Deloitte
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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, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

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

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

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

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

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: New Delhi
Date: May 25, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Hyacinth Hotels Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: New Delhi
Date: May 25, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no discrepancies were noticed on such verification.

(c) According to the information, explanations given to us, and the records examined by us, we report that based on examination of the confirmation received by us from "Axis Bank Limited" in respect of buildings on leasehold land (disclosed as fixed asset in the financial statements), whose development agreement have been pledged as security for loan, is held in the name of the Company.

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

(iii) According to the information provided 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.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees under Section 185 or made investments under Section 186 of the Companies Act, 2013. As per Section 186 (11) read with Schedule VI, provisions of Section 186 with respect to loans and guarantees would not apply to the Company as the Company is providing infrastructural facilities.

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

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

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

(a) The Company has been regular in depositing undisputed statutory dues, including Employees' State Insurance, Provident Fund, Sales tax, Service tax, Value added tax, Excise duty, Goods and Services tax, cess and other material statutory dues

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applicable to it to the appropriate authorities and generally been regular in depositing Income-tax (TDS) dues.
We are informed that the Customs Duty is not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service tax, Sales tax, Customs duty, Excise duty, Value added tax, Goods and Services tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
We are informed that the Customs duty is not applicable to the Company.

(c) There are no dues of Income tax, Sales tax, Customs duty, Value added tax, Service tax and Excise duty which have not been deposited as on March 31, 2018 on account of disputes.

(viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions, government or issued any debentures.

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

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

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

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

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, wherever applicable, for all transactions with the related parties entered during the period and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review.

In respect of the above issue, we further report that:

a) the requirement of Section 42 and 62 of the Companies Act, 2013, as applicable, have been complied with; and

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b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi) of CARO 2016 is not applicable to the Company.

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

HASKINS & SELLS LLP DELOITTE Chartered Accountants

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: New Delhi
Date: May 25, 2018

Hyacinth Hotels Private Limited
Balance Sheet as at March 31, 2018

	Notes	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	18,264.04	18,972.88
(b) Intangible assets	4	22.61	26.83
(c) Financial assets	5		
(i) Other financial assets		715.29	606.86
(d) Deferred tax assets (net)	6.1	-	-
(e) Non-current tax assets (net)	6.2	217.94	208.66
(f) Other non-current assets	7	3,381.91	3,579.28
		22,601.79	23,394.51
Current assets			
(a) Inventories	8	75.73	77.93
(b) Financial assets	9		
(i) Trade receivables		617.42	539.46
(ii) Cash and cash equivalents		305.95	169.51
(c) Other current assets	10	388.21	518.02
		1,387.31	1,304.92
Total Assets		23,989.10	24,699.43
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	11	82.10	71.00
(b) Other equity	12	5,051.46	12,994.25
Total Equity		5,133.56	13,065.25
Liabilities			
Non-current liabilities			
(a) Financial liabilities	13		
(i) Borrowings		13,021.64	6,595.40
(ii) Other financial liabilities		454.75	403.86
(b) Provisions	14	6.56	4.82
(c) Other non-current liabilities	15	2,402.24	2,543.55
		15,885.19	9,547.63
Current liabilities			
(a) Financial liabilities	16		
(i) Borrowings		666.98	-
(ii) Trade payables		969.51	911.09
(iii) Other financial liabilities		922.89	793.32
(b) Other current liabilities	17	347.48	332.67
(c) Provisions	14	63.49	49.47
		2,970.35	2,086.55
Total Liabilities		18,855.54	11,634.18
Total Equity and Liabilities		23,989.10	24,699.43

The accompanying notes are an integral part of the financial statements. 1 to 41

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Place : New Delhi
Date May 23 2018

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 : May 23, 2018

HYACINTH HOTELS PVT. LTD. New Delhi

Hyacinth Hotels Private Limited
Statement of Profit and Loss for the year ended March 31, 2018

	Notes	Year ended March 31, 2018 Rs in lakhs	Year ended March 31, 2017 Rs in lakhs
Revenue from operations	18	6,086.52	5,129 03
Other income	19	319.07	318.43
Total Income (I)		6,405.59	5,447.46
Expenses			
Cost of food and beverages consumed	20	619.99	573.37
Employee benefits expense	21	903.20	818.04
Other expenses	22	2,854.77	2,722.86
Total expenses (II)		4,377.96	4,114.27
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II) (refer note 2.2 (p))		2,027.63	1,333 19
Finance costs	23	977.91	1,025 27
Finance income	24	(76.96)	(64.12)
Depreciation and amortization expense	25	763.38	864.85
Profit / (Loss) before tax		363.30	(492.81)
Tax expense:			
-Adjustment of tax relating to earlier periods		-	(2.75)
		-	(2.75)
Profit / (Loss) for the year		363.30	(490 06)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(0.14)	(0.78)
		363.16	(490.84)
Total Comprehensive Income / (Loss) for the year		363.16	(490.84)
Profit/(Loss) per equity share:			
(1) Basic	26	4.89	(6.90)
(2) Diluted	26	4.89	(6.90)
The accompanying notes are an integral part of the financial statements	1 to 41		

