Jain Jindal & Co.
(Chartered Accountants)

Plot No. Y 40/2, Shahtoot Marg
DLF Phase-1, Gurgaon-122002
Board: +91 124 4252720

INDEPENDENT AUDITOR'S REPORT

To the Members of **Iora Hotels Private Limited**

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Jain Jindal & Co. Gurgaon

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

   i. The Company does not have any pending litigations which would impact its financial position;

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

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

Jain Jindal & Co.
Gurgaon

Jain Jindal & Co.

(Chartered Accountants)

iv. The Company has provided requisite disclosures in Note 25 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For Jain Jindal & Co.
Firm Registration No: 025817N
Chartered Accountants

Jain Jindal & Co. Gurgaon

Romesh Vijay
Partner
Membership No.: 411274
Place: New Delhi
Date: June 13, 2017

Jain Jindal & Co.
(Chartered Accountants)

Plot No. Y 40/2, Shahtoot Marg
DLF Phase-1, Gurgaon-122002
Board: +91 124 4252720

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: **Iora Hotels Private Limited ("the Company")**

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

b) Considering the state of operations of the Company, where the Company has incurred the expenses towards the capital work in progress the provisions related to physical verification is not applicable

c) The company is holding the title deeds of immovable properties in its name.

(ii) The Company does not have any inventory. thus reporting under clause 3(ii) is not applicable

(iii) The Company has not granted any loan to a company covered in the register maintained under section 189 of the Companies Act. 2013. Accordingly, provisions of, clause 3(iii) (a). (b) and (c) of the Order are not applicable to the Company.

(iv) The company has not made any loans, investments, guarantees, and securities during the year thus the provision of clause 3 (iv) is not applicable.

(v) The Company has not accepted any deposits from the public in terms of directive issued by Reserve Bank of India and provision of section 73 to 76 of the Companies Act. 2013.

(vi) To the best of our knowledge and as explained, the central government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013.

(vii) a) Undisputed statutory dues including provident fund, employee state insurance, labour welfare fund. income-tax, wealth-tax. service tax, value added tax. cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions related to excise and customs duty are not applicable to the Company.

b) According to information and explanation given to us, there are no undisputed amounts payable in respect of income tax, sales tax. wealth tax, service tax, duty of customs, value added tax. excise duty cess and other material statutory dues were outstanding for a period of more than six months from the date they become payable.

c) According to information and explanation given to us there are no dues of Income tax. sales tax. service tax. duty of customs, value added tax and cess which have not been deposited on account of dispute.

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Gurgaon

(viii) The company did not have any outstanding dues in respect of bank, financial institutions or debenture holders during the year.

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and there are no term loans outstanding during the year.

(x) To the best of our knowledge no fraud is committed by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) The provision of managerial remuneration under section 197 is not applicable to the Company.

(xii) The company is not a Nidhi Company so Nidhi Rules, 2014 are not applicable to the company.

(xiii) All transactions with the related party are in compliance with section 177 and section 188 of Companies Act. 2013 where applicable and the details have been disclosed in the Financial Statements as required by applicable accounting standards.

(xiv) The Company has made an issue of fully convertible debentures during the year under review and has complied with the requirements of section 42,62 and 71 of the Companies Act, 2013 and the amounts have been used for the purpose for which the funds were raised.

(xv) The Company has not entered into any non-cash transaction with the director or person connected with director as required under section 192 of The Companies Act, 2013.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India. 1934.

For **Jain Jindal & Co.**
Chartered Accountants
ICAI Firm Registration Number: 025817N

Jain Jindal & Co. Gurgaon

Romesh Vijay
Partner
Membership Number: 411274
Place: New Delhi
Date: June 13. 2017

Jain Jindal & Co.
(Chartered Accountants)

Plot No. Y 40/2, Shahtoot Marg
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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF IORA HOTELS PRIVATE LIMITED

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Jain Jindal & Co.
Gurgaon

Jain Jindal & Co.
(Chartered Accountants)

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **Jain Jindal & Co.**
Chartered Accountants
ICAI Firm Registration Number: 025817N

Jain Jindal & Co.
Gurgaon

Romesh Vijay
Partner
Membership Number: 411274
Place: New Delhi
Date: June 13, 2017

