

**APAS & Co.**  
CHARTERED ACCOUNTANTS

8 / 1 4 , B A S E M E N T  
K A L K A J I E X T E N S I O N  
N E W D E L H I - 1 1 0 0 1 9  
T E L . : 0 1 1 - 2 6 2 3 9 0 7 9

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ORIOLE Dr. FRESH HOTELS PRIVATE LIMITED

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **ORIOLE Dr. FRESH HOTELS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

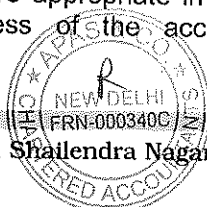
### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 Standalone 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 there under. We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

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



reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March, 2018, and its profit (financial performance 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 in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the said 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including the Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) In view of notification of ministry of corporate affairs dated 13<sup>th</sup> June 2017, read with notification no. GSR 464E) dated 5<sup>th</sup> June 2015, clause (i) of section 143(3) of the Companies Act in respect of internal financial control is not applicable to the Company during the year.



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

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. Refer Note 27 to the financial statements.
- ii. According to the information and explanations provided to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred during the year, to the Investor Education and Protection Fund by the Company.

PLACE : NEW DELHI  
DATED :

For APAS& CO.  
CHARTERED ACCOUNTANTS  
Firm Regn No. 000340C



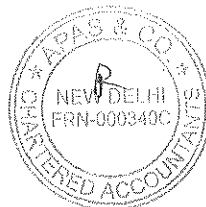
*Rajeev Ranjan*

(RAJEEV RANJAN)  
PARTNER  
M No. 535395

## ANNEXURE- I TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i) In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As informed to us no material discrepancies were noticed on such physical verification.
  - c) Title deeds In respect of all immovable properties are held in the name of the company.
- ii) As explained to us physical verification has been conducted by the management at reasonable intervals. We were explained that no material discrepancies have been noticed on physical verification.
- iii) As informed to us the company has not granted loans, secured or unsecured, to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- iv) According to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186, wherever applicable, in respect of loans, investments and guarantees given by the company. We are informed that the company has not provided any security during the year.
- v) According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under.
- vi) In respect of business activities of the company, maintenance of cost records has not been specified by the Central Government under sub-section (I) of section 148 read with rules framed thereunder of the Companies Act 2013.
- vii) a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. As informed to us there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date they became payable.



b) We have been informed that no unpaid disputed demands are outstanding in respect of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, VAT or Cess.

viii) Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that there is no default in repayment of loans or borrowings to the financial institutions and banks as at the year end. There are no loans from Government and the company has not issued any debentures.

ix) As explained to us term loans obtained during the year were applied for the purpose for which the loans were obtained by the company. The company has not raised any money during the year by way initial or further public offer.

x) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit for the year ended 31.03.2018.

xi) The provisions of clause (xi) of the order are not applicable to a private company.

xii) The provisions of clause (xii) of the Order are not applicable as the company is not a Nidhi Company as specified in the clause.

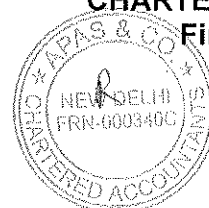
xiii) According to information and explanations given to us, we are of the opinion that all related party transactions are in compliance with section 177 and 188 of the Companies Act, 2013. Necessary disclosures have been made in the financial statements as required by the applicable accounting standards.

xiv) Based on the audit procedures performed and information and explanations given by the management, we report that the company has made private placement of Equity shares during the year. The requirements of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been utilized for the purposes for which the funds were raised.

xv) According to information and explanations given to us the Company has not entered into any non-cash transaction with the director or any person connected with him during the year.

xvi) In our opinion, in view of its business activities, the company is not required to be registered under section 451A of Reserve Bank of India Act 1934.

PLACE : NEW DELHI  
DATED :



For APAS & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn No. 000340C  
*Rajeev Ranjan*  
(RAJEEV RANJAN)  
PARTNER  
M No. 535395

**Oriole Dr. Fresh Hotels Private Limited**  
**Balance Sheet as at March 31, 2018**

	Note	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	4,420.52	4,521.02
(b) Intangible assets	4	0.15	0.27
(c) Financial assets	5		
(i) Other non-current financial assets		191.50	180.27
(d) Deferred tax assets (net)	6	-	-
(e) Non-current tax assets (net)		38.53	41.25
		<u>4,650.70</u>	<u>4,742.81</u>
<b>Current assets</b>			
(a) Inventories	7	7.02	9.49
(b) Financial assets	8		
(i) Trade receivables		143.27	84.79
(ii) Cash and Cash equivalents		105.50	66.45
(iii) Investments	5	50.40	-
(c) Other current assets	9	18.49	44.03
		<u>324.68</u>	<u>204.76</u>
<b>Total Assets</b>		<u>4,975.38</u>	<u>4,947.57</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	10	370.00	20.00
(b) Other Equity	11	2,004.03	178.16
<b>Total Equity</b>		<u>2,374.03</u>	<u>198.16</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities	12		
(i) Borrowings		2,430.68	3,738.87
(ii) Other financial liabilities		19.56	19.56
(b) Long term provisions	13	3.47	2.75
		<u>2,453.71</u>	<u>3,761.18</u>
<b>Current liabilities</b>			
(a) Financial liabilities	14		
(i) Borrowings		4.39	848.34
(ii) Trade payables		57.35	70.09
(iii) Other Current financial liabilities		58.01	44.40
(b) Other current liabilities	15	24.06	22.54
(c) Provisions	13	3.83	2.86
		<u>147.64</u>	<u>988.23</u>
<b>Total Liabilities</b>		<u>2,601.35</u>	<u>4,749.41</u>
<b>Total Equity and Liabilities</b>		<u>4,975.38</u>	<u>4,947.57</u>

Summary of significant accounting policies 2.2

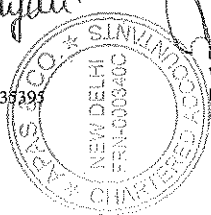
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For APAS & Co.  
 Firm Registration No. 000340C  
 Chartered Accountants

For and on behalf of the Board of Directors of  
 Oriole Dr. Fresh Hotels Private Limited