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Place : New Delhi
Date : May 23, 2018

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 : May 23, 2018

Hyacinth Hotels Private Limited
Statement of Changes in Equity

A. Equity Share Capital

Equity shares of Rs. 1 each issued, subscribed and fully paid	No. of shares	Amount (Rs in lakhs)
At April 1, 2016	7,100,000	71.00
Issue of share capital	-	-
At March 31, 2017	7,100,000	71.00
Issue of share capital	1,110,000	11.10
At March 31, 2018	8,210,000	82.10

B. Other Equity
For the year ended March 31, 2018

Rs In lakhs

	Reserves and Surplus			Items of OCI	Other Equity
	Capital reserve	Securities Premium	Surplus in the statement of Profit and Loss	Remeasurement gains (losses) on defined benefit plans	
Balance at 1 April 2016	9,878.76	6,930.00	(3,793.17)	0.61	13,016.20
Total Comprehensive Income for the year	-	-	(490.06)		(490.06)
Other Comprehensive income for the year	-	-	-	(0.78)	(0.78)
Increase in equity component of loan from holding company	468.89	-	-	-	468.89
Balance at March 31, 2017	10,347.65	6,930.00	(4,283.23)	(0.17)	12,994.25
Profit for the year	-	-	363.30	-	363.30
Other Comprehensive income for the year	-	-	-	(0.14)	(0.14)
Issue of share capital	-	1,988.23	-	-	1,988.23
Decrease in equity component of loan from holding company	(10,294.18)	-	-	-	(10,294.18)
Balance at March 31, 2018	53.47	8,918.23	(3,919.93)	(0.31)	5,051.46

The accompanying notes are an integral part of the financial statements. 1 to 41

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

Place : New Delhi
Date : May 23, 2018

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 : May 23, 2018

DELOITTE HASKINS & SELLS LLP Chartered Accountants

HYACINTH HOTELS PVT. LTD. New Delhi

Hyacinth Hotels Private Limited
Cash flow statement for the year ended March 31, 2018

	Year ended March 31, 2018 (Rs in lakhs)	Year ended March 31, 2017 (Rs in lakhs)
A. Cash flow from operating activities		
Profit / (Loss) before tax	363.30	(492.81)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	763.38	864.85
Unwinding of discount on security deposits	56.16	56.16
Finance income (including fair value change in financial instruments)	(73.93)	(0.97)
Finance costs (including fair value change in financial instruments)	928.20	957.53
Advance written off	-	1.12
Provision for gratuity	2.35	1.89
Provision for leave encashment	0.31	1.25
Excess provision/ credit balances written back	-	4.51
Provision for contingencies	12.97	12.97
Provision for doubtful debts	3.03	-
Net (gain)/ loss on sale of property plant and equipment	(0.35)	3.11
Operating profit before working capital changes:	2,055.42	1,409.61
Movements in working capital:		
(Increase) in trade receivables	(80.99)	(238.81)
Decrease/(Increase) in loans and advances and other current assets	266.96	(174.84)
Decrease in inventories	2.20	13.41
(Decrease)/Increase in liabilities and provisions	(85.22)	312.66
Cash Generated from Operations	2,158.37	1,322.03
Direct taxes paid (net of refunds)	(9.27)	(68.41)
Net cash flow from operating activities (A)	2,149.10	1,253.62
B. Cash flows used in investing activities		
Purchase of property, plant & equipment including capital advances and capital creditors	(51.05)	(20.82)
Proceeds from sale of property, plant & equipment	1.52	10.08
Investment in long term fixed deposits with banks	(33.26)	-
Interest received	2.82	0.97
Net Cash flow used in investing activities (B)	(79.97)	(9.77)
C Cash flows used in financing activities*		
Proceeds from issuance of share capital (including securities premium)	1,999.33	-
Repayment of long term borrowings	(11,203.66)	(300.52)
Proceeds from long term borrowings	7,500.00	-
Proceeds/(repayment) from short term borrowings	666.98	-
Interest paid	(895.34)	(957.53)
Net Cash flow used in financing activities (C)	(1,932.69)	(1,258.05)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	136.44	(14.20)
Cash and cash equivalents at the beginning of the year	169.51	183.71
Cash and cash equivalents at the end of the year	305.95	169.51
Components of cash and cash equivalents		
Cash on Hand	6.48	1.23
Balances with Scheduled Banks in		
- Current accounts	299.47	168.28
Total cash and cash equivalents	305.95	169.51

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

The accompanying notes are an integral part of the financial statements. 1 to 41

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner

Deloitte Haskins & Sells LLP Chartered Accountants

Place : New Delhi
Date : May 23, 2018

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 : May 23, 2018

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 May 23, 2018.

2 Basis of preparation

2.1 Significant accounting policies

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

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

The 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 32 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

- 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 at fair value at each balance sheet date.