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

	Notes	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs	April 1, 2015 Rs in lakhs
ASSETS				
Non-current assets				
Capital work-in-progress	3	**6,886.24**	4,513.65	1,816.92
Financial assets	4			
Investments		**-**	-	-
Other financial assets		**1,580.93**	1,400.25	779.32
Other non-current assets	5	**13,203.99**	13,928.25	8,734.50
		·21,671.16	19,842.15	11,330.74
Current assets				
Financial assets	6			
Cash and Cash equivalents		**11.57**	6.05	5.11
Other current assets	7	**729.05**	730.69	435.70
		740.62	736.74	440.81
Total Assets		**22,411.78**	20,578.89	11,771.55
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	8	**450.00**	450.00	450.00
Other Equity	9	**20,588.23**	19,334.69	11,059.13
Total Equity		**21,038.23**	19,784.69	11,509.13
Liabilities				
Non-current liabilities				
Financial liabilities	10			
Borrowings		**228.10**	190.99	150.20
Other non-current liabilities	10	**1,105.19**	602.20	88.77
		1,333.29	793.19	238.97
Current liabilities				
Financial liabilities	11			
Other financial liabilities		**2.21**	0.69	4.49
Other current liabilities	12	**38.05**	0.32	18.96
		40.26	1.01	23.45
Total Liabilities		**1,373.55**	794.20	262.42
Total Equity and Liabilities		**22,411.78**	20,578.89	11,771.55

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Jain Jindal & Co.
Firm Registration No: 025817N
Chartered Accountants

Jain Jindal & Co. Gurgaon

Romesh Vijay
Partner
Membership No.: 411274

Place : New Delhi
Date : June 13, 2017

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

Cyrus Mehernosh Madan
Director
Din: 02695031

Davander Tomar
Director
Din: 00013336

Place : New Delhi
Date : June 13,2017

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

	Notes	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs
Other Income	13	-	-
Total Income		-	-
Expenses			
Other expenses	14	0.27	0.33
Total expenses		0.27	0.33
Earnings before interest, tax, depreciation and amortisation (EBITDA)		(0.27)	(0.33)
Finance costs	15	0.10	0.40
Finance Income	16	-	(39.53)
Profit/(loss) before tax		(0.37)	38.80
Tax expense:			
Current tax		-	11.99
		-	11.99
Profit/(loss) for the period		(0.37)	26.81
Other comprehensive income		-	-
Total comprehensive income for the year, net of tax		(0.37)	26.81
Earnings per equity share:			
(1) Basic	17	(0.00)	0.06
(2) Diluted	17	(0.00)	0.05

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Jain Jindal & Co.
Firm Registration No: 025817N
Chartered Accountants

Jain Jindal & Co. Gurgaon

Romesh Vijay
Partner
Membership No.: 411274

Place : New Delhi
Date : June 13, 2017

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

Cyrus Mehernosh Madan
Director
Din: 02695031

Davander Tomar
Director
Din: 00013336

Place : New Delhi
Date : June 13,2017

Iora Hotels Private Limited
Statement of Changes in Equity

A. Equity Share Capital

Equity shares of INR 1 each issued, subscribed and fully paid	No. of shares	Amount Rs in lakhs
At 1 April 2015	45,000,000	450.00
Issue of share capital	-	-
At 31 March 2016	45,000,000	450.00
Issue of share capital	-	-
At 31 March 2017	45,000,000	450.00

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

	Compulsorily convertible debentures	Reserves and Surplus			Total equity
		Capital reserve(Note)	Securities Premium Reserve	Retained Earnings	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Balance at 1 April 2015	-	11,065.80	-	(6.67)	**11,059.13**
Total Comprehensive Income for the year	-	-	-	26.81	**26.81**
Any other change	6,400.00	1,848.75	-	-	**8,248.75**
Balance at 1 April 2016	6,400.00	12,914.56	-	20.14	**19,334.69**
Total Comprehensive Income for the year	-	-	-	(0.37)	**(0.37)**
Any other change	200.00	1,053.91		-	**1,253.91**
Balance at 31 March 2017	**6,600.00**	**13,968.47**	-	**19.77**	**20,588.23**

Note :Capital reserve represents equity compenent of non-interest bearing loan from holding company.