*Rajeev Ranjan*  
 Rajeev Ranjan  
 Partner  
 Membership No. 535295



*Natasha Yashpal*  
 Natasha Yashpal  
 Whole Time Director  
 DIN: 07384326

*Rajesh Kumar*  
 Rajesh Kumar  
 Director  
 DIN: 05251730

Place : New Delhi  
 Date : May 23, 2018

**Oriole Dr. Fresh Hotels Private Limited**  
**Statement of Profit and Loss for the year ended 31 March, 2018**

	Note	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Revenue from operations	16	933.62	833.62
Other income	17	29.89	27.87
<b>Total Income</b>		<b>963.51</b>	<b>861.49</b>
<b>Expenses</b>			
Cost of food and beverages consumed	18	70.31	72.61
Employee benefits expense	19	199.74	187.71
Other expenses	20	298.81	283.91
<b>Total expenses</b>		<b>568.86</b>	<b>544.23</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>394.65</b>	<b>317.26</b>
Finance costs	21	274.96	268.10
Depreciation and amortization expense	22	106.26	107.59
Finance Income	23	(12.61)	(13.42)
<b>Profit/(loss) before tax</b>		<b>26.04</b>	<b>(45.01)</b>
Tax expense:			
(1) Current tax		5.04	0.82
(2) Adjustment of tax relating to earlier periods		(0.04)	-
		<b>5.00</b>	<b>0.82</b>
<b>Profit/(loss) for the year</b>		<b>21.04</b>	<b>(45.83)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(0.12)	(0.14)
<b>Total Comprehensive Income/Loss for the year</b>		<b>20.92</b>	<b>(45.97)</b>
<b>Earnings/(loss) per equity share:</b>			
(1) Basic	24	0.21	(22.92)
(2) Diluted	24	0.21	(22.92)

Summary of significant accounting policies 2.2

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

As per our report of even date

For APAS & Co.  
 Firm Registration No. 000340C  
 Chartered Accountants

*Rajeev Ranjan*  
**Rajeev Ranjan**  
 Partner  
 Membership No. 535395



For and on behalf of the Board of Directors of  
**Oriole Dr. Fresh Hotels Private Limited**

*Natasha Yashpal*  
**Natasha Yashpal**  
 Whole Time Director  
 DIN: 07384326

*Rajesh Kumar*  
**Rajesh Kumar**  
 Director  
 DIN: 05251730

Place : New Delhi  
 Date : May 23, 2018

Oriole Dr. Fresh Hotels Private Limited  
Cash flow statement for the year ended March 31, 2018

	For the period ended March 31, 2018 (Rs in lakhs)	For the year ended March 31, 2017 (Rs in lakhs)
<b>A. Cash flow from operating activities</b>		
Profit/(loss) before tax	26.04	(45.01)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	106.26	107.59
Finance income (including fair value change in financial instruments)	(12.21)	(13.42)
Finance costs (including fair value change in financial instruments)	269.83	262.47
Provision for gratuity	0.86	0.64
Provision for leave encashment	0.71	(0.00)
Excess provision/ credit balances written back	-	0.17
Provision for doubtful debts	0.42	0.36
Loss on sale of Property, Plant & Equipment	-	0.82
<b>Operating profit before working capital changes:</b>	<b>391.91</b>	<b>313.62</b>
Movements in working capital:		
Change in trade receivables	(58.90)	(34.36)
Change in loans and advances and other current assets	14.31	(28.29)
Change in inventories	2.47	0.29
Change in liabilities and provisions	(8.29)	18.40
<b>Cash Generated from Operations</b>	<b>341.50</b>	<b>269.66</b>
Direct taxes paid (net of refunds)	(2.28)	0.75
<b>Net cash flow from operating activities (A)</b>	<b>339.22</b>	<b>270.41</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Property, plant and equipment	(5.63)	(8.73)
(Purchase)/sale of current investments	(50.40)	-
Interest received	12.21	13.42
<b>Net Cash flows from investing activities (B)</b>	<b>(43.82)</b>	<b>4.76</b>
<b>C. Cash flows from/(used in) financing activities</b>		
Proceeds from issuance of share capital	2,623.95	-
Redemption of preference share capital	(1,790.00)	-
Repayment of long term borrowings	(848.10)	(20.00)
Interest paid	(242.20)	(218.17)
<b>Net Cash from/(used in) financing activities (C)</b>	<b>(256.35)</b>	<b>(238.17)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>39.05</b>	<b>37.00</b>
Cash and cash equivalents at the beginning of the year	66.45	29.45
<b>Cash and cash equivalents at the end of the year</b>	<b>105.50</b>	<b>66.45</b>
<b>Components of cash and cash equivalents</b>		
Cash on Hand	3.06	1.19
Balances with Scheduled Banks in - Current accounts	102.44	65.26
<b>Total cash and cash equivalents</b>	<b>105.50</b>	<b>66.45</b>

Summary of significant accounting policies

2.2

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

As per our report of even date

For APAS & Co.  
Firm Registration No. 000340C  
Chartered Accountants

For and on behalf of the Board of Directors of  
Oriole Dr. Fresh Hotels Private Limited

*Rajeev Ranjan*

Rajeev Ranjan  
Partner  
Membership No. 535395



*Natasha Yashpal*  
Natasha Yashpal  
Whole Time Director  
DIN: 07384326

*Rajesh Kumar*

Rajesh Kumar  
Director  
DIN: 05251730

Place : New Delhi  
Date : May 23, 2018



Oriole Dr. Fresh Hotels Private Limited  
Statement of Changes in Equity

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid

	No. of shares	Amount (Rs in lakhs)
At 1 April 2016	200,000	20.00
Issue of share capital	-	-
At 31 March 2017	200,000	20.00
Issue of share capital	3,500,000	350.00
At 31 March 2018	3,700,000	370.00

