade receivables

Rs in lakhs

Ageing	**March 31, 2017**	March 31, 2016	April 1, 2015
Not due			
0-60 days past due	**279.84**	204.68	190.61
61-120 days past due	**119.85**	35.51	26.97
121-180 days past due	**38.44**	15.34	39.04
180-365 days past due	**57.67**	14.77	16.20
365-730 days past due	**35.68**	30.11	0.68
more than 730 days	**7.98**	0.24	-

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

Rs. in lakhs

Ageing	March 31, 2017	March 31, 2016	April 1, 2015
Not due	-	-	-
0-60 days past due	-	-	6.57
61-120 days past due	-	-	-
121-180 days past due	-	-	-
180-365 days past due	-	-	-
more than 365 days	3.42	3.42	-

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

Rs. In lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Provision at beginning	**3.42**	**6.57**	-
Addition during the year	-	-	6.57
Reversal during the year	-	3.15	-
Utilised during the year	-	-	-
Provision at closing	**3.42**	**3.42**	**6.57**

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017 , March 31, 2016 and April 1, 2015 is the carrying amount as illustrated in Note 8.

Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company had access to the following undrawn borrowing facilities at the end of the reporting periods -

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

Rs. in lakhs

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2017						
Borrowings	-	100.58	620.00	4,014.00	2,581.40	7,315.98
Trade and other payables	911.10					911.10
Other Financial Liabilities	72.75				403.86	476.61
	983.85	**100.58**	**620.00**	**4,014.00**	**2,985.26**	**8,703.69**
As at March 31, 2016						
Borrowings	-	65.00	608.98	3,588.26	3,803.37	8,065.61
Trade and other payables	621.74	-	-	-	-	621.74
Other Financial Liabilities	121.34	-	-	-	358.67	480.01
	743.08	**65.00**	**608.98**	**3,588.26**	**4,162.04**	**9,167.36**
As at April 1, 2015						
Borrowings	-	50.00	414.98	3,155.19	5,167.19	8,787.36
Trade and other Payables	323.39	-	-	-	-	323.39
Financial Liabilities	81.48	-	-	-	318.53	400.01
	404.87	**50.00**	**414.98**	**3,155.19**	**5,485.72**	**9,510.76**

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32 Capital management

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

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

Rs. in lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings (Note 12)	6,595.40	7,391.63	8,321.38
Trade payables (Note 14)	911.10	621.74	323.39
Less: cash and cash equivalents (Note 8)	169.51	183.71	59.27
Net debt	**7,336.99**	**7,829.66**	**8,585.50**
Equity	13,065.25	13,087.20	13,610.09
Capital and net debt	20,402.24	20,916.86	22,195.59
Gearing ratio	**36%**	**37%**	**39%**

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

33 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

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Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- Property plant & equipment and intangible assets - As permitted by IND AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant & equipment. The same selection has been made in respect of Intangibles Assets. The carrying value of property plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities

- Determining whether an arrangement contain a lease:- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

Reconciliation of equity as at March 31, 2016 and April 1, 2015 ((date of transition to Ind AS)

Rs. in lakhs

	Foot Note No.	March 31, 2016			April 1, 2015		
		Indian GAAP	**Adjustment**	**Ind AS**	**Indian GAAP**	**Adjustment**	**Ind AS**
ASSETS							
Non-current assets							
(a) Property, plant and equipment		19,823.65	-	19,823.65	20,620.03	-	20,620.03
(b)Intangible assets		33.28	-	33.28	27.06	-	27.06
(c) Financial assets							
(i) Other non- current financial Assets	I	5,419.51	(4,878.81)	540.70	5,417.51	(4,934.89)	482.62
(d) Other non-current assets	I	961.15	324.48	1,285.63	951.47	472.50	1,423.97
		26,237.59	**(4,554.33)**	**21,683.26**	**27,016.07**	**(4,462.39)**	**22,553.68**
Current assets							
(a) Inventories		91.34	-	91.34	86.41	-	86.41
(b) Financial assets							
(i) Trade receivables	I	304.07	(3.42)	300.65	280.06	(6.57)	273.49
(ii) Cash and Cash equivalents		183.71	-	183.71	59.27	-	59.27
(c) Other current assets		212.92	-	212.92	210.50	-	210.50
		792.04	**(3.42)**	**788.62**	**636.24**	**(6.57)**	**629.67**
Total Assets		**27,029.63**	**(4,557.75)**	**22,471.88**	**27,652.31**	**(4,468.96)**	**23,183.35**

