

INDEPENDENT AUDITOR'S REPORT

To the Members of **Sukhsagar complexes Private Limited**

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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



JDP & Associates

(Chartered Accountants)

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 28 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



JDP & Associates

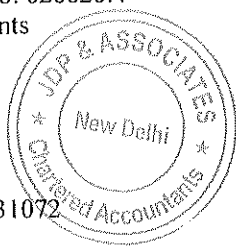
(Chartered Accountants)

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

For JDP & Associates
Firm Registration No: 026828N
Chartered Accountants


Jain Kumar
Partner

Membership No.: 531072
Place: New Delhi
Date:



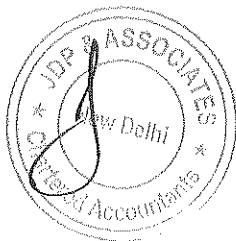
JDP & Associates

(Chartered Accountants)

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

Re: Sukhsagar Complexes Private Limited ("the Company")

- (i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has physically verified the fixed assets at reasonable intervals, there were no material discrepancy during the physical verification of fixed assets.
- c) The company is holding the title deeds of immovable properties in its name.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of, clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) The company has not made any loans, investments, guarantees, and securities during the year thus the provision of clause 3 (iv) is not applicable.
- (v) The Company has not accepted any deposits from the public in terms of directive issued by Reserve Bank of India and provision of section 73 to 76 of the Companies Act, 2013.
- (vi) To the best of our knowledge and as explained, the central government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013.
- (vii) a) Undisputed statutory dues including provident fund, employee state insurance, labour welfare fund, income-tax, goods and service tax, service tax, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions related to excise and customs duty are not applicable to the Company.
- b) According to information and explanation given to us, there are no undisputed amounts payable in respect of income tax, goods and service tax, sales tax, service tax, duty of customs, value added tax, excise duty cess and other material statutory dues were outstanding for a period of more than six months from the date they become payable.
- c) According to information and explanation given to us there are except information provided below, no dues of Income tax, goods and service tax, sales tax, service tax, duty of customs, value added tax and cess which have not been deposited on account of dispute.



JDP & Associates

(Chartered Accountants)

Particulars	Amount Demanded	Remarks
Service Tax	9,99,534	Appeal Pending with commissioner (Appeals)

- (viii) In our opinion and according to information and explanation given by the management, the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding dues in respect of financial institutions or debenture holders during the year.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer and term loan during the year.
- (x) To the best of our knowledge no fraud is committed by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial remuneration is not payable by the Company during the year. Hence reporting under clause 3(xi) is not applicable
- (xii) The company is not a Nidhi Company so Nidhi Rules, 2014 are not applicable to the company.
- (xiii) All transactions entered during the year with the related party are in compliance with the provisions of sections 188 and section 177 of Companies Act, 2013 where applicable and the details with respect to all related party transactions have been disclosed in the Financial Statements as required by applicable accounting standards.
- (xiv) The company has made an issue of fully paid up equity shares during the year under review and has complied with the requirements of section 42 and Section 62 of the Companies Act, 2013 and the amount has been used for the purpose for which the funds were raised.
- (xv) The Company has not entered into any non-cash transaction with the director or person connected with director as required under section 192 of The Companies Act, 2013.



JDP & Associates

(Chartered Accountants)

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

For JDP & Associates
Firm Registration No: 026828N
Chartered Accountants



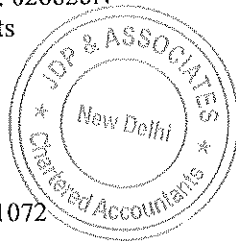
Jatin Kumar

Partner

Membership No.: 531072

Place: New Delhi

Date:



JDP & Associates

(Chartered Accountants)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SUKHSAGAR COMPLEXES PRIVATE LIMITED

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



JDP & Associates

(Chartered Accountants)