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

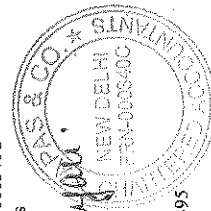
	Reserves and Surplus			Other equity
	Capital reserve	Securities Premium	Retained Earnings	
Balance at 1 April 2016	622.10	-	(397.97)	224.12
Total Comprehensive Income for the year	-	-	(45.97)	(45.97)
Balance at 31 March 2017	622.10	-	(443.94)	178.16
Total Comprehensive Income for the year	-	-	20.92	20.92
Issue of share capital	-	2,273.95	-	2,273.95
Any other change	(469.00)	-	-	(469.00)
Balance at 31 March 2018	153.10	2,273.95	(423.02)	2,004.03

Summary of significant accounting policies 2.2

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

As per our report of even date

For APAS & Co.  
Firm Registration No. 000340C  
Chartered Accountants



Rajeev Ranjan  
Partner  
Membership No. 535595

For and on behalf of the Board of Directors of  
Oriole Dr. Fresh Hotels Private Limited

*Natasha Yashpal*  
Natasha Yashpal  
Whole Time Director  
DIN: 87384326

*Rajesh Kumar*  
Rajesh Kumar  
Director  
DIN: 05251730

Place : New Delhi  
Date : May 23, 2018

# Oriole Dr. Fresh Hotels Private Limited

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

---

## 1. Corporate Information

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

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

The financial statements are approved for issue by the Board of directors on May 23, 2018.

## 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.

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

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

### 2.2 Summary of significant accounting policies

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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



## Oriole Dr. Fresh Hotels Private Limited

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

---

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, derivatives at fair value at each balance sheet date.

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

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

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

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



## Oriole Dr. Fresh Hotels Private Limited

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

---

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 discussion with the Company's external valuers, which valuation techniques and inputs to use for each case.

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 25)
- Contingent consideration (note 27)
- Quantitative disclosures of fair value measurement hierarchy (note 29)
- Financial instruments (including those carried at amortised cost) (note 29)

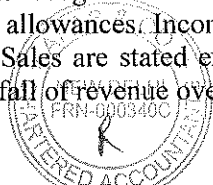
### (d) Revenue recognition

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

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

#### *Rooms, Restaurant, Banquets and Other Services*

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



## Oriole Dr. Fresh Hotels Private Limited

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

---

in financial statement as unbilled revenue separately.

#### *Sale of goods*

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

#### *Interest income*

For all financial instruments measured at amortized cost 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.

#### (e) **Taxes**

Tax expense represents current income tax and deferred tax.

#### *Current income tax*

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

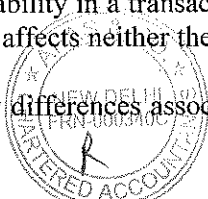
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries,



## Oriole Dr. Fresh Hotels Private Limited

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

---

associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

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

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

### (f) Property, plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

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



**Oriole Dr. Fresh Hotels Private Limited****Notes to financial statements for the year ended March 31, 2018**

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

<b>Fixed Assets</b>	<b>Useful life considered (SLM)</b>
Plant & Machinery	15 Year
Building	60 Years
Electrical fittings	10 Years
Electrical Equipments	10 Years
Office Equipments	5 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years

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

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

**(g) Intangible assets**

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

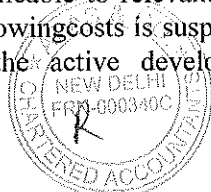
The useful lives of intangible assets are assessed as 3 years and the same shall be amortised on Straight line basis over its useful life.

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

**(h) Borrowing costs**

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

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



## Oriole Dr. Fresh Hotels Private Limited

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

---

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

### (l) Inventories

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

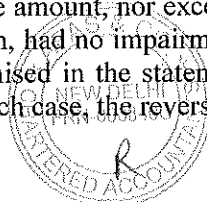
### (j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less 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.





**(k) 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 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.

**(l) Retirement and other employee benefits**

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

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.

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

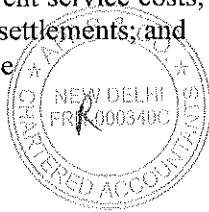
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately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

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

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

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



## Oriole Dr. Fresh Hotels Private Limited

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

---

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

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

#### (m) 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:

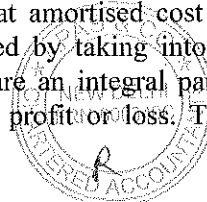
- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)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



## Oriole Dr. Fresh Hotels Private Limited

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

---

recognised in the profit or loss. This category generally applies to trade and other receivable etc. For more information on receivables, refer to Note 8.

#### *Debt instrument at FVTOCI*

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

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

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

#### *Debt instrument at FVTPL*

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

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

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

#### *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:

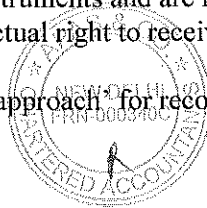
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a)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

#### *Impairment of financial assets*

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

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

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



## Oriole Dr. Fresh Hotels Private Limited

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

---

- 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.

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

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

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

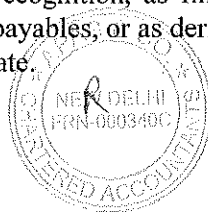
For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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

### ***Financial liabilities***

#### ***Initial recognition and measurement***

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



## Oriole Dr. Fresh Hotels Private Limited

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

---

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

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

### *Subsequent measurement*

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

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

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

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

### *Loans and borrowings*

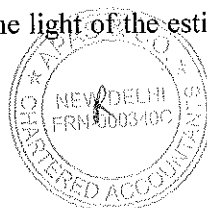
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation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

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

This category generally applies to borrowings. For more information refer Note 12 & 14.