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

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

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

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

DELOITTE HASKINS & SELLS LLP Chartered Accountants

HYACINTH HOTELS PVT. LTD. New Delhi

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

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

- Disclosures for valuation methods, significant estimates and assumptions (note 27)
- Quantitative disclosures of fair value measurement hierarchy (note 32)
- Financial instruments (including those carried at amortised cost) (note 32)

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

Rooms, Restaurant, Banquets and Other Services

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

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

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

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Hyacinth Hotels Pvt. Ltd.
New Delhi

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

Deferred tax

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

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

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

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.

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Hyacinth Hotels Pvt. Ltd. New Delhi

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

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

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

Expenses and assets are recognised net of the amount of sales/ value added taxes/goods and service tax paid, except:
- When the tax incurred on a purchase of assets or services, is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

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

(f) Property, plant and equipment

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

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

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

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

DELOITTE HASKINS & SELLS LLP Chartered Accountants

HYACINTH HOTELS PVT. LTD. New Delhi

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

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

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

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

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

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

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

(h) Borrowing costs

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

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

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

(i) Leases

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

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

Company as a lessee

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

Contingent rentals are recognised as expenses in the periods in which they are incurred.

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.

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Hyacinth Hotels Pvt. Ltd. New Delhi

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 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

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Hyacinth Hotels Pvt. Ltd. New Delhi

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

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

Impairment 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

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Hyacinth Hotels Pvt. Ltd. New Delhi

(m) Retirement and other employee benefits

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

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

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

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

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

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

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

Short-term and other long-term employee benefits

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

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

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

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HYACINTH HOTELS PVT. LTD. New Delhi

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:

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 9.

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Hyacinth Hotels Pvt. Ltd. New Delhi

Debt instrument at FVTOCI

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

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

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

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HYACINTH HOTELS PVT. LTD. New Delhi

c) Trade receivables or any contractual right to receive cash or another financial asset

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

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

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

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

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

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

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

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

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

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HYACINTH HOTELS PVT. LTD. New Delhi

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

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

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.

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 13.

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

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Hyacinth Hotels Pvt. Ltd. New Delhi

its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

If a financial guarantee is an integral element of debts held by the entity, it is not accounted for separately.

Derecognition

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

Offsetting of financial instruments

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

(o) Cash and cash equivalents

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

(p) Measurement of EBITDA

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

(q) Cash Flow Statement

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

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HYACINTH HOTELS PVT. LTD. New Delhi

(r) Recent accounting pronouncements

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

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

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

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

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

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Chartered Accountants

HYACINTH HOTELS PVT. LTD.
New Delhi

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

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										
At April 1, 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
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**
Additions	1.68	5.36	1.88	27.04	0.53	1.07	-	0.24	11.15	48.95
Disposals	-	-	-	-	-	-	-	-	5.47	5.47
At March 31, 2018	**15,840.32**	**1,915.21**	**1,011.25**	**526.01**	**28.02**	**1,133.42**	**218.25**	**32.18**	**63.79**	**20,768.45**
Depreciation										
At April 1, 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
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**
Charge for the year	256.38	136.70	121.41	52.18	7.36	169.45	-	0.42	12.72	756.62
Disposals	-	-	-	-	-	-	-	-	4.30	4.30
At March 31, 2018	**769.80**	**409.49**	**364.47**	**154.55**	**21.80**	**501.10**	**218.25**	**31.96**	**32.99**	**2,504.41**
Net Book value										
At March 31, 2018	**15,070.52**	**1,505.72**	**646.78**	**371.46**	**6.22**	**632.32**	-	**0.22**	**30.80**	**18,264.04**
At March 31, 2017	15,325.23	1,637.06	766.31	396.60	13.05	800.69	-	0.40	33.55	18,972.88

Notes

a) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in note 13 on 'borrowings'.

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HYACINTH HOTELS PVT. LTD.
New Delhi

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

4 Intangible Assets *Rs. In lakhs*

Particulars	Software	Total
Cost or valuation		
At April 1, 2016	39.63	39.63
Additions	-	-
Disposals	-	-
At March 31, 2017	**39.63**	**39.63**
Additions	2.55	2.55
Disposals	-	-
At March 31, 2018	**42.18**	**42.18**
Amortisation and impairment		
At April 1, 2016	6.35	6.35
Amortisation	6.45	6.45
Disposals	-	-
At March 31, 2017	**12.80**	**12.80**
Amortisation	6.76	6.76
Disposals	-	-
At March 31, 2018	**19.56**	**19.56**
Net Block		
At March 31, 2018	**22.61**	**22.62**
At March 31, 2017	26.83	26.83

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HYACINTH HOTELS PVT. LTD.
New Delhi

5	**Financial assets**	**As at March 31, 2018 Rs in lakhs**	As at March 31, 2017 Rs in lakhs
(i)	**Other financial assets**		
	Unsecured considered good		
	Fixed deposits under lien*	**33.26**	-
	Interest accrued on fixed deposits	**1.87**	-
	Security deposits at amortized cost	**680.16**	606.86
		715.29	606.86

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

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

HYACINTH HOTELS PVT. LTD.
New Delhi

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

6.1 Deferred tax assets

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.
Property, plant and equipment and intangible assets	**1,886.91**	1,535.57
Borrowing cost	**4.13**	9.94
Security deposits payable	**281.60**	258.76
Lease equalization reserve	-	272.49
Deferred tax liability	**2,172.64**	2,076.76
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	**17.54**	11.58
Provision for doubtful debts and advances	**3.17**	2.13
Effect of unabsorbed depreciation and business loss*	**1,734.59**	1,684.06
Provision for gratuity	**2.74**	1.79
Provision for leave compensation	**2.59**	2.32
Security deposits receivable	**393.51**	361.59
Provision for slow moving inventory	**0.67**	0.62
Provision for contingency	**17.83**	12.66
Deferred tax asset	**2,172.64**	**2,076.76**
	-	-

* Deferred tax asset on losses and credits has been recognized to the extent of Deferred tax liability.