As per our report of even date

For Jain Jindal & Co.
Firm Registration No: 025817N
Chartered Accountants

Romesh Vijay
Partner
Membership No.: 411274

Place : New Delhi
Date : June 13, 2017

Jain Jindal & Co. Gurgaon

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

Cyrus Meherhosh Madan
Director
Din: 02695031

Davander Tomar
Director
Din: 00013336

Place : New Delhi
Date : June 13,2017

Iora Hotels Private Limited

Cash flow statement for the year ended March 31, 2017

	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs
Operating Activities		
Profit before tax	(0.37)	38.80
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Net (gain)/ loss on sale of current investments	-	(39.53)
	(0.37)	(0.73)
Working Capital Adjustment:		
Change in loans and advances and other current assets	0.98	(6,602.12)
Change in liabilities and provisions	39.24	(22.43)
	39.85	(6,625.28)
Income tax paid (net of refunds)	-	(12.00)
Net cash flow from operating activities	39.85	(6,637.28)
Investing activities		
Purchase of fixed assets including movement of CWIP and capital advances	(1,301.33)	(1,671.81)
(Purchase)/sale of current investment		39.53
Net Cash flow used in investing activities	(1,301.33)	(1,632.28)
Financing activities		
Proceeds from long term borrowings	1,067.00	1,870.50
Proceeds from issuance of compulsorily connvertible debentures	200.00	6,400.00
Net Cash from financing activities	1,267.00	8,270.50
Net increase/(decrease) in cash and cash equivalents	5.52	0.94
Cash and cash equivalents at the beginning of the year	6.05	5.11
Cash and cash equivalents at the end of the year	11.57	6.05
Components of cash and cash equivalents		
Cash on Hand	0.00	0.91
Balances with Scheduled Banks in		
Current accounts	11.57	5.14
Total cash and cash equivalents	11.57	6.05

Summary of significant accounting policies 2

As per our report of even date

For Jain Jindal & Co.
Firm Registration No: 025817N
Chartered Accountants

Jain Jindal & Co. Gurgaon

Romesh Vijay
Partner
Membership No.: 411274

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

Cyrus Mehernosh Madan
Director
Din: 02695031

Davander Tomar
Director
Din: 00013336

Place : New Delhi
Date : June 13, 2017

Place : New Delhi
Date : June 13, 2017

1. **Corporate Information**

Iora 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 company is engaged in the business of running, owning hotels, resorts and restaurants and to provide hospitality services in this regard.

The financial statements were authorised for issue in accordance with a resolution of the directors on 13th June 2017.

2 **Basis of preparation**

2.1 **Significant accounting policies**

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

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 24 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost or at amortised cost except for the following assets and liabilities:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

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

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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

(c) Fair value measurement

The Company measures financial instruments, such as, investment in mutual fund 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

Jain Jindal & Co. Gurgaon

participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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

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

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

Jindal & Co.
Gurgaon

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 18),
- Quantitative disclosures of fair value measurement hierarchy (note 21)
- Financial instruments (including those carried at amortised cost) (note 21)

(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.

Interest income

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

Dividends

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

Gain/(loss) on sale of investment in mutual funds

Gain/(loss) on sale of investment in mutual funds is recorded as other income on transfer of title from the Company and is determined as the difference between the redemption price and carrying value of the investments.

(e) Taxes

Current income tax

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

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

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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.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits 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 utilized.

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

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

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

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

(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, 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.

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(g) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(h) **Leases**

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

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

Company as a lessee

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.2.g). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

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

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

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

(i) **Impairment of non-financial assets**

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

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

Impairment losses of continuing operations, 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.

(j) 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a

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separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

(k) Retirement and other employee benefits

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

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

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 consolidated statement of profit and loss:

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

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. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a

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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.

(I) **Financial instruments**

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

This category is the most relevant to the Company. 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.

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Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Derecognition

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

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

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

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and obligations that the Company has retained.

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Lease receivables under Ind AS 17
d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
e) Loan commitments which are not measured as at FVTPL
f) Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

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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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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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 2.2g

Financial guarantee contracts

Financial guarantee contracts issued by the group Company are those contracts that require a payment to be made to reimburse the guarantee holder for a loss it incurs because the Company fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantees issued by the group Company on behalf the Company are designated as 'Insurance Contracts'.

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.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Offsetting of financial instruments

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

(m) 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.

(n) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, 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. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

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(o) **Segment reporting policies**

Identification of segments

The management of the Company reviews the specific performance of its respective hotel properties. However, since all hotels have similarity in terms of products and services, customer classes, method of providing services and the regulatory environment, the individual hotels qualify for aggregation. Thus, the management has considered aggregating all the hotels as one reportable operating segment. Accordingly, the figures appearing in these financial statements relate to the Company's single operating segment.

(p) **Earnings per share**

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year, if any.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(q) **Recent accounting pronouncements**

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard.

Amendment to Ind AS 7, Statement of Cash Flows

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102, Share-based Payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated. The Company will adopt these amendments from their applicability date.