### *Financial guarantee*

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



*Derecognition*

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

*Offsetting of financial instruments*

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

**(n) Redeemable preference shares**

Redeemable preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**(o) Cash and cash equivalents**

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

**(p) Recent accounting pronouncements**

**Standards issued but not yet effective**

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

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



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

---

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

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

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

**(q) Measurement of EBITDA**

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



Oriole Dr. Fresh Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2018

3 Property, plant and equipment										
Particulars	Freehold land	Building on freehold land	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Computers	Vehicles	Total
<b>Cost or valuation</b>										
At 1 April 2016	2,189.39	2,072.69	274.48	97.78	34.16	1.97	53.97	2.24	1.67	4,728.36
Additions	-	-	2.38	0.11	1.17	-	0.06	0.56	4.46	8.73
Disposals	-	-	1.02	-	-	-	-	-	-	1.02
At 31 March 2017	2,189.39	2,072.69	275.84	97.89	35.33	1.97	54.03	2.81	6.13	4,736.07
Additions	-	-	4.42	0.18	0.07	-	0.07	0.89	-	5.65
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	2,189.39	2,072.69	280.26	98.07	35.40	1.97	54.09	3.70	6.13	4,741.70
<b>Depreciation</b>										
At 1 April 2016	-	37.59	26.34	18.50	6.09	1.97	16.09	1.01	0.53	108.13
Charge for the year	-	37.49	28.56	18.46	5.98	-	15.28	0.76	0.53	107.05
Disposals	-	-	0.13	-	-	-	-	-	-	0.13
At 31 March 2017	-	75.08	54.77	36.96	12.07	1.97	31.37	1.77	1.07	215.05
Charge for the year	-	37.83	26.67	18.47	5.99	-	15.28	0.76	1.13	106.13
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	112.91	81.44	55.43	18.07	1.97	46.65	2.52	2.19	321.18
<b>Net Book value</b>										
At 31 March 2018	2,189.39	1,997.78	198.82	42.64	17.33	-	7.44	1.18	3.94	4,430.52
At 31 March 2017	2,189.39	1,997.61	221.07	60.93	23.26	-	22.66	1.04	5.06	4,521.02





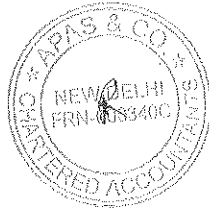
Oriole Dr. Fresh Hotels Private Limited

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

4 Intangible Assets

*Rs in lakhs*

Particulars	Software	Total
<b>Cost or valuation</b>		
At 1 April 2016	2.42	2.42
Additions	-	-
Disposals	-	-
<b>At 31 March 2017</b>	<b>2.42</b>	<b>2.42</b>
Additions	-	-
Disposals	-	-
<b>At 31 March 2018</b>	<b>2.42</b>	<b>2.42</b>
<b>Amortisation</b>		
At 1 April 2016	1.60	1.60
Amortisation	0.55	0.55
Disposals	-	-
<b>At 31 March 2017</b>	<b>2.15</b>	<b>2.15</b>
Amortisation	0.13	0.13
Disposals	-	-
<b>At 31 March 2018</b>	<b>2.28</b>	<b>2.28</b>
<b>Net Block</b>		
<b>At 31 March 2018</b>	<b>0.15</b>	<b>0.15</b>
At 31 March 2017	0.27	0.27



Oriole Dr. Fresh Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2018

5 Financial assets	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
<b>(i) Investments</b>		
<b>Unquoted mutual funds</b>		
20,66.811 (previous year nil) units of Reliance Money Manager Fund-Direct Growth Plan	50.40	-
	<u>50.40</u>	<u>-</u>
Aggregate amount of unquoted investments	50.40	-
Aggregate amount of impairment in value of investments	-	-
<b>Current</b>	50.40	-
<b>Non-Current</b>	<u>-</u>	<u>-</u>
	<u>50.40</u>	<u>-</u>

(ii) Other non-current financial assets	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Security Deposits	10.21	10.21
Other bank balances	181.29	170.06
	<u>191.50</u>	<u>180.27</u>

6 Deferred tax assets (net)	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Property, plant & equipment	263.52	-
Fair valuation of current investments	0.10	-
	<u>263.62</u>	<u>-</u>
<b>Deferred tax liability</b>	<u>263.62</u>	<u>-</u>
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	3.62	-
Provision for doubtful debts and advances	1.05	-
Effect of unabsorbed depreciation and business loss	252.03	-
MAT credit entitlement	5.04	-
Provision for gratuity	1.16	-
Provision for leave compensation	0.72	-
<b>Deferred tax assets</b>	<u>263.62</u>	<u>-</u>
<b>Deferred tax assets (net)</b>	<u>-</u>	<u>-</u>

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

	March 31, 2018	March 31, 2017
Profit/(loss) before tax	26.04	(45.01)
Tax rate	25.75%	25.75%
Tax at statutory income tax rate	6.71	(11.59)
Effect of incomes taxable at nil/lower/MAT rate	(1.74)	11.59
Effect of non-deductible expenses	0.07	0.82
Income tax charge/ (credit) in respect of earlier year	(0.04)	-
<b>Net</b>	<u>5.00</u>	<u>0.82</u>
<b>As per profit and loss account</b>	<u>5.00</u>	<u>0.82</u>



**Oriole Dr. Fresh Hotels Private Limited**

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

**7 Inventories**

**(valued at lower of cost and net realisable value)**

	<b>As at March 31, 2018 Rs in lakhs</b>	<b>As at March 31, 2017 Rs in lakhs</b>
Food and beverages (excluding liquor and wine)	2.65	3.03
Stores, cutlery, crockery, linen, provisions and others	4.37	6.46
<b>Total</b>	<b>7.02</b>	<b>9.49</b>



Orlote Dr. Fresh Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2018

8 Financial assets

(i) Trade receivables

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Trade receivables	143.27	84.79
	<u>143.27</u>	<u>84.79</u>
<b>Break-up for security details:</b>		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	144.67	85.76
Doubtful	1.30	1.30
	<u>145.97</u>	<u>87.06</u>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	1.39	0.97
Doubtful	1.30	1.30
	<u>2.69</u>	<u>2.27</u>
<b>Total Trade receivables</b>	<u>143.27</u>	<u>84.79</u>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Cash and cash equivalents

	As At March 31, 2018 Rs in lakhs	As At March 31, 2017 Rs in lakhs
Balance with banks		
On current & cash credit accounts	102.44	65.26
Cash on hand	3.06	1.19
	<u>105.50</u>	<u>66.45</u>

At March 31, 2018, the Company had available Rs. Nil (March 31, 2017: Rs. Nil) of undrawn committed borrowing facilities.