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For JDP & Associates

Firm Registration No: 026828N

Chartered Accountants

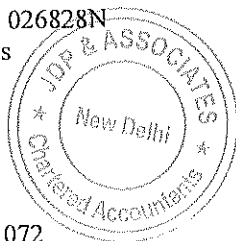

Jatin Kumar

Partner

Membership No.: 531072

Place: New Delhi

Date:



Sukhsagar Complexes Private Limited
Balance Sheet as at March 31, 2018

Notes	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
ASSETS		
Non-current assets		
Property, plant and equipment	3 4,794.54	4,919.39
Intangible assets	4 0.76	1.05
Financial assets		
Other financial assets	5 133.81	127.23
Deferred tax assets (net)	6 -	-
Other non-current assets	7 17.34	10.14
	<u>4,946.45</u>	<u>5,057.81</u>
Current assets		
Inventories	8 7.66	10.19
Financial assets		
Trade receivables	9 150.19	100.66
Cash and cash equivalents	81.95	47.21
Other financial assets	1.24	8.13
Other current assets	10 40.94	27.29
	<u>281.98</u>	<u>193.48</u>
Total Assets	<u>5,228.43</u>	<u>5,251.29</u>
EQUITY AND LIABILITIES		
Equity		
Equity share capital	11 619.50	49.50
Other equity	12 446.80	76.51
Total equity	<u>1,066.30</u>	<u>126.01</u>
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	13 3,534.73	4,479.04
Provisions	14 2.52	2.10
	<u>3,537.25</u>	<u>4,481.14</u>
Current liabilities		
Financial liabilities		
Borrowings	15 62.00	104.00
Trade payables	139.15	120.22
Other financial liabilities	379.82	381.17
Other current liabilities	16 40.65	35.91
Provisions	14 3.26	2.84
	<u>624.88</u>	<u>644.14</u>
Total Liabilities	<u>4,162.13</u>	<u>5,125.28</u>
Total Equity and Liabilities	<u>5,228.43</u>	<u>5,251.29</u>

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

As per our report of even date

For JDP & Associates
Firm Registration No. 026828N
Chartered Accountants

Jatin Kumar
Partner
Membership No. 531072



For and on behalf of the Board of Directors of
Sukhsagar Complexes Private Limited

Cyrus Mehernosh Madan
Director
Din: 02695031

Sumant Jaidka
Director
Din: 05201572

Anurag Awara
Company Secretary

Place : New Delhi
Date : May 24, 2018

Sukhsagar Complexes Private Limited
Statement of Profit and Loss for the year ended March 31, 2018

	Note	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Revenue from operations	17	1,220.90	1,165.74
Other income	18	0.60	1.38
Total Income		1,221.50	1,167.12
Expenses			
Cost of materials consumed	19	100.74	99.85
Employee benefits expense	20	197.85	199.32
Other expenses	21	405.81	334.22
Total expenses		704.40	633.39
Earnings before interest, tax, depreciation and amortisation (EBITDA)		517.10	533.73
Finance costs	22	433.33	537.11
Depreciation and amortization expense	23	136.57	160.66
Finance income	24	(8.70)	(10.05)
Loss before tax		(44.10)	(153.99)
Tax expense:			
(1) Current tax		-	-
Adjustment of tax relating to earlier years		-	(0.62)
(3) Deferred tax		-	-
		-	(0.62)
Loss for the year		(44.10)	(153.37)
Other comprehensive income			
Re-measurement gains/ (losses) on defined benefit plans		0.20	(0.09)
		0.20	(0.09)
Total Comprehensive Income for the year (Comprising Profit/(Loss) and Other Comprehensive Income for the year)		(43.90)	(153.46)
Earnings per equity share:	25		
(1) Basic		(2.24)	(31.00)
(2) Diluted		(2.24)	(31.00)

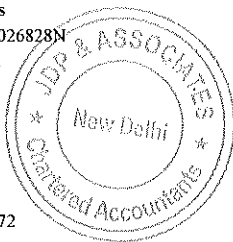
Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For JDP & Associates
Firm Registration No. 026828N
Chartered Accountants