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Iora Hotels Private Limited

Notes to financial statements for the year ended March 31, 2017

3 Capital work-in-progress*	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs	April 1, 2015 Rs in lakhs
Hotel at Mumbai			
Material	**4.12**	2.62	1.89
Professional charges	**3,719.11**	2,708.43	1,320.96
Lease rent	**2,766.35**	1,439.21	174.97
Salary, wages and bonus	**5.97**	1.99	-
Project staff expenses other then salary	**4.14**	0.78	0.10
Traveling expenses	**16.22**	14.50	2.89
Rates and taxes	**345.83**	328.31	304.99
Other expenses	**24.49**	17.82	11.13
	6,886.24	4,513.65	1,816.92

*Assets charged against borrowings - All immoveable and moveable fixed assets of the company are subject to a first charge to secure the company's borrowings

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Iora Hotels Private Limited

Notes to financial statements for the year ended March 31, 2017

4 **Financial assets**

	March 31, 2017	March 31, 2016	April 1, 2015
	Rs in lakhs	Rs in lakhs	Rs in lakhs
Other financial assets			
Security Deposits	**1,580.93**	1,400.25	779.32
	1,580.93	1,400.25	779.32

Break up of non-current financial assets carried at amortised cost

	March 31, 2017	March 31, 2016	April 1, 2015
	Rs in lakhs	Rs in lakhs	Rs in lakhs
Security Deposits	**1,580.93**	1,400.25	779.32
Total non-current financial assets carried at amortised cost	**1,580.93**	1,400.25	779.32

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Iora Hotels Private Limited

Notes to financial statements for the year ended March 31, 2017

5 Other non-current assets

	March 31, 2017	March 31, 2016	April 1, 2015
	Rs in lakhs	Rs in lakhs	Rs in lakhs
Capital Advances	**9.21**	4.53	-
	9.21	4.53	-
Advances other than capital advances			
Advance Income Tax (net of provision for taxation)	**0.01**	0.01	-
Advances recoverable in cash or kind or for value to be received	-	-	0.18
Deferred lease expenses	**13,194.78**	13,923.72	8,734.31
	13,194.79	13,923.73	8,734.50
Total	**13,203.99**	13,928.25	8,734.50

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

6 Financial assets

	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs	April 1, 2015 Rs in lakhs
Cash and cash equivalents			
Balance with banks			
On current accounts	**11.57**	5.14	4.62
Cash on hand	**0.00**	0.91	0.49
	11.57	6.05	5.11

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs	April 1, 2015 Rs in lakhs
Balance with banks			
On current accounts	**11.57**	5.14	4.62
Cash on hand	**0.00**	0.91	0.49
	11.57	6.05	5.11

7 Other current assets

	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs	April 1, 2015 Rs in lakhs
Prepayments	**0.11**	1.76	-
Deferred lease expenses	**728.94**	728.94	435.70
Total	**729.05**	730.69	435.70

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

8 Equity Share capital

Authorised Share Capital	Equity shares	
	No. of shares	Rs in lakhs
At 1 April 2015	45,000,000	450.00
Increase/(decrease) during the year	-	-
At 31 March 2016	45,000,000	450.00
Increase/(decrease) during the year	-	-
At 31 March 2017	45,000,000	450.00

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 INR 1 each issued, subscribed and fully paid	No. of shares	Rs in lakhs
At 1 April 2015	45,000,000	450.00
Increase/(decrease) during the year	-	-
At 31 March 2016	45,000,000	450.00
Increase/(decrease) during the year	-	-
At 31 March 2017	45,000,000	450.00

Shares held by holding company-

	March 31, 2017 Rs in lakhs		March 31, 2016 Rs in lakhs	
Equity shares of Re. 1 each fully paid up	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
Fleur Hotels Private Limited	45,000,000.00	450.00	45,000,000.00	450.00

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

	March 31, 2017		March 31, 2016	
	No. of shares	% Shareholding	No. of shares	% Shareholding
Equity shares of INR 1 each fully paid				
Fleur Hotels Private Limited	45,000,000	100.00%	45,000,000	100.00%

The company has not issued any shares for a consideration other than cash or bonus shares during the immediately preceeding 5 years.