9 Other current assets

	As At March 31, 2018 Rs.	As At March 31, 2017 Rs.
Advances recoverable in cash or kind	7.85	4.90
Accrued revenue	0.00	28.93
Balance with statutory/ government authorities	4.73	3.24
Prepaid Expenses	5.91	6.97
<b>Total</b>	<u>18.49</u>	<u>44.03</u>



Oriole Dr. Fresh Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2018

10 Equity Share capital

Authorised Share Capital

	Equity shares	
	No. of shares	Rs in lakhs
At 1 April 2016	200,000	20.00
Increase/(decrease) during the year	-	-
At 31 March 2017	200,000	20.00
Increase/(decrease) during the year	3,540,000	354.00
At 31 March 2018	3,740,000	374.00

Terms/rights attached to equity shares

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

The preference shares are not convertible into equity shares and are reflected in financial liabilities.

Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully paid

	No. of shares	Rs in lakhs
	At 1 April 2016	200,000
Increase/(decrease) during the year	-	-
At 31 March 2017	200,000	20.00
Increase/(decrease) during the year	3,500,000	350.00
At 31 March 2018	3,700,000	370.00

Shares held by holding company

	As at		As at	
	March 31, 2018		March 31, 2017	
	No. of shares	Rs in lakhs	No. of shares	Rs in lakhs
Equity shares of Re. 10 each fully paid up Lemon Tree Hotels Limited	3,700,000	370.00	200,000	20.00

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

	As at		As at	
	March 31, 2018		March 31, 2017	
	No. of shares	% held	No. of shares	% held
Equity shares of Re. 10 each fully paid up Lemon Tree Hotels Limited	3,700,000	100.00%	200,000	100.00%

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



Orion Dr. Fresh Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2018

11 Other equity

	Rs in lakhs	
<b>Securities Premium Reserve</b>		
At 1 April 2016	-	
Increase/(decrease) during the year	-	
At 31 March 2017	-	
Increase/(decrease) during the year	2,273.95	
At 31 March 2018	2,273.95	
<b>Retained Earnings</b>		
At 1 April 2016	(397.97)	
Profit/(loss) for the year	(45.97)	
At 31 March 2017	(443.94)	
Profit/(loss) for the year	20.92	
At 31 March 2018	(423.02)	
<b>Capital Reserve ( Equity Component of Redeemable Preference shares )</b>		
At 1 April 2016	622.10	
Increase/(decrease) during the year	-	
At 31 March 2017	622.10	
Increase/(decrease) during the year	(469.00)	
At 31 March 2018	153.10	
<b>Other reserves</b>		
Securities Premium Reserve	2,273.95	-
Retained Earnings	(423.02)	(443.94)
Capital Reserve ( Equity Component of Redeemable Preference shares )	153.10	622.10
	<b>2,004.03</b>	<b>178.16</b>
	<b>As At</b>	<b>As At</b>
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
	<b>Rs in lakhs</b>	<b>Rs in lakhs</b>



Oriole Dr. Fresh Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2018

12 Financial liabilities

(i) Borrowings

	Effective interest rate %	Maturity	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
<b>Non-current borrowings</b>				
<b>Term Loans</b>				
<b>Indian rupee loans from Banks (Secured)</b>				
Yes Bank Limited (Refer note 1 below)	9.50%	2029-2030	2,428.26	2,445.50
Vehicle loans (Refer note 3 below)	9.35%	2021-2022	2.42	-
<b>Liability component of financial instrument</b>				
Redeemable preference shares (unsecured) (Refer note 2 below)	5.00%	2024-2026	-	1,293.37
<b>Total non-current borrowings</b>			<b>2,430.68</b>	<b>3,738.87</b>
<b>Current borrowings</b>				
<b>Term Loans</b>				
<b>Current maturity of long term loans</b>				
Yes Bank Limited (Refer note 1 below)	9.50%	2029-2030	22.50	12.50
Vehicle loans (Refer note 3 below)	9.35%	2021-2022	0.67	-
<b>Total current borrowings</b>			<b>23.17</b>	<b>12.50</b>
Less: Amount clubbed under "other current financial liabilities"			(23.17)	(12.50)
<b>Net current borrowings</b>			<b>-</b>	<b>-</b>

**Term loans**

1. Rupee Term loan of Rs. 2500 lakhs from Yes Bank Ltd has been availed during Financial Year 2016-17, the loan is repayable in 48 structural installments including 12 months of moratorium period from the first date of disbursement ( April'16), the loan is secured by:

- First charge on all immovable assets of the Project (both present and future) owned by the Borrower
- First Charge on all moveable fixed assets and current assets (both present and future) (including Escrow Account opened with YBL) of the Borrower;
- Escrow of all receivables of the Project including security deposits.
- Unconditional & Irrevocable Corporate Guarantee of Lemon Tree Hotels Limited to remain valid during the entire tenor of YBL facilities

2. Liability component of compound financial instrument represent 5% Cumulative Redeemable Preference Shares. These redeemable preference shares were allotted on 31.3.09 & were redeemable at par on or after 1.8.2020 but not later than 15 years from date of allotment.

These 10% Redeemable Cumulative Preference Shares & 5% Redeemable Non Cumulative Preference Shares are redeemed at par during the current period and consequently liability component reversed during the year.

3) Vehicle Loans from HDFC Bank are generally repayable in 5 years from the date of sanction and are secured by Hypothecation of vehicles financed.



Oriole Dr. Fresh Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2018

(ii) Other financial liabilities

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Sundry deposits	19.56	19.56
	<u>19.56</u>	<u>19.56</u>

13 Provisions

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Provision for gratuity	4.49	3.51
Current	1.02	0.76
Non-current	3.47	2.75

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
Provision for leave benefits	2.81	2.10
Current	2.81	2.10
Non-current	-	-
<b>Total current</b>	<u>3.83</u>	<u>2.86</u>
<b>Total non-current</b>	<u>3.47</u>	<u>2.75</u>





**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

**14 Financial liabilities**

**(i) Borrowings**

**Loan from related parties**

0% loan from Lemon Tree Hotels Limited repayable on demand

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
	4.39	848.34
	<u>4.39</u>	<u>848.34</u>

**(ii) Trade payables**

**Trade Payables**

-Micro and small enterprises

-Other than Micro and small enterprises

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
	-	-
	57.35	70.09
	<u>57.35</u>	<u>70.09</u>