Jatin Kumar
Jatin Kumar
Partner

Membership No. 531072
Place : New Delhi



Date : May 24, 2018

For and on behalf of the Board of Directors of
Sukhsagar Complexes Private Limited

Cyrus Mehernosh Madan
Cyrus Mehernosh Madan
Director
Din: 02695031

Suman Jaidka
Suman Jaidka
Director
Din: 05201572

Anurag Arora
Anurag Arora
Company Secretary

Sukhsagar Complexes Private Limited
Statement of Cash flow for the year ended March 31, 2018

	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Operating activities		
Loss before tax	(44.10)	(153.99)
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	136.57	160.66
Finance income (including fair value change in financial instruments)	(8.70)	(10.04)
Finance costs (including fair value change in financial instruments)	427.51	532.43
Provision for gratuity	0.76	0.66
Provision for leave encashment	0.27	0.38
Excess provision/ credit balances written back	0.26	0.90
Provision for doubtful debts	1.82	0.09
	<u>514.39</u>	<u>531.09</u>
Working Capital Adjustment:		
Change in trade receivables	(51.35)	(24.21)
Change in loans and advances and other current assets	(13.34)	(4.12)
Change in inventories	2.52	(0.10)
Change in liabilities and provisions	(293.93)	51.95
	<u>158.29</u>	<u>554.61</u>
Income tax paid (net of refunds)	(7.29)	4.78
Net cash flow from operating activities	<u>150.99</u>	<u>559.39</u>
Investing activities		
Purchase of Property, plant and equipment	(11.43)	(4.19)
Finance income	8.70	-
Net Cash flow (used in)/ from investing activities	<u>(2.73)</u>	<u>(4.19)</u>
Financing activities		
Proceeds from issue of equity share capital	1,094.97	-
Redemption of preference share capital	(770.00)	90.00
Repayment of borrowings	(24.92)	(120.00)
Interest paid	(413.58)	(511.64)
Net Cash from / (used in) financing activities	<u>(113.53)</u>	<u>(541.64)</u>
Net increase/(decrease) in cash and cash equivalents	<u>34.74</u>	<u>13.56</u>
Cash and cash equivalents at the beginning of the year	<u>47.21</u>	<u>33.65</u>
Cash and cash equivalents at the end of the year	<u>81.95</u>	<u>47.21</u>
Components of cash and cash equivalents		
Cash on hand	3.15	1.28
Balances with banks in - current accounts	78.80	45.93
Total cash and cash equivalents	<u>81.95</u>	<u>47.21</u>

Summary of significant accounting policies

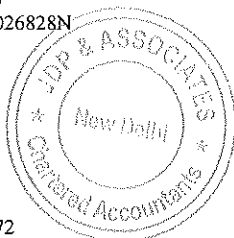
2

As per our report of even date

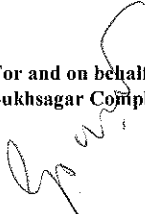
For JDP & Associates
Firm Registration No. 026828N
Chartered Accountants



Jatin Kumar

Partner
Membership No. 531072



For and on behalf of the Board of Directors of
Sukhsagar Complexes Private Limited


Cyrus Mehernosh Madan
Director
Din: 02695031


Sumanit Jindia
Director
Din: 05201572


Anurag Arora
Company Secretary

Place : New Delhi
Date : May 24, 2018

Sukhsagar Complexes Private Limited
Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

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

At 1 April 2016
Issue of share capital
At 31 March 2017
Issue of share capital
At 31 March 2018

	No. of shares	Amount
		Rs in lakhs
At 1 April 2016	495,000	49.50
Issue of share capital	-	-
At 31 March 2017	495,000	49.50
Issue of share capital	5,700,000	570.00
At 31 March 2018	6,195,000	619.50