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

	March 31, 2018	March 31, 2017
Profit/(loss) before tax	**363.30**	(492.81)
Tax rate	**30.90%**	33.99%
Tax at statutory income tax rate	**112.26**	(167.51)
Effect of non-deductible expenses	-	3.38
Tax Effect of expenses/ income not allowed/ required to tax under Income tax charge/ (credit) in respect of earlier year	-	(2.75)
Unrecognized tax assets (net)	**(112.26)**	164.13
Net	-	(2.75)
As per profit and loss account	-	(2.75)

6.2 Non-current tax assets (net)

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Advance income tax (net of provision for taxation)	**217.94**	208.66
	217.94	208.66

7 Other non-current assets

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Balance with statutory/ government authorities	**25.00**	25.00
Unamortised portion of security deposits	**3,356.91**	3,554.28
Total	**3,381.91**	3,579.28

DELOITTE HASKINS & SELLS LLP Chartered Accountants

HYACINTH HOTELS PVT. LTD. New Delhi

8 Inventories (valued at lower of cost and net realisable value)	**As at March 31, 2018 Rs in lakhs**	As at March 31, 2017 Rs in lakhs
Food and beverages (excluding liquor and wine)	**14.32**	9.39
Liquor and wine	**32.09**	39.14
Stores, cutlery, crockery, linen, provisions and others	**29.32**	29.40
Total	**75.73**	77.93

As at March 31, 2018 : Rs. 2.02 lakhs (March 31, 2017: Rs. 2.02 lakhs) was recognised as an expense for inventories carried at net realisable value.

Refer footnote to Note 13 for inventories pledged.

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

HYACINTH HOTELS PVT. LTD.
New Delhi

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

9	**Financial assets**	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
(i)	**Trade receivables**		
	Break-up for security details:		
	Trade receivables		
	Secured, considered good	-	-
	Unsecured, considered good	617.42	539.46
	Doubtful	9.60	6.57
	Total	627.02	546.03
	Impairment Allowance (allowance for bad and doubtful debts)		
	Unsecured, considered good	-	-
	Doubtful	9.60	6.57
		9.60	6.57
	Total	617.42	539.46

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

		As At March 31, 2018 Rs in lakhs	As At March 31, 2017 Rs in lakhs
(ii)	**Cash and cash equivalents**		
	Balance with banks		
	On current accounts	299.47	168.28
	Cash on hand	6.48	1.23
		305.95	169.51

10	**Other current assets**	As At March 31, 2018 Rs in lakhs	As At March 31, 2017 Rs in lakhs
	Advances recoverable	103.85	88.47
	Accrued revenue	7.73	35.55
	Balance with statutory/ government authorities	25.38	128.55
	Prepaid expenses	53.78	67.99
	Unamortized portion of security deposits	197.47	197.47
	Total	388.21	518.02

DELOITTE HASKINS & SELLS LLP Chartered Accountants

HYACINTH HOTELS PVT. LTD. New Delhi

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

11 Equity Share capital

Authorised Share Capital

	Equity shares	
	No. of shares	Rs in lakhs
At April 1, 2016	8,350,000	83.50
Increase/(decrease) during the year	-	-
At March 31, 2017	8,350,000	83.50
Increase during the year	430,000	4.30
At March 31, 2018	8,780,000	87.80

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 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 Rs. 1 each issued, subscribed and fully paid	No. of shares	Rs in lakhs
At April 1, 2016	7,100,000	71.00
Increase/(decrease) during the year	-	-
At March 31, 2017	7,100,000	71.00
Increase during the year	1,110,000	11.10
At March 31, 2018	8,210,000	82.10

Shares held by holding company

	As at March 31, 2018		As At March 31, 2017	
	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*	8,210,000	82.10	7,100,000	71.00

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 1 each fully paid				
Fleur Hotels Private Limited*	8,210,000	100.00%	7,100,000	100.00%

*including 1 equity share held by nominee shareholder on behalf of the Company

12 Other equity

Securities Premium	Rs in lakhs
At April 1, 2016	6,930.00
Increase/(decrease) during the year	-
At March 31, 2017	6,930.00
Increase during the year	1,988.23
At March 31, 2018	8,918.23

Retained Earnings	Rs in lakhs
At April 1, 2016	(3,792.56)
Loss for the year	(490.84)
At March 31, 2017	(4,283.40)
Profit for the year	363.16
At March 31, 2018	(3,920.24)