**(iii) Other Current financial liabilities**

Current maturities of long-term borrowings

Outstanding dues of other creditors

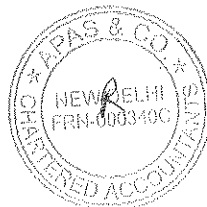
	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
	23.17	12.50
	34.84	31.90
	<u>58.01</u>	<u>44.40</u>

**15 Other current liabilities**

Advance from customers

Statutory Dues

	As at March 31, 2018 Rs in lakhs	As at March 31, 2017 Rs in lakhs
	5.48	6.84
	18.57	15.70
	<u>24.06</u>	<u>22.54</u>



Oriole Dr. Fresh Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2018

16 Revenue from operations

Revenue from operations

Sale of products and services

- Room rental
- Food and beverage (excluding liquor and wine)
- Telephone and telex
- Other Services

Revenue from operations

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
	763.29	585.85
	100.54	168.50
	0.49	1.31
	69.30	77.96
	<u>933.62</u>	<u>833.62</u>

17 Other income

- Rental income
- Excess provision/ credit balances written back

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
	29.89	27.70
	-	0.17
	<u>29.89</u>	<u>27.87</u>

18 Cost of food and beverages consumed

(a) Consumption of food & beverages excluding liquor & wine

- Inventory at the beginning of the year
- Add: Purchases

- Less: Inventory at the end of the year
- Cost of food and beverage consumed

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
	3.03	2.70
	69.93	72.94
	<u>72.96</u>	<u>75.64</u>
	2.65	3.03
	<u>70.31</u>	<u>72.61</u>
	<u>70.31</u>	<u>72.61</u>

19 Employee benefit expense

- Salaries, wages and bonus
- Contribution to provident fund and other funds
- Gratuity expense
- Leave compensation expenses
- Staff welfare expenses

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
	173.03	165.26
	8.29	7.11
	0.86	0.64
	0.71	(0.00)
	<u>16.85</u>	<u>14.70</u>
	<u>199.74</u>	<u>187.71</u>



Orle Dr. Fresh Hotels Private Limited  
Notes to financial statements for the year ended March 31, 2018

20 Other expenses

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	14.25	23.21
Power and fuel	104.36	100.01
Linen & uniform washing and laundry expenses	9.34	0.13
Guest transportation	29.53	28.57
Cable TV expenses	2.50	2.29
Repair and maintenance		
- Buildings	4.06	1.58
- Plant and machinery	10.29	11.80
- Others	14.36	14.95
Rates and taxes	21.17	22.60
Insurance	1.17	0.05
Communication costs	18.11	19.05
Printing and stationery	2.25	2.94
Traveling and conveyance	9.18	10.07
Advertising and sales promotion	0.77	0.88
Electronic Distribution	2.68	5.50
Commission -other than sole selling agent	16.30	5.76
Security and cleaning expenses	20.83	20.45
Membership and subscriptions	1.80	2.38
Legal and professional fees	10.56	7.08
Loss on sale of fixed assets	-	0.82
Provision for doubtful debt, loans, advances etc.	0.42	0.36
Payment to auditors	0.60	0.55
Miscellaneous expenses	4.29	2.87
	<b>298.81</b>	<b>283.91</b>
<b>Payment to auditor</b>		
As auditor	0.60	0.55
for other services	-	-
	<b>0.60</b>	<b>0.55</b>

21 Finance costs

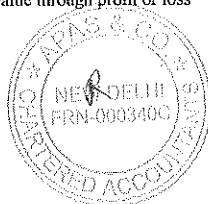
	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Interest		
- on term loans from banks	241.85	226.17
- on income tax	0.00	0.00
- on others	27.98	36.81
Bank charges (including commission on credit card collection)	5.13	5.13
	<b>274.96</b>	<b>268.10</b>

22 Depreciation and amortization expense

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Depreciation of tangible assets	106.13	107.05
Amortization of intangible assets	0.13	0.55
	<b>106.26</b>	<b>107.59</b>

23 Finance income

	For the year ended March 31, 2018 Rs in lakhs	For the year ended March 31, 2017 Rs in lakhs
Interest Income on :		
-Bank Deposits	11.30	12.08
-Others	0.90	1.33
Fair valuation profit on financial instruments at fair value through profit or loss	0.40	-
	<b>12.61</b>	<b>13.42</b>



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

**24 Earnings per share (Basic And Diluted)**

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

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

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

	<u>For the year ended</u> <u>March 31, 2018</u>	<u>For the year ended</u> <u>March 31, 2017</u>
Profit/(loss) attributable to equity holders (for basic and diluted) (Rs in lakhs)	21.04	(45.83)
Weighted Average Number of Equity Shares (for basic and diluted)*	9,789,041	200,000
Basic & Diluted EPS	0.21	(22.92)

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



## Oriole Dr. Fresh Hotels Private Limited

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

---

### 25. Significant accounting judgements, estimates and assumptions

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

#### *Judgements*

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

#### *Estimates and assumptions*

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

#### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **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.



## Oriole Dr. Fresh Hotels Private Limited

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

---

### 26. Gratuity and other post-employment benefit plans

*Rs in lakhs*

	March 31, 2018	March 31, 2017
Gratuity plan	4.49	3.51
<b>Total</b>	<b>4.49</b>	<b>3.51</b>

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

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

		Remeasurement gains/(losses) in other comprehensive income							Rs in lakhs		
Gratuity cost charged to profit or loss		Sub-total included in profit or loss	Net interest expense	Service cost	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2018
Defined benefit obligation	3.51	1.01	0.23	0.78	-	-	(0.09)	0.20	0.11	-	4.49
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-
<b>Benefit liability</b>	<b>3.51</b>	<b>1.01</b>	<b>0.23</b>	<b>0.78</b>	<b>-</b>	<b>-</b>	<b>(0.09)</b>	<b>0.20</b>	<b>0.11</b>	<b>-</b>	<b>4.49</b>