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

	Reserves and Surplus			Total equity Rs in lakhs
	Capital reserve	Securities Premium Reserve	Retained Earnings	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	
Balance at 1 April 2016	131.64	-	82.19	213.83
Total Comprehensive Income for the year	-	-	(153.46)	(153.46)
Movement during the year	16.14	-	-	16.14
Balance at 31 March 2017	147.78	-	(71.27)	76.51
Total Comprehensive Income for the year	-	-	(43.90)	(43.90)
Movement during the year	(110.78)	524.97	-	414.19
Balance at 31 March 2018	37.00	524.97	(115.18)	446.80

Summary of significant accounting policies

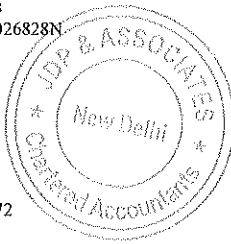
2

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

As per our report of even date

For JDP & Associates
Firm Registration No. 026828N
Chartered Accountants

Jatin Dumar
Partner
Membership No. 531072
Place : New Delhi



For and on behalf of the Board of Directors of
Sukhsagar Complexes Private Limited

Cyrus Mehernosh Madan
Director
Din: 02695031

Anurag Arora
Company Secretary

Suman Jaitka
Director
Din: 06201572

Date : May 24, 2018

1. Corporate Information

Sukhsagar Complexes 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.

The Financial Statements were authorized for issue in accordance with a resolution of the directors on May 24, 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 historical cost or at amortised cost except for the following assets and liabilities:

- Net defined benefit (asset)/liability
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, 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:

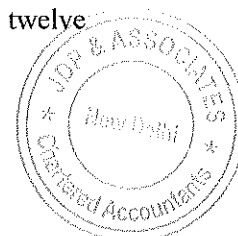
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability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

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 currency transactions and balances

Transactions and balances

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

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

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

c) Fair value measurement

The Company measures financial instruments, such as, investment in mutual funds 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.

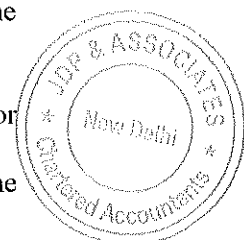
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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



Sukhsagar Complexes Private Limited

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

- fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

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

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

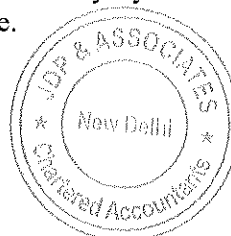
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (Note 25)
- Contingent consideration (Note 28)
- Quantitative disclosures of fair value measurement hierarchy (Note 30)
- Financial instruments (including those carried at amortised cost) (Note 30)

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



Sukhsagar Complexes Private Limited

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

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), GST and Luxury Tax. Shortfall of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.

Sale of goods

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

Interest income

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

Dividends

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

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

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

(e) **Taxes**

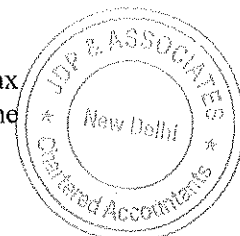
Current income tax

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

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



Sukhsagar Complexes Private Limited

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

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

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

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

(f) Property, plant and equipment

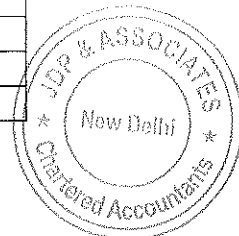
Freehold land is carried at revalued cost as at transition date. Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

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

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

Fixed Assets	Useful life considered (SLM)
Plant & Machinery	15 Year
Building	60 Years
Electrical installations and fittings	10 Years
Office Equipment's	5 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers	3 Years



Sukhsagar Complexes Private Limited

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

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

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

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

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Costs relating to acquisition of initial software license fee and installation costs are capitalized in the year of purchase.

Software costs are amortized using the straight line method over their useful lives estimated by the management at three years.