Capital Reserve (equity component of loan from holding company)	Rs in lakhs
At April 1, 2016	9,878.76
Increase during the year	468.89
At March 31, 2017	10,347.65
Decrease during the year	(10,294.18)
At March 31, 2018	53.47

	As At March 31, 2018 Rs in lakhs	As At March 31, 2017 Rs in lakhs
Other reserves		
Securities Premium	8,918.23	6,930.00
Retained Earnings	(3,920.24)	(4,283.40)
Capital Reserve (equity component of loan from holding company)	53.47	10,347.65
	5,051.46	12,994.25

Securities premium: Securities premium comprises premium received on issue of shares.
Retained earnings: Retained earnings comprise balances of profit and loss at each period/year end.
Capital Reserve: Capital reserve represents the equity component of loan from holding company, Fleur Hotels Private Limited.

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Hyacinth Hotels Pvt. Ltd. New Delhi

13 Financial liabilities

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
(i) Borrowings		
Non-current borrowings		
Term Loans		
Indian rupee loans from Banks (Secured)		
Axis Bank Limited (Refer note 1 below)	**13,014.87**	6,414.37
Vehicle loans (Refer note 2 below)	**6.78**	-
Loan from related parties		
0% loan from Fleur Hotels Private Limited (100% holding company)	-	181.03
Total non-current borrowings	**13,021.64**	6,595.40
Current borrowings		
Term Loans		
Current maturity of long term loans		
Axis Bank Limited (Refer note 1 below)	**916.25**	720.00
Vehicle loans (Refer note 2 below)	**1.47**	0.58
Total current borrowings	**917.72**	720.58
Less: Amount clubbed under "other current liabilities"	**(917.72)**	(720.58)
Net current borrowings	-	-

Term loans

1) Rupee term loan from Axis bank, with sanctioned limit of Rs. 149.14 crores, presently carrying interest rate of 9% (previous year: 9.76%) 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.

The TL1 and TL II Loans are repayable in 40 quarterly instalments with first installment falling due after a period of 3 years from first disbursement.
Term Loan III is repayable in 59 quarterly installments commencing 6 months after first disbursement. Corporate guarantee for TL III is given by the holding company only.

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.

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

DELOITTE HASKINS & SELLS LLP Chartered Accountants

HYACINTH HOTELS PVT. LTD. New Delhi

14 Provisions

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Provision for gratuity	**8.29**	5.80
Current	**1.73**	0.98
Non-current	**6.56**	4.82

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Provision for leave benefits	**7.82**	7.52
Current	**7.82**	7.52
Non-current	-	-

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Provision for contingencies (Refer note 29)	**53.94**	40.97
Current	**53.94**	40.97
Non-current	-	-
Total current	**63.49**	49.47
Total non-current	**6.56**	4.82

15 Other Non-current liabilities

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Unamortised portion of security deposits	**2,402.24**	2,543.55
	2,402.24	2,543.55

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

HYACINTH HOTELS PVT. LTD.
New Delhi

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

16 Financial liabilities

(i) Borrowings

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
0% loan from Fleur Hotels Private Limited (100% holding company) repayable on demand	**666.98**	-
	666.98	-

(i) Trade payables

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Trade Payables		
-Micro and small enterprises	-	-
-Other than Micro and small enterprises	**969.51**	911.09
	969.51	911.09

(ii) Other financial liabilities

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Current maturities of long-term borrowings	**917.72**	720.58
Book overdraft	**0.61**	68.64
Other payables		
-Payable for capital goods	**3.74**	3.28
Outstanding dues of other creditors	**0.82**	0.82
	922.89	793.32

17 Other current liabilities

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Advance from customers	**144.15**	76.59
Unamortised portion of security deposits	**141.31**	141.31
Statutory Dues	**62.02**	114.77
	347.48	332.67

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

HYACINTH HOTELS PVT. LTD.
New Delhi

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

18 Revenue from operations

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
<u>Revenue from operations</u>		
Sale of products and services		
- Room rental	4,277.96	3,206.55
- Food and beverage (excluding liquor and wine)	1,016.67	1,262.90
- Liquor and wine	242.41	210.95
- Telephone and telex	1.06	1.55
- Other Services (including service charge income)	546.81	444.97
Other Operating Revenue		
- Commission income	1.61	2.11
Revenue from operations	6,086.52	5,129.03

19 Other income

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Income from serve for India scheme	-	4.24
Profit on sale of fixed assets	0.35	-
License fees received	316.05	306.94
Excess provision/ credit balances written back	-	4.51
Miscellaneous income	2.67	2.74
Total	319.07	318.43

20 Cost of food and beverages consumed

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
(a) Consumption of food & beverages excluding liquor & wine		
Inventory at the beginning of the year	12.20	12.20
Add: Purchases	549.39	490.52
	561.59	502.72
Less: Inventory at the end of the year	14.32	9.39
Cost of food and beverage consumed	547.27	493.33
(b) Consumption of liquor & wine		
Inventory at the beginning of the year	36.23	36.23
Add: Purchases	68.58	82.95
	104.81	119.18
Less: Inventory at the end of the year	32.09	39.14
Cost of liquor and wine consumed	72.72	80.04
	619.99	573.37