9 Other equity

Retained Earnings	Rs in lakhs
At 1 April 2015	(6.67)
Profit/(loss) for the year	26.81
At 31 March 2016	20.14
Profit/(loss) for the year	(0.37)
At 31 March 2017	19.77

Capital Reserve (Equity component of loan from holding company)	Rs in lakhs
At 1 April 2015	11,065.80
Increase/(decrease) during the year	1,848.75
At 31 March 2016	12,914.56
Increase/(decrease) during the year	1,053.91
At 31 March 2017	13,968.47

Compulsorily convertible debentures (Refer note 1 below)	Rs in lakhs
At 1 April 2015	-
Increase/(decrease) during the year	6,400.00
At 31 March 2016	6,400.00
Increase/(decrease) during the year	200.00
At 31 March 2017	6,600.00

	March 31, 2017	March 31, 2016	April 1, 2015	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	
Other reserves				
Retained Earnings	19.77	20.14	(6.67)	(1,848.75)
Capital Reserve (Equity component of loan from holding company)(Refer note 10)	13,968.47	12,914.56	11,065.80	1,053.91
Compulsorily convertible debentures (Refer note 1 below)	6,600.00	6,400.00	-	
	20,588	19,335	11,059	

Note 1
Each Compulsorily convertible debenture is convertible into one equity share of Re one each fully paid. The Debentures are zero coupon and does not carry any interest rate.

18 lakhs debentures are to be converted on or before 22 June, 2020, 300,000 debentures are to be converted on or before February 3, 2021 and 200,000 are to converted on or before April 3, 2021. 33 lakhs debentures are to be converted on or before October 4, 2020. 10 lakhs debentures are to be converted on or before June 15, 2020.

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

10 **Borrowings**	**March 31, 2017**	March 31, 2016	April 1, 2015
	Rs in lakhs	Rs in lakhs	Rs in lakhs
Non-current borrowings			
Loan from related parties			
Loan from Holding Co(Refer note below)	**228.10**	190.99	150.20
Total non-current borrowings	**228.10**	190.99	150.20

Loan from holding company is non interest bearing and is repayable on demand.However on the basis long term business projection the company has assessed period of loan to be 40 years.Thus the company has accounted for the loan in debt and equity component.

10 **Other Non-current liabilities**	**March 31, 2017**	March 31, 2016	April 1, 2015
	Rs in lakhs	Rs in lakhs	Rs in lakhs
Reserve for lease equalisation	**1,105.19**	602.20	88.77
	1,105.19	602.20	88.77

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Iora Hotels Private Limited

Notes to financial statements for the year ended March 31, 2017

	March 31, 2017	March 31, 2016	April 1, 2015
	Rs in lakhs	Rs in lakhs	Rs in lakhs
11 Financial liabilities			
Other financial liabilities			
Other payables			
Payable for capital goods	**1.97**	0.53	3.89
Outstanding dues of other creditors	**0.23**	0.16	0.60
	2.21	0.69	4.49
12 Other current liabilities			
Statutory Dues	**38.05**	0.32	18.96
	38.05	0.32	18.96

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

13 Other income

	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs
Miscellaneous income	-	-
Total	-	-

14 Other expenses

	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs
Rates and taxes	0.06	0.16
Legal and professional fees	0.10	0.06
Payment to auditors	0.12	0.11
Total	0.27	0.33

Payment to auditor

As auditor	0.12	0.11
	0.12	0.11

15 Finance cost

	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs
Interest		
On income tax	0.09	0.05
Bank charges	0.01	0.34
Total	0.10	0.40

16 Finance Income

	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs
Profit on sale of investment	-	39.53
	-	39.53

17 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.

	March 31, 2017	March 31, 2016
Profit after Tax (Rs. in lakhs)	(0.37)	26.81
Weighted Average Number of Equity Shares	45,000,000	45,000,000
Basic Earning Per share	(0.00)	0.06
Computation of diluted earning per share		
Profit after Tax (Rs. in lakhs)	(0.37)	26.81
Weighted average number of equity shares in calculating diluted EPS	51,594,521	48,827,322
Diluted Earning Per share	(0.00)	0.05

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18. Significant accounting judgements, estimates and assumptions

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

Judgements

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

Operating lease commitments – Company as lessee

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

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

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 CGUbeing 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.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Currently company is Non operative

19. Commitments and contingencies

a. Leases

Operating lease commitments — Company as lessee

The Company has entered into operating lease on land for building a hotel, with lease terms upto 02-May- 2036 (extendable at the option of company for another 30 years). All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The Company has paid Rs. 251.21 lakhs (March 31, 2016 Rs 270.32 lakhs, April 1, 2015 Rs 35.53 lakhs) during the year towards minimum lease payment.