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

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

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

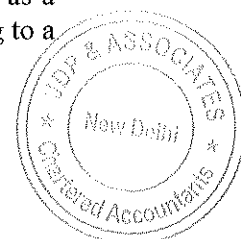
Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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

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

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

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

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

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

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

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

The company treats leaves expected to be carried forward for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a 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)

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

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



Debt instrument at FVTPL

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

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

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

Derecognition

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

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

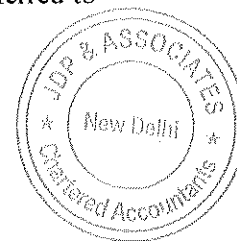
When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards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

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

Impairment of financial assets

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

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



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

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

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

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

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

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

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

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

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

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

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

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.



Sukhsagar Complexes 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

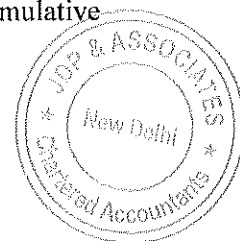
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation 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 13.

Financial guarantee contracts

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



Sukhsagar Complexes Private Limited

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

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.

Contributed equity

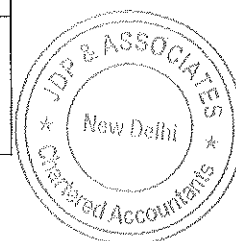
Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Reclassification of financial assets

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

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

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



Sukhsagar Complexes Private Limited

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

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 Redeemable 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) **Segment reporting policies**

Identification of segments

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

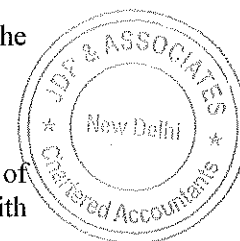
(q) **Recent accounting pronouncements**

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 has evaluated the effect of this on the financial statements and the impact is not material.

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



Sukhsagar Complexes Private Limited

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

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 will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant .

(r) **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.



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

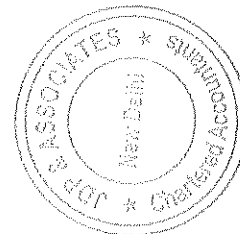
3 Property, plant and equipment

Rs in lakhs

Particulars	Land	Building	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Computers	Vehicles	Total
Cost or valuation										
At 1 April 2016	2,542.49	2,076.00	254.46	213.45	40.59	0.15	74.27	3.72	0.70	5,205.83
Additions	-	-	0.93	0.33	1.64	-	0.93	0.34	-	4.19
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	2,542.49	2,076.00	255.39	213.78	42.23	0.15	75.22	4.06	0.70	5,210.02
Additions	-	-	3.92	4.97	0.41	-	1.20	0.81	-	11.30
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	2,542.49	2,076.00	259.31	218.75	42.64	0.15	76.42	4.87	0.70	5,221.32
Depreciation										
At 1 April 2016	-	38.20	4.72	47.86	12.43	0.04	25.02	1.48	0.70	130.45
Charge for the year	-	38.10	36.85	46.84	12.39	0.04	25.02	0.93	-	160.18
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	-	76.50	41.57	94.70	24.82	0.08	50.04	2.41	0.70	290.62
Charge for the year	-	38.10	26.13	45.55	8.59	0.04	17.16	0.58	-	136.15
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	114.40	67.70	140.26	33.40	0.13	67.20	2.99	0.70	426.78
Net Book value										
At 31 March 2018	2,542.49	1,961.60	191.60	78.49	9.23	0.02	9.22	1.87	0.00	4,794.54
At 31 March 2017	2,542.49	1,999.70	213.82	119.08	17.41	0.07	25.19	1.64	0.00	4,919.39
Net book value										
Plant, property and equipment	March 31, 2018	March 31, 2017								
	4,794.54	4,919.39								

Notes:

1. Asset charged against borrowings : All immovable and movable assets of the Company are subject to first charge to secured borrowings . Refer Note 13