21 Employee benefit expense

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Salaries, wages and bonus	741.62	683.07
Contribution to provident fund and other funds	31.55	29.09
Staff recruitment and training expenses	9.13	0.47
Gratuity expense	2.35	1.89
Leave compensation expenses	1.45	2.33
Staff welfare expenses	117.10	101.19
Total	903.20	818.04

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HYACINTH HOTELS PVT. LTD. New Delhi

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

22 Other expenses

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	102.59	93.57
License fee	623.65	601.44
Power and fuel	497.30	480.82
Linen & uniform washing and laundry expenses	90.52	87.70
Guest transportation	180.40	155.70
Spa expenses	42.73	40.69
Subscription charges	13.70	15.64
Repair and maintenance		
- Buildings	47.05	82.07
- Plant and machinery	69.18	93.03
- Others	88.94	146.76
Rates and taxes	100.83	103.97
Insurance	8.93	11.64
Communication costs	60.08	62.45
Printing and stationery	28.99	28.92
Traveling and conveyance	7.73	22.77
Vehicle running and maintenance	52.58	48.71
Advertising and sales promotion	156.22	158.43
Management & incentive fees	316.11	246.06
Commission -other than sole selling agent	216.14	94.35
Security and cleaning expenses	64.39	62.01
Membership and subscriptions	-	0.63
Legal and professional fees	19.95	23.99
Advances written off	-	1.12
Freight and cartage	0.94	0.39
Exchange difference (net)	-	0.02
Loss on sale of property plant & equipment	-	3.11
Provision for doubtful debt, loans, advances etc.	3.03	-
Payment to auditor (Refer note below)	8.00	6.90
Miscellaneous expenses	54.79	49.97
Total	2,854.77	2,722.86

Payment to auditor		
For statutory audit	7.00	5.74
For tax audit	1.00	0.59
Other services	-	0.57
	8.00	6.90

23 Finance costs

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Interest		
- on term loans from banks	859.77	917.03
- on vehicle loans	1.43	0.92
- on others	0.01	0.01
- Security deposits payable	50.89	45.19
- Loan from holding company	16.12	19.79
Bank charges (including commission on credit card collection)	49.69	42.33
Total	977.91	1,025.27

24 Finance income

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Interest Income on :		
- Interest on income tax refund	4.90	-
- Bank deposits	0.95	0.97
-Security deposits receivable	71.11	63.15
Total	76.96	64.12

25 Depreciation and amortization expense

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Depreciation of tangible assets	756.62	858.40
Amortization of intangible assets	6.76	6.45
Total	763.38	864.85

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HYACINTH HOTELS PVT. LTD. New Delhi

26 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 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:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit/(Loss) attributable to equity holders (for basic and diluted) (Rs. in lakhs)	363.30	(490.06)
Weighted average number of equity Shares (for basic and diluted earnings per share)*	7,431,479	7,100,000
Basic & Diluted EPS	4.89	(6.90)

*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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Chartered Accountants

HYACINTH HOTELS PVT. LTD.
New Delhi

27 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

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. 804.62 lakhs and Rs. 851.20 lakhs as of March 31, 2018 and March 31, 2017 respectively.

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HYACINTH HOTELS PVT. LTD. New Delhi

28. Gratuity

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.

Rs. in lakhs

	March 31, 2018	**March 31, 2017**
Gratuity plan	8.29	5.80
Total	8.29	5.80

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Chartered Accountants

HYACINTH HOTELS PVT. LTD.
New Delhi

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

Rs. in lakhs

	Opening Balance	Cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2017	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement arising from changes in demographic assumptions	Remeasurement arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2018
Defined benefit obligation	5.80	1.96	0.39	2.35	-	-	-	(0.18)	0.32	0.14	-	8.29
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	**5.80**	**1.96**	**0.39**	**2.35**	-	-	-	**(0.18)**	**0.32**	**0.14**	-	**8.29**

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

HYACINTH HOTELS PVT. LTD.
New Delhi

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

Rs. in lakhs

	Opening Balance	cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2016	Service cost	Net interest expense	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**

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

HYACINTH HOTELS PVT. LTD.
New Delhi

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

	March 31, 2018	March 31, 2017
Unquoted investments:		
Asset invested in insurance scheme with the LIC	-	-
Total	-	-

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

	March 31, 2018	March 31, 2017
Discount rate:	%	%
Pension plan	7.30%	6.70%
Future salary increases:		
Pension plan	5.00%	5.00%
Life expectation for pensioners:`	Years	Years
Pension plan		
Male	60	60
Female	60	60

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

India gratuity plan:

Rs in lakhs

	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.28	0.30	0.30	0.29

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HYACINTH HOTELS PVT. LTD. New Delhi

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

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

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

Rs. in lakhs

Duration (Years)	Year ended March 31, 2018	Year ended March 31, 2017
1	1.79	1.01
2	1.61	0.96
3	1.45	1.09
4	1.36	0.99
5	1.14	0.87
Above 5	3.74	2.84
Total expected payments	11.09	7.76

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

29. 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 recognised Rs. 623.65 lakhs (March 31, 2017: Rs 601.44 lakhs) expense as rent in the statement of profit & loss towards minimum lease payment.