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

Rs. In lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Within one year	230.37	219.40	208.96
After one year but not more than five years	1042.59	992.94	945.65
More than five years	13,617.78	13,897.80	14,164.49
	14,890.74	**15,110.14**	**15,319.10**

b. Commitments

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

At March 31, 2017, the Company had commitments of Rs. 380.944 lakhs (March 31, 2016: 334.72 lakhs April 1, 2015: Rs 377.17 lakhs)

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20. Related Party Transactions

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

Ultimate Holding company	- Lemon Tree Hotels Limited
Holding Company	- Fleur Hotels Private Limited
Fellow subsidiary companies	- Begonia Hotels Private Limited - Celsia Hotels Private Limited - Nightingale Hotels Private Limited
Key Management Personnel	- Mr. Cyrus Mehernosh Madan (Director) - Mr. Davander Singh (Director) - Mr. Paramartha Saikia (Independent Director) - Mr. Arjun Sawhny (Independent Director)

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

(Amount in lakhs)

Transactions with Related party	Year Ended	Holding Company	Ultimate Holding Company	Fellow Subsidiaries
Loan (taken)				
Fleur Hotels Private Limited	31-Mar-17	**1,283.00**	-	-
	31-Mar-16	4,762.50	-	-
	01-Apr-15	11,466.00	-	-
Repayment of Loan(taken)				
Fleur Hotels Private Limited	31-Mar-17	**216.00**	-	-
	31-Mar-16	2,892.00	-	-
	01-Apr-15	250.00	-	-
Issue of Compulsory Convertible Debentures				
Begonia Hotels Private Limited	31-Mar-17	-	-	**200.00**
	31-Mar-16	-	-	2,100.00
	01-Apr-15	-	-	-
Celsia Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	3,300.00
	01-Apr-15	-	-	-
Nightingale Hotels Private Limited	31-Mar-17	-	-	-
	31-Mar-16	-	-	1,000.00
	01-Apr-15	-	-	-
Project Management Fees				
Lemon Tree Hotels Limited	31-Mar-17	-	**977.50**	-
	31-Mar-16	-	1,197.00	-
	01-Apr-15	-	511.80	-
Reimbursement of expense incurred by the party				
Fleur Hotels Private Limited	31-Mar-17	**0.01**	-	-
	31-Mar-16	0.32	-	-
	01-Apr-15	703.44	-	-
Payment made of expenses incurred by the party				
Fleur Hotels Private Limited	31-Mar-17	**0.01**	-	-

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	31-Mar-16	0.32	-	-
	01-Apr-15	703.44	-	-
Balance O/s at year end				
Fleur Hotels Private Limited	31-Mar-17	**14,153.50**	-	-
	31-Mar-16	13,086.50	-	-
	01-Apr-15	11,216.00	-	-
Compulsory convertible debentures				
Begonia Hotels Private Limited	31-Mar-17	-	-	**2,300.00**
	31-Mar-16	-	-	2,100.00
	01-Apr-15	-	-	-
Celsia Hotels Private Limited	31-Mar-17	-	-	**3,300.00**
	31-Mar-16	-	-	3,300.00
	01-Apr-15	-	-	-
Nightingale Hotels Private Limited	31-Mar-17	-	-	**1,000.00**
	31-Mar-16	-	-	1,000.00
	01-Apr-15	-	-	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: RsINR Nil, April 1, 2015: RsNil). 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.

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21. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Rs. in Lakhs

	Carrying value			Fair value		
	31-Mar-17	31-Mar-16	01-Apr-15	**31-Mar-17**	31-Mar-16	01-Apr-15
Financial assets						
Cash and cash equivalent	11.57	6.05	5.11	11.57	6.05	5.11
Total	**11.57**	**6.05**	**5.11**	**11.57**	**6.05**	**5.11**
Financial liabilities						
Borrowings	14,153.50	13,086.50	11,216.00	228.10	190.99	150.20
Total	**14,153.50**	**13,086.50**	**11,216.00**	**228.10**	**190.99**	**150.20**

a. Financial instruments by category

Rs. In lakhs

	31-Mar-17		31-Mar-16		1-Apr-15	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets						
Security Deposits	-	1,580.93	-	1,400.25	-	779.32
Cash and Cash Equivalents	-	11.57	-	6.05	-	5.11
Total Financial Assets	-	**1,592.50**	-	**1,406.31**	-	**784.44**

Rs. In lakhs

	31-Mar-17		31-Mar-16		1-Apr-15	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities						
Borrowings	-	228.10	-	190.99	-	150.20
Other Current Financial Liabilities	-	2.21	-	0.69	-	4.49
Total Financial Liabilities	-	**230.31**	-	**191.68**	-	**154.68**

The management assessed that fair values of cash and cash equivalents, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

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22. Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, 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 Security deposits and cash & cash equivalents.