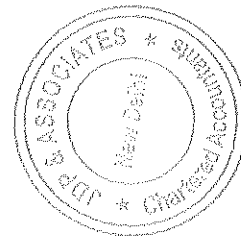


Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

4 Intangible Assets

Particulars	Rs. in Lakhs	
	Software	Total
Cost or valuation	2.78	2.78
At 1 April 2016	-	-
Additions	-	-
Disposals	-	-
At 31 March 2017	2.78	2.78
Additions	0.13	0.13
Disposals	-	-
At 31 March 2018	2.91	2.91
Amortisation and impairment		
At 1 April 2016	1.25	1.25
Amortisation	0.48	0.48
Disposals	-	-
At 31 March 2017	1.73	1.73
Amortisation	0.42	0.42
Disposals	-	-
At 31 March 2018	2.15	2.15
Net Block		
At 31 March 2018	0.76	0.76
At 31 March 2017	1.05	1.05

Net book value	March 31, 2018	March 31, 2017
Software	0.76	1.05



Sukhsagar Complexes Private Limited

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

5 Financial assets

(a) Other financial assets

	March 31, 2018	March 31, 2017
	Rs in lakhs	Rs in lakhs
Security deposits	10.43	11.68
Non current bank balances	79.52	79.52
Interest accrued on Non current bank balances	43.86	36.03
	<u>133.81</u>	<u>127.23</u>

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

Security deposits	10.43	11.68
Non current bank balances	79.52	79.52
Interest accrued on Non current bank balances	43.86	36.03
Total non-current financial assets carried at amortised cost	<u>133.81</u>	<u>127.23</u>



Sukhsagar Complexes Private Limited

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

6 Deferred tax assets

	March 31, 2018 Rs.	March 31, 2017 Rs.
Property, plant & equipment	254.29	250.72
Deferred tax liability	254.29	250.72
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	3.56	1.57
Revaluation of land	-	
Provision for doubtful debts and advances	0.47	0.23
Effect of unabsorbed depreciation and business loss	248.75	246.92
Provision for gratuity	0.85	1.33
Provision for leave compensation	0.63	0.60
Provision for slow/non moving inventory	0.03	0.07
Deferred tax assets	254.29	250.72
Net Deferred tax assets/ (liability)	-	-

Note : The Company has incurred losses during current year further there is no reasonable certainty that the Company will earn taxable profits in future years. Accordingly deferred tax not accounted on losses and unabsorbed depreciation.

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

	March 31, 2018	March 31, 2017
Profit/(loss) before tax	(44.10)	(153.99)
Tax rate	25.75%	25.75%
Tax at statutory income tax rate	(11.36)	(39.65)
Deferred tax asset on losses not recognized	11.36	39.65
Income tax charge/ (credit) in respect of earlier year	-	(0.62)
Net	-	(0.62)
As per profit and loss account	-	(0.62)

7 Other non-current assets

	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Advance income tax (net of provision for taxation)	17.34	10.14
Total	17.34	10.14

8 Inventories

(valued at lower of cost and net realisable value)

	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Food and beverages (excluding liquor, wines and smokes)	1.11	2.60
Liquor, wine and smokes	1.18	0.99
Stores and spares	5.49	6.85
	7.78	10.45
Provision for non moving stock	0.12	0.26
Total	7.66	10.19



Sukhsagar Complexes Private Limited

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

9 Financial assets

(i) Trade receivables

Trade receivables

March 31, 2018	March 31, 2017
Rs in lakhs	Rs in lakhs
150.19	100.66
150.19	100.66

Break-up for security details:

Trade receivables

Secured, considered good

Unsecured, considered good

Doubtful

-	-
150.19	100.66
1.82	0.89
152.01	101.55

Impairment Allowance (allowance for bad and doubtful debts)

Doubtful

1.82	0.89
1.82	0.89

Total Trade receivables

150.19	100.66
---------------	---------------

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(ii) Cash and cash equivalents

Balance with banks

On current credit accounts

Cash on hand

March 31, 2018	March 31, 2017
Rs in lakhs	Rs in lakhs
78.80	45.93
3.15	1.28
81.95	47.21

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

Cash at bank are non-interest bearing financial assets.