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HYACINTH HOTELS PVT. LTD.
New Delhi

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

Rs. In lakhs

	March 31, 2018	March 31, 2017
Within one year	449.63	426.19
After one year but not more than five years	2,059.79	1,952.41
More than five years	10,849.52	11,406.53
Total	**13,358.94**	13,785.13

b. Commitments

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

At March 31, 2018, the Company had commitments of Rs. Nil (March 31, 2017: 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 has made a provision of Rs. 53.94 lakhs (Refer note 30) in this regard and believes that no further liability will arise against these matters.

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 October 11, 2018.

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Hyacinth Hotels Pvt. Ltd. New Delhi

The Company, 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.

30. 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, 2018	As at March 31, 2017
Opening Balance	40.97	28.00
Provision created during the year	12.97	12.97
Provision utilized during the year	-	-
Closing Balance	**53.94**	**40.97**

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Chartered Accountants

HYACINTH HOTELS PVT. LTD.
New Delhi

31. 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
Key Management Personnel	- Mr. Jagdish Kumar Chawla(Director) - Mr. Kapil Sharma(Director) - Mr. Arjun Sawhny(Independent Director)(upto June 13, 2017) - Mr. Sumant Jaidka(Director) - Mr. Paramartha Saikia (Independent Director)
Associate in which Ultimate holding company has significant influence	- Mind Leaders Learning India Private Limited

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HYACINTH HOTELS PVT. LTD. New Delhi

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	Associate in which ultimate holding company has significant influence
Reimbursement of expenses paid on company's behalf				
Lemon Tree Hotels Limited	31-Mar-18	**2.95**	-	-
	31-Mar-17	0.20	-	-
Fleur Hotels Private Limited	31-Mar-18	-	-	-
	31-Mar-17	-	2.90	-
Subscription in Share Capital of the company				
Fleur Hotels Private Limited	31-Mar-18	-	**1,999.33**	-
	31-Mar-17	-	-	-
Reimbursement of expenses incurred by company on party's behalf				
Lemon Tree Hotels Limited	31-Mar-18	**287.29**	-	-
	31-Mar-17	276.25	-	-
Fleur Hotels Private Limited	31-Mar-18	-	**11.53**	-
	31-Mar-17	-	-	-
Loans (taken)				
Fleur Hotels Private Limited	31-Mar-18	-	**280.00**	-
	31-Mar-17	-	1,394.50	-
Loan (Repaid)				
Fleur Hotels Private Limited	31-Mar-18	-	**10,104.35**	-
	31-Mar-17	-	918.50	

DELOITTE HASKINS & SELLS LLP Chartered Accountants

HYACINTH HOTELS PVT. LTD. New Delhi

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

Transactions with Related Party	Year Ended	Ultimate Holding Company	Holding Company	Associate in which ultimate holding company has significant influence
Training Fee Paid				
Mind Leaders Learning India Private Limited	31-Mar-18	-	-	**8.00**
	31-Mar-17	-	-	-
License fee Received (Including service tax/GST)				
Lemon Tree Hotels Limited	31-Mar-18	**200.95**	-	-
	31-Mar-17	189.64	-	-
Management Fee(Net of TDS)				
Lemon Tree Hotels Limited	31-Mar-18	**444.53**	-	-
	31-Mar-17	406.92	-	-
Collection of reimbursment of expenses done on behalf of Party				
Lemon Tree Hotels Limited	31-Mar-18	**278.94**	-	-
	31-Mar-17	243.66	-	-
Fleur Hotels Private Limited	31-Mar-18	-	**11.53**	-
	31-Mar-17	-	-	-
Payment of reimbursement of expense incurred behalf of Company				
Lemon Tree Hotels Limited	31-Mar-18	**2.95**	-	-
	31-Mar-17	0.20	-	-
Corporate Gaurantee given on company's behalf (Refer footnote of note 13(i))				
Lemon Tree Hotels Limited	31-Mar-18	**8,605.00**	-	-
	31-Mar-17	8,605.00	-	

Deloitte Haskins & Sells LLP Chartered Accountants

Hyacinth Hotels Pvt. Ltd. New Delhi

Hyacinth Hotels Private Limited

Notes to financial statements for the year ended March 31, 2018

Transactions with Related Party	Year Ended	Ultimate Holding Company	Holding Company	Associate in which ultimate holding company has significant influence
Fleur Hotels Private Limited	31-Mar-18	-	**16,105.00**	-
	31-Mar-17	-	16,105.00	-
Balances outstanding at the year end - Long term borrowing				
Fleur Hotels Private Limited	31-Mar-18	-	-	-
	31-Mar-17	-	10,491.33	-
Balances outstanding at the year end - Short term borrowing				
Fleur Hotels Private Limited	31-Mar-18	-	**666.98**	-
	31-Mar-17	-	-	-
Balances outstanding at the year end- Other current liabilities				
Lemon Tree Hotels Limited	31-Mar-18	-	-	-
	31-Mar-17	36.30	-	-
Mind Leaders Learning India Private Limited	31-Mar-18	-	-	**0.32**
	31-Mar-17	-	-	-
Balances outstanding at the year end- Current Assets				
Lemon Tree Hotels Limited	31-Mar-18	**21.17**	-	-
	31-Mar-17	32.59	-	-
Balances outstanding at the year end- Other long-term liabilities				
Lemon Tree Hotels Limited	31-Mar-18	**3,850.00**	-	-
	31-Mar-17	3,850.00	-	-