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 three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

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 financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables and Security Deposits

Customer credit risk is managed by business through the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables and security deposits are regularly monitored.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets . The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Liquidity risk

The company's principal source of liquidity is cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived

As of March 31, 2017, the Company had a working capital of Rs. (28.58) lakhs including cash and cash equivalents of Rs. 11.57 lakhs. As of March 31, 2016, the Company had the Company had a working capital of Rs 6.79 lakhs including cash and cash equivalents of Rs 6.05 lakhs.

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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.

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 is made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is Nil

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.

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

Rs. In lakhs

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2017						
Borrowings	-	-	-	-	14,153.5	14153.5
Financial Liabilities	2.21	-	-	-	-	2.21
	2.21	-	-	-	**14,153.5**	**14,155.71**
Year ended March 31, 2016						
Borrowings	-	-	-	-	13,086.5	13,086.5
Financial Liabilities	0.69	-	-	-	-	0.69
	0.69	-	-	-	**13,086.5**	**13,087.19**
As at April 1, 2015						
Borrowings	-	-	-	-	11,216	11,216
Financial Liabilities	4.49	-	-	-	-	4.49
	4.49	-	-	-	**11,216**	**11,220.49**

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23. Capital management

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

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

Rs. In lakhs

	March 31, 2017	**31 March 2016**	**1 April 2015**
Borrowings (Note 10)	228.10	190.99	150.20
Less: cash and cash equivalents (Note 6)	11.57	6.05	5.11
Net debt	**216.53**	**184.94**	**145.08**
Equity	21,038.23	19,784.69	11,509.13
Capital and net debt	21,254.77	19,969.63	11,654.21
Gearing ratio	**1%**	**1%**	**1%**

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

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

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

24. First-time adoption of Ind AS

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

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

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Exemptions applied

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

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

Estimates

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

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

Rs. In Lakhs

	March 31,2016			April 1,2015		
	Previous GAAP	**Adjustment**	**Ind AS**	**Previous GAAP**	**Adjustment**	**Ind AS**
ASSETS						
Non-current assets						
Capital work-in-progress	3,344.77	1,168.89	4,513.65	1,677.48	139.43	1,816.92
Financial assets			-	-		-
Other financial assets	16,600.55	(15,200.30)	1,400.25	10,000.00	(9,220.68)	779.32
Other non-current assets	4.54	13,923.72	13,928.25	0.19	8,734.31	8,734.50
	19,949.86	**(107.69)**	**19,842.15**	**11,677.68**	**(346.93)**	**11,330.74**
Current assets						
Financial assets						
Cash and Cash equivalents	6.05	-	6.05	5.11	-	5.11
Other current assets	1.75	728.94	730.69	-	435.70	435.70
	7.80	**728.94**	**736.74**	**5.11**	**435.70**	**440.81**
Total Assets	**19,957.66**	**621.25**	**20,578.89**	**11,682.79**	**88.77**	**11,771.55**
EQUITY AND LIABILITIES						
Equity						
Equity Share capital	450.00	-	450.00	450.00	-	450.00
Other Equity	6,420.14	12,914.56	19,334.69	- 6.67	11,065.80	11,059.13
Total Equity	**6,870.14**	**12,914.56**	**19,784.69**	**443.33**	**11,065.80**	**11,509.13**

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	March 31,2016			April 1,2015		
	Previous GAAP	Adjustment	Ind AS	Previous GAAP	Adjustment	Ind AS
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	13,086.50	- 12,895.51	190.99	11,216.00	- 11,065.80	150.20
Other Non current Liabilites	-	602.20	602.20	-	88.77	88.77
	13,086.50	**12,294.31**	**794.19**	**11,216.00**	**10,977.03**	**238.97**
Current liabilities						
Financial liabilities						
Other financial liabilities	0.69	-	0.69	4.49	-	4.49
Other current liabilities	0.32	-	0.32	18.96	-	18.96
	1.01	-	**1.01**	**23.45**	-	**23.45**
Total Liabilities	**13,087.51**	**12,294.31**	**795.20**	**11,239.45**	**10,977.03**	**262.42**
Total Equity and Liabilities	**19,957.65**	**621.25**	**20,578.90**	**11,682.77**	**88.77**	**11,771.55**