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

Particulars

Balances with banks

on current accounts

Cash on hand

Total cash and cash equivalents

March 31, 2018	March 31, 2017
Rs in lakhs	Rs in lakhs
78.80	45.93
3.15	1.28
81.95	47.21



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

(iii) Other financial assets

	March 31, 2018	March 31, 2017
	Rs in lakhs	Rs in lakhs
Security deposits	1.24	-
Unbilled revenue	-	8.13
	1.24	8.13

Break up of current financial assets carried at amortised cost

Trade receivables	150.19	100.66
Cash and cash equivalents	81.95	47.21
Total current financial assets carried at amortised cost	232.14	147.87

10 Other current assets

Others

	March 31, 2018	March 31, 2017
	Rs in lakhs	Rs in lakhs
Advance for supply of goods and rendering of services	5.65	1.62
Subsidy recoverable	2.80	2.80
Balance with statutory/ government authorities	13.16	2.07
Prepaid expenses	19.33	20.80
	40.94	27.29



11 Equity share capital

Authorised Share Capital

	Equity shares	
	No. of shares	Rs in lakhs
At 1 April 2016	500,000	50.00
Increase/(decrease) during the year	-	-
At 31 March 2017	500,000	50.00
Increase/(decrease) during the year	5,700,000	570.00
At 31 March 2018	6,200,000	620.00

a) Terms/rights attached to equity shares

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

b) The Preference shares are not convertible into equity shares and are reflected in financial liabilities

c) Issued equity capital

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

	No. of shares	Rs in lakhs
At 1 April 2016	495,000	49.50
Increase/(decrease) during the year	-	-
At 31 March 2017	495,000	49.50
Increase/(decrease) during the year	5,700,000	570.00
At 31 March 2018	6,195,000	619.50

d) Shares held by holding company

	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	6,195,000	619.50	495,000	49.50

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

	March 31, 2018		March 31, 2017	
	No. of shares	% held as at March 31, 2018	No. of shares	% held as at March 31, 2017
Equity shares of Re. 10 each fully paid up				
Lemon Tree Hotels Limited	6,195,000	100.00%	495,000	100.00%

e) Reconciliation of shares outstanding at the beginning and at the end of the year (expressed in absolute numbers)

Particulars	March 31, 2018	March 31, 2017
	Rs in lakhs	Rs in lakhs
Equity Shares		
At the commencement of the year	495,000	495,000
Add: Issued during the year	5,700,000	-
At the end of the year	6,195,000	495,000

f) 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.

12 Other equity

Security Premium Reserve

	Rs in lakhs
At 1 April 2016	-
Add: Premiums on issue of equity shares	-
At 31 March 2017	-
Add: Premium on issue of equity shares	524.97
At 31 March 2018	524.97

Retained Earnings*

	Rs in lakhs
At 1 April 2016	82.19
Profit/(loss) for the year	(133.46)
At 31 March 2017	(71.27)
Profit/(loss) for the year	(43.90)
At 31 March 2018	(115.17)

* includes Revaluation Reserve of Rs. 1500 lakhs transferred to retained earnings on the date of transition (i.e April 1, 2015) from IGAAP to Ind AS

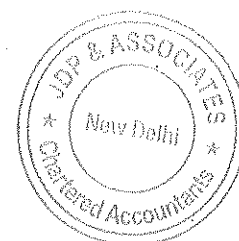
Capital Reserve (Equity Component of Redeemable Preference Shares)

	Rs in lakhs
At 1 April 2016	131.64
Increase/(decrease) during the year	16.14
At 31 March 2017	147.78
Increase/(decrease) during the year	(110.78)
At 31 March 2018	37.00

Other reserves

	March 31, 2018	March 31, 2017
	Rs in lakhs	Rs in lakhs
Security Premium Reserve	524.97	-
Retained Earnings	(115.17)	(71.27)
Capital Reserve	37.00	147.78
	446.80	76.51

Capital reserve represents equity component of 5% Redeemable Preference Shares. During the year the Company has re-paid 5% Preference shares and accordingly reversed the Capital Reserve (equity component of Preference Share).