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	Foot Note No.	March 31, 2016			April 1, 2015		
		Indian GAAP	Adjustment	Ind AS	Indian GAAP	Adjustment	Ind AS
Equity							
(a) Equity Share capital		71.00	-	71.00	71.00	-	71.00
(b) Other Equity	I, II	4,183.20	8,833.00	13,016.20	4,584.40	8,954.69	13,539.09
Total Equity		**4,254.20**	**8,833.00**	**13,087.20**	**4,655.40**	**8,954.69**	**13,610.09**
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	II	17,291.03	(9,899.40)	7,391.63	18,213.58	(9,892.20)	8,321.38
(ii) Other non-current financial liabilites	II	3,850.00	(3,491.33)	358.67	3,850.00	(3,531.47)	318.53
(a) Long term provisions		2.85	-	2.85	2.16	-	2.16
		21,143.88	**(13,390.73)**	**7,753.15**	**22,065.74**	**(13,423.67)**	**8,642.07**
Current liabilities							
(a) Financial liabilities							
(i) Trade payables		621.74	-	621.74	323.39	-	323.39
(ii) Other current financial liabilities		795.31	-	795.31	547.47	-	547.47
(b) Other current liabilities		179.93	-	179.93	55.08	-	55.08
(c) Provisions		34.55	-	34.55	5.25	-	5.25
		1,631.53	-	**1,631.53**	**931.19**	-	**931.19**
Total Liabilities		**22,775.41**	**(13,390.73)**	**9,384.68**	**22,996.93**	**(13,423.67)**	**9,573.26**
Total Equity and Liabilities		**27,029.61**	**(4,557.73)**	**22,471.88**	**27,652.33**	**(4,468.98)**	**23,183.35**

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Company reconciliation of profit or loss for the year ended March 31, 2016

Rs. in lakhs

Particulars	Foot Note No.	Indian GAAP	Adjustments	Ind AS
Revenue from operations		4,733.35	-	4,733.35
Other Income	III	254.03	141.30	395.33
Total Income (I)		**4,987.38**	**141.30**	**5,128.68**
Expenses				
Cost of food & beverages		499.27	-	499.27
Employee benefits expense	IV	709.12	0.62	709.74
Other expenses	III	2,246.57	286.16	2,532.73
Total expenses (II)		**3,454.96**	**286.78**	**3,741.74**
Earnings before interest, tax, depreciation and amortisation		**1,532.42**	**(145.48)**	**1,386.94**
(EBITDA) (I-II)				
Finance costs	II	1,029.92	32.94	1,062.86
Depreciation and amortization expense		906.79	-	906.79
Finance income	I	(4.17)	(56.09)	(60.26)
Loss before tax		**(400.12)**	**(122.33)**	**(522.45)**
Tax expense:				
-Adjustment of tax relating to earlier periods		1.05	-	1.05
Loss for the period		**(401.17)**	**(122.33)**	**(523.50)**
Other comprehensive income				
Remeasurements of defined benefit plans	V	-	0.61	0.61
Total Comprehensive Income for the year		**(401.17)**	**(121.72)**	**(522.89)**

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Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

I. Financial assets

- Based on Ind AS - 109, financial Assets in the form of long term interest free deposits to landlords, and loans to employees have been accounted at fair value on the date of transition and subsequently measured at amortized cost using the effective interest rate method.

- Under Indian GAAP, the Company had created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

II. Financial liability

- Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

- Based on Ind-AS 109, interest free loan from parent is recognized at fair value and difference is recognized as capital reserve.

III. Lease equalisation

Under Indian GAAP, operating lease excluding land leases were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. As per Ind-AS 17, Operating lease includes land leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

IV. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, 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.

V. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS.

VI. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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34. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as provided in the Table below:

Rs. in lakhs

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	14.89	1.95	16.84
(+) Permitted receipts	-	25.52	25.52
(-) Permitted payments	-	14.52	14.52
(-) Amount deposited in Banks	14.89	4.60	19.49
Closing cash in hand as on 30 December 2016	-	8.35	8.35

Post demonetization, the management had directed all employees not to accept/ pay using the SBN's. Further, in view of the numerous locations where cash is collected the management has obtained direct confirmations from certain Banks confirming the collection of SBN's during the aforesaid period. For other banks, the Company has compiled the data on the basis of accounting records, bank statements and pay in slips for cash deposits during the period.

The aforesaid disclosures of SBN's have been compiled taking the management stated policy, direct bank confirmation and compilation of pay in slips.

35. Segment Reporting

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

Information about geographical areas

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

Information about major customers

No customer individually accounted for more than 10% of the revenue

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

	March 31, 2017	March 31, 2016	April 1, 2015
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	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	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	Nil
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprisefor the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil	Nil

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37. During the earlier years, the Company had entered into a Infrastructure development and services agreement with Delhi International Airport Limited ('DIAL') to develop two hotels at Aero City, New Delhi for an initial term of 27 years, extendable at the option of the Company 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. Accordingly the building is depreciated over the estimated useful life of 22 years after reducing the expected residual value as contractually recoverable from DIAL in case the agreement is not extended.

As per our report of even date

For S.R. Batliboi& Co. LLP
Firm Registration No. 301003E/E300005
Chartered Accountants

S.R. BATLIBOI & CO. LLP GURGAON

per Sanjay Vij
Partner
Membership No. 95169

Place : Gurgaon
Date : June 13,2017

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

Kapil Sharma
Director
DIN: 00352890

J.K. Chawla
Director
DIN: 00003022

Place: New Delhi
Date : June 13,2017

HYACINTH HOTELS PVT. LTD. New Delhi