Note - The transition from Indian GAAP to Ind AS had no impact on the retained earnings

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

Rs. In lakhs

Particulars	Previous GAAP	Adjustments	Ind AS
Other Income	-	-	-
Total Income	-	-	-
Expenses			
Other expenses	0.33	-	0.33
Total expenses	**0.33**	-	**0.33**
Earnings before interest, tax, depreciation and amortization	(0.33)	-	(0.33)
(EBITDA)			
Finance costs	0.40	-	0.40
Finance income	(39.53)	-	(39.53)
Profit/(loss) before tax	**38.80**	-	**38.80**
Tax expense:			
-Current tax	11.99		11.99
Profit for the period	**26.81**	-	**26.81**
Other comprehensive income	-	-	-
Items that will not be reclassified to profit or loss	-	-	-
Remeasurements of defined benefit plans	-	-	-
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	**26.81**	-	**26.81**
Earnings per equity share:	-	-	-
(1) Basic	0.06	-	0.06
(2) Diluted	0.05	-	0.05

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Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2017

I. Financial Assets

- Based on Ind AS - 109, financial Assets in the form of Security Deposit have been accounted at fair value at date of transition and subsequently measured at amortized cost using the effective interest rate method as a result of this security deposits as on 31 March 2017 has been decreased by 15,020.28 lakhs (March 31, 2016 : Rs. 15,200.30 lakhs, March 31, 2015 : Rs. 9,220.68) and amount standing in Deferred lease rental is Rs. 13,923.72 lakhs(March 31, 2016: Rs. 14,652.65, March 31, 2015: Rs. 9,170.02) and Capital work in progress has been increased by 1096.56 lakhs (March 31, 2016: Rs. 547.65 lakhs, March 31, 2015 Rs. 50.66 lakhs).

II. Financial Liability

- Based on Ind AS-109, Borrowings in form of loan from ultimate holding company has been accounted at fair value on the date of transition and subsequently measured at amortized cost using the effective interest rate method on the date of transition the amount transferred to capital reserve is: Rs. 11,065.80 lakhs and further increased by Rs. 1,053.91 lakhs in March 31, 2016 & Rs. 1,848.75 lakhs in March 31, 2017.

- Under IGAAP company was not liable to create reserve of lease equalisation on land taken on lease. Based on Ind AS 17, Company has prepared reserve for lease equalisation as on March 31, 2017 Rs. 1,105.19 (March 31, 2016 :Rs.602.20 , March 31, 2015: Rs. 88.77 lakhs).

III. Statement of cash flows

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

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

Rs. In lakhs

	SBNs	**Other denomination notes**	**Total**
Closing cash in hand as on 08 November 2016	0.77	0.004	0.774
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	0.00	0.00
(-) Amount deposited in Banks	0.77	-	0.77
Closing cash in hand as on 30 December 2016	-	0.004	0.004

26 Supplementary Statutory Information

Rs. In lakhs

26.1	**Expenditure in foreign currency (Accrual basis)**	**March 31, 2017**	March 31, 2016
	Professional charges	**15.22**	156.02
		15.22	156.02

27. Deposit for leasehold long term lease agreement

During the earlier year, the Company has entered into a sub-lease agreement ('agreement') with Mumbai International Airport Private Limited (MIAL) for the right to operate, manage and develop the hotel at Chhatrapati Shivaji International Airport at Mumbai for initial term upto May 02, 2036, extendable at the option of the Company for an additional period of 30 years. In terms of the agreement, the Company has placed an interest free security deposit of Rs. 16,600 lakhs (March 31, 2016:-Rs. 16,600 lakhs, April 1, 2015:- Rs. 10,000 lakhs) to secure the payment of annual lease and performance of all other obligations under the agreement refundable upon transfer of possession of asset to MIAL at the expiry of the agreement term.

28. There is no unhedged foreign currency exposure as at the balance sheet date.

Jain Jindal & Co. Gurgaon

29. The Company's holding company has confirmed that it shall provide continuing financial support to the Company to pay off its debts, as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

As per our report of even date

For Jain Jindal & Co.
Firm Registration No. 025817N
Chartered Accountants

Jain Jindal & Co.
Gurgaon

Romesh Vijay
Partner
Membership No. 411274

Place : New Delhi
Date : June 13,2017

For and on behalf of the Board of Directors of

Iora Hotels Private Limited

Cyrus Mehernosh Madan
Director
Din: 02695031

Davander Tomar
Director
Din: 00013336

Place: New Delhi
Date : June 13,2017