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

13 Borrowings

	Effective Rate of Interest (%)	Maturity	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Non-current borrowings				
Term Loans				
Indian rupee loans from Banks (Secured)				
Ratnakar Bank (Refer note 1 below)	0.00%	2023-2024	-	3,830.17
HDFC Bank Limited (Refer note 2 below)	9.71%	2023-2024	3,534.73	-
Liability component of compound financial instrument				
Redeemable preference shares (unsecured) (Refer Note 3 below)	5.00%		-	648.87
Total non-current borrowings			3,534.73	4,479.04
Current borrowings				
Term Loans				
Current maturity of long term loans				
Ratnakar Bank (Refer note 1 below)	0.00%	2023-2024	-	316.00
HDFC Bank Limited (Refer note 2 below)	9.71%	2023-2024	316.00	-
Total current borrowings			316.00	316.00
Less: Amount clubbed under "other current liabilities"			(316.00)	(316.00)
Net current borrowings			-	-

Term loans

1) Terms attached to Loan from Ratnakar Bank :

The Loan was secured by a exclusive charge on all the movable fixed assets of the company situated at Khasra No.102/103/433, Village Jhalana , J.L.N. Marg , Jaipur, exclusive charge on the current assets of Company's hotel including book debts, operating cash flows, intangible revenues both present and future and exclusive charge by way of equitable mortgage over land and building of company's hotel (cross collateralised with the exposure granted to Canary Hotels Pvt. Ltd) and exclusive charge on the property at EDM mall, East Delhi, built on Plot no. 1, Kaushambi, Ghaziabad (cross collateralised with the exposure granted to Canary Hotels Pvt. Ltd). Further it was secured by Coporate Guarantee of parent company.

2.) Terms attached to Loan from HDFC Bank Limited :

Rupee term loan of Rs 4,186 lakhs from HDFC Bank Limited is availed during current period. The Loan is secured by

- Exclusive Charges by way of Equitable mortgage on all of the project's (Red Fox hotel situated at Khesra No. 102/103/433 village jhalana, JLN Marg, jaipur) land And building.
- Exclusive charge by hypothecation of all the projects (Redfox Hotel situated at khesra no. 102/103/433 village jhalana, JLN Marg, jaipur) movables, Including movable plant & machinery ,machinery Spares, Furniture and fixture and all other movable assets , Present and future.
- A first and exclusive charges on Project's (Red Fox Hotel situated at Khesra No. 102./103/433 village Jhalana, J.L.N Marg, jaipur) current assets -book debts, operating cash flows , Receivables, commission ,bank Accounts (wherever held) -Present and future ,all revenues .
- Unconditional and irrevocable Corporate guarantee of parent company lemon trees hotels limited.
- Pledge of 100% Shares of the Company held by Lemon Tree Hotels Ltd.

3.) Liability component of compound financial instrument represent 5% Redeemable Preference Shares. These shares were non-cumulative, non-convertible, non-participating and shall carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Act.

These 5% Redeemable Preference Shares were be redeemed at par during the current period and consequently liability component reversed during the year.

14 Provisions

	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Provision for gratuity	3.32	2.75
Current	0.80	0.65
Non-current	2.52	2.10
Provision for leave benefits	2.46	2.19
Current	2.46	2.19
Total current	3.26	2.84
Total non-current	2.52	2.10



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

15 Financial liabilities	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
(i) Borrowings		
Loan from holding company (refer note below)	62.00	104.00
	62.00	104.00

Note - Loan from holding company is non interest bearing and is repayable on demand

(ii) Trade payables	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Trade Payables		
-Micro and small enterprises	-	-
-Other than Micro and small enterprises	