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

		Remeasurement gains/(losses) in other comprehensive income							Rs in lakhs		
Gratuity cost charged to profit or loss		Sub-total included in profit or loss	Net interest expense	Service cost	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2017
Defined benefit obligation	2.72	0.87	0.21	0.66	-	-	0.10	0.04	0.14	-	3.51
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-
<b>Benefit liability</b>	<b>2.72</b>	<b>0.87</b>	<b>0.21</b>	<b>0.66</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>0.04</b>	<b>0.14</b>	<b>-</b>	<b>3.51</b>



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

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

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

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

	March 31, 2018	March 31, 2017
<b>Discount rate:</b>	%	%
Pension plan	7.30%	6.70%
<b>Future salary increases:</b>		
Pension plan	5.00%	5.00%
<b>Life expectation for pensioners at the age of 65:</b>	Years	Years
<b>Pension plan</b>		
Male	60	60
Female	60	60

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

**India gratuity plan:**

	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.14	0.15	0.15	0.14
	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
<b>Assumptions</b>	<b>Discount rate</b>		<b>Future salary increases</b>	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.11	0.12	0.08	0.09

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





**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

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

Duration (Years)	For the year ended March 31, 2018	For the year ended March 31, 2017
1	1.05	0.78
2	0.99	0.71
3	0.83	0.67
4	0.67	0.54
5	0.53	0.43
Above 5	1.76	1.40
<b>Total expected payments</b>	<b>5.84</b>	<b>4.52</b>

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

**27. Commitments and contingencies**

**a. Commitments**

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

At March 31, 2018, the Company had NIL commitments (March 31, 2017: Rs Nil)

**b. Contingent liabilities**

**Claims against the Company not acknowledged as debts**

		March 31, 2018 (Rs. In Lacs)	March 31, 2017 (Rs. In Lacs)
<b>i.</b>	Counter guarantees issued in respect of guarantees issued by company's bankers (Net)	<b>(118.40)</b>	<b>(118.40)</b>

**ii.** Company filed an arbitration petition (arbitration petition No. 160/2012), against the Delhi Developmental Authority (the "DDA") seeking quashing of invocation of a bank guarantee amounting to Rs 10.28 million by DDA, recovery of Rs 2.50 million as compensation alleging harassment and mental agony, recovery of Rs 1 million towards cost of proceedings, and interest at the rate of 18% on blocked amount from December 28, 2010 till the date of return of pay order. This dispute pertains to an agreement for construction of a hotel by the subsidiary in Kondli, Delhi, entered into with DDA, as a successful bidder in an auction process conducted for this purpose. As per such agreement the subsidiary was required to provide a bank guarantee of Rs 10.28 million as performance security. The DDA allegedly sought to encash the bank guarantee on December 21, 2011 on grounds of non-performance of contractual obligations by the subsidiary. Consequently, on March 12, 2012 Oriole sent a notice of commencement of arbitration to DDA and on May 31, 2012, the subsidiary obtained an injunction (OMP No. 1/2012) from the High Court of Delhi restraining DDA and Axis Bank Limited from proceeding with the encashment of the bank guarantee



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

---

until the completion of the arbitration proceedings. An arbitral tribunal was constituted on September 28, 2012 and Oriole filed its statement of claims on November 8, 2012. The management based upon its assessment and expert's advice believes that any further liability against the aforesaid demand is improbable to crystallize.

**28. Related Party Transactions**

---

a) Names of related parties where control exists irrespective of whether transactions have occurred or not,

Holding Company	- Lemon Tree Hotels Limited
Fellow subsidiary companies	- Canary Hotels Private Limited - Hyacinth Hotels Private Limited - Sukhsagar Complexes Private Limited - Fleur Hotels Private Limited
Enterprise in which holding company has significant influence	- Mind Leaders Learning India Private Limited
Key Management Personnel	- Ms. Natasha Yashpal(Whole Time Director w.e.f 1st January, 2016) - Mr. Arjun Sawhny(Independent Director)(upto June 14, 2017) - Mr. Paramartha Saikia(Independent Director) - Mr. Rajesh Kumar(Director)

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

Chief Financial Officer	: Mr. Kapil Sharma(upto 3rd February 2018)
Company Secretary	: Mr. Nikhil Sethi( wef. 19 <sup>th</sup> December 2016 to 30 <sup>th</sup> January 2018) : Mrs. Suman Singh ( until 30 <sup>th</sup> June 2016)



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

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

(Rs in lakhs)

Transactions with Related Party	Year Ended	Holding Company	Enterprise in which holding company has significant influence	Transactions with Key Management Personnel
<b>Reimbursement of expenses incurred on company's behalf</b>				
Lemon Tree Hotels Limited	31-Mar-18			
	31-Mar-17	10.86	-	-
<b>Loan Taken</b>				
Lemon Tree Hotels Limited	31-Mar-17	14.00	-	-
	31-Mar-16	1,214.50	-	-
<b>Loan (Repaid)</b>				
Lemon Tree Hotels Limited	31-Mar-18	857.95		
	31-Mar-17	2,470.00	-	-
<b>Subscription in share capital of the company</b>				
Lemon Tree Hotels Limited	31-Mar-18	2,623.95	-	-
	31-Mar-17	-	-	-
<b>Training Fee Paid</b>				
Mind Leaders Learning India Private Limited	31-Mar-18	-	1.81	-
	31-Mar-17	-	-	-
<b>Redemption of Preference Shares</b>				
Lemon Tree Hotels Limited	31-Mar-18	1,790.00	-	-
	31-Mar-17	-	-	-
<b>Renumeration Paid</b>				
Mr. Natasha Yashpal	31-Mar-18	-	-	39.40
	31-Mar-17	-	-	34.71
<b>Balances outstanding at the year end-</b>				



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

Transactions with Related Party	Year Ended	Holding Company	Enterprise in which holding company has significant influence	Transactions with Key Management Personnel
(Credit)/ Debit				
Lemon Tree Hotels Limited	31-Mar-18	4.39	-	-
	31-Mar-17	848.34	-	-
Mrs. Natasha Yashpal	31-Mar-18	-	-	0.12
	31-Mar-17	-	-	0.69
Mind Leaders Learning India Private Limited	31-Mar-18	-	0.10	-
	31-Mar-17	-	-	-