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HYACINTH HOTELS PVT. LTD. New Delhi

Terms and conditions of transactions with related parties

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

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

32. 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, 2018		March 31, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade Receivables	-	617.42	-	539.46
Security Deposits	-	680.16	-	606.86
Cash and Cash Equivalents	-	305.95	-	169.51
Fixed deposits under Lien	-	33.26	-	-
Interest accrued on fixed deposits	-	1.87	-	-
Total Financial Assets	-	**1,638.66**	-	**1,315.83**

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HYACINTH HOTELS PVT. LTD.
New Delhi

b. Financial liabilities

Rs. in lakhs

	March 31, 2018		March 31, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities				
Borrowings	-	14,606.34	-	7,315.98
Trade Payables	-	969.51	-	911.09
Other Current Financial Liabilities	-	5.17	-	72.74
Other non current Financial Liabilites	-	454.75	-	403.86
Total Financial Liabilities	-	**16,035.77**	-	**8,703.67**

c. Fair value measurement hierarchy for assets and liabilities

Fair value measurement

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

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

i) Level 1

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

ii) Level 2

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

iii) Level 3

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

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Hyacinth Hotels Pvt. Ltd. New Delhi

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

Financial assets and liabilities measured at fair value

Rs. in lakhs

	March 31, 2018			
	Level 1	Level 2	Level 3	**Total**
Financial Assets as FVTPL	-	-	-	
Financial Liabilites as FVTPL	-	-	-	-

	March 31, 2017			
	Level 1	Level 2	Level 3	**Total**
Financial Assets as FVTPL	-	-	-	
Financial Liabilites as FVTPL	-	-	-	-

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

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

33 Financial risk management objectives and policies

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

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

Market risk

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

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HYACINTH HOTELS PVT. LTD. New Delhi

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, 2018	March 31, 2017
Variable rate borrowings	13,931.12	7,134.37
Fixed rate borrowings	675.22	181.61

Interest rate sensitivity

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

Rs. in lakhs

Particulars	**Increase/decrease in basis points**	**Effect on profit before tax**
March 31, 2018		
INR	50	45.30
INR	-50	(45.30)
March 31, 2017		
INR	50	38.54
INR	-50	(38.54)

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.

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HYACINTH HOTELS PVT. LTD. New Delhi

(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 9. The Company does not hold collateral as security.

Rs in lakhs

Ageing	March 31, 2018	March 31, 2017
Not due	-	-
0-60 days past due	317.54	279.84
61-120 days past due	98.65	119.85
121-180 days past due	68.19	38.44
180-365 days past due	65.53	57.67
365-730 days past due	48.81	35.68
more than 730 days	18.70	7.98

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

Rs. in lakhs

Ageing	March 31, 2018	March 31, 2017
Not due	-	-
0-60 days past due	3.03	-
61-120 days past due	-	-
121-180 days past due	-	-
180-365 days past due	-	-
more than 365 days	6.57	6.57

DELOITTE HASKINS & SELLS LLP Chartered Accountants

HYACINTH HOTELS PVT. LTD. New Delhi

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

Rs. In lakhs

	March 31, 2018	March 31, 2017
Provision at beginning	**6.57**	**6.57**
Addition during the year	3.03	-
Reversal during the year	-	-
Utilised during the year	-	-
Provision at closing	**9.60**	**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, 2018 and March 31, 2017 is the carrying amount as illustrated in Note 9.

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, 2018						
Borrowings	666.98	92.73	824.99	6,130.38	6,891.26	14,606.34
Trade and other payables	969.51	-	-	-	-	969.51
Other Financial Liabilities	459.91	-	-	-	-	459.91
	2,096.40	**92.73**	**824.99**	**6,130.38**	**6,891.26**	**16,035.76**
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**

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34 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, 2018	March 31, 2017
Borrowings (Note 13)	14,606.34	7,315.98
Trade payables (Note 16)	9,69.51	911.10
Less: cash and cash equivalents (Note 9)	305.95	169.51
Net debt	**15,269.90**	**8,057.57**
Equity	5,133.56	13,065.25
Capital and net debt	**20,403.46**	21,122.82
Gearing ratio	**75%**	**38%**

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 year ended March 31, 2018 and March 31, 2017.

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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, 2018	March 31, 2017
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
the amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	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

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New Delhi

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.

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

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

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

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

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 :May 23, 2018

DELOITTE HASKINS & SELLS LLP
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