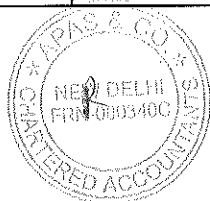
**29. Fair value Measurement**

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

**a. Financial Assets**

*Rs in lakhs*

	March 31, 2018		March 31, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Trade Receivables	-	143.27	-	84.79
Security Deposits (non-current)	-	10.21	-	10.21
Other bank balances	-	181.29	-	170.06
Investments	50.40	-	-	-
Cash and Cash Equivalents	-	105.50	-	208.09
<b>Total Financial Assets</b>	<b>50.40</b>	<b>440.28</b>	<b>-</b>	<b>331.51</b>



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

**b. Financial Liabilities**

*Rs in lakhs*

	March 31, 2018		March 31, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Borrowings (Non-current)	-	2,453.85	-	3,751.37
Borrowings (Current)		4.39		848.34
Trade Payables	-	57.34	-	70.09
Other Non Current Financial Liabilities	-	19.56	-	19.56
Other Current Financial Liabilities	-	34.84	-	31.90
<b>Total Financial Liabilities</b>	<b>-</b>	<b>2,569.97</b>	<b>-</b>	<b>4,721.26</b>

**c. Fair value measurement hierarchy for assets and liabilities**

**Fair value measurement**

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

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

**i) Level 1**

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

**ii) Level 2**

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

**iii) Level 3**

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

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



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

**Financial assets and liabilities measured at fair value**

	March 31, 2018			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>	-	-	-	-
Investment in Mutual Funds	50.40	-	-	50.40

	March 31, 2017			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>	-	-	-	-
<b>Financial Liabilities</b>	-	-	-	-

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

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

**30. Financial risk management objectives and policies**

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

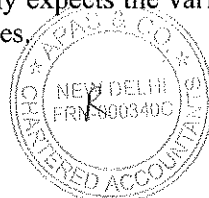
The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework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

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises 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.

**Interest rate risk**

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



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

*Rs in lakhs*

	March 31, 2018	March 31, 2017
Variable rate borrowings	2,450.76	2,458.00
Fixed rate borrowings	11.88	2,141.72

**Interest rate sensitivity**

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

		Increase/decrease in basis points	Effect on profit before tax
			<i>Rs in lakhs</i>
<b>31-March-18</b>			
		50	12.47
		-50	(12.47)
<b>31-March-17</b>			
		50	10.25
		-50	(10.25)

**Foreign currency risk**

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

**Credit risk**

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

**(a) Trade receivables**

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

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



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

*Rs in lakhs*

Ageing	March 31, 2018	March 31, 2017
Not due	-	-
0-60 days past due	86.75	75.54
61-120 days past due	30.85	5.38
121-180 days past due	17.44	1.96
180-365 days past due	8.12	1.12
365-730 days past due	0.11	1.59
more than 730 days	-	0.18

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

*Rs in lakhs*

Ageing	March 31, 2018	March 31, 2017
Not due	-	-
0-60 days past due	0.42	0.36
61-120 days past due	-	-
121-180 days past due	-	-
180-365 days past due	-	-
more than 365 days	2.27	1.91

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

*Rs in lakhs*

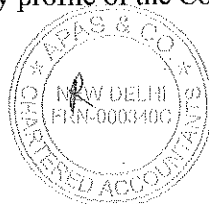
Particulars	December 31, 2017	March 31, 2017
Provision at beginning	2.27	1.91
Addition during the year	0.42	0.36
Reversal during the year	-	-
Utilised during the year	-	-
Provision at closing	2.69	2.27

**Liquidity risk**

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

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

*Rs in lakhs*





**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>Year ended March 31, 2018</b>						
Borrowings	4.39	5.11	21.73	468.75	1,958.26	2,458.24
Trade and other payables	57.34	-	-	-	-	57.34
Financial Liabilities	54.40	-	-	-	-	54.40
	<b>116.13</b>	<b>5.11</b>	<b>21.73</b>	<b>468.75</b>	<b>1,958.26</b>	<b>2,569.98</b>
<b>Year ended March 31, 2017</b>						
Borrowings	848.34	-	12.50	1,785.87	1,953.00	4,599.72
Trade and other payables	70.09	-	-	-	-	70.09
Financial Liabilities	51.46	-	-	-	-	51.46
	<b>969.89</b>	<b>-</b>	<b>12.50</b>	<b>1,785.87</b>	<b>1,953.00</b>	<b>4,721.26</b>

### 31. Capital management

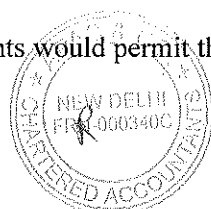
For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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 and other payables, less cash and cash equivalents.

	March 31, 2018	March 31 2017
Borrowings (Note 12 & 14)	2,435.07	4,587.21
Trade payables (Note 14)	57.34	70.09
Less: cash and cash equivalents (Note 8)	105.50	66.45
<b>Net debt</b>	<b>2,386.91</b>	<b>4,590.85</b>
Total capital ( Note 10 & 11)	2,374.05	198.16
<b>Capital and net debt</b>	<b>4,760.96</b>	<b>4,789.01</b>

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



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**

---

have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and 31 March 2017.

**32. Segment Reporting**

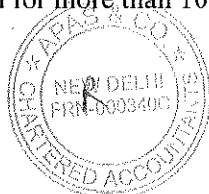
The Company is into Hoteliering business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.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

**Information about geographical areas**

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

**Information about major customers**

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



**Oriole Dr. Fresh Hotels Private Limited**  
**Notes to financial statements for the year ended March 31, 2018**


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

	<b>March 31, 2018</b>	<b>March31, 2017</b>
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
the amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

As per our report of even date

**For APAS & Co.**  
 Firm Registration No. 000340C  
 Chartered Accountants

**For and on behalf of the Board of Directors of Oriole  
 Dr Fresh Hotels Private Limited**

*Rajeev Ranjan*  


*Natasha Yashpal*  
**Natasha Yashpal**  
 Whole Time Director  
 DIN:07384326

*Rajesh Kumar*  
**Rajesh Kumar**  
 Director  
 DIN: 05251730

Place : New Delhi  
 Date : May 23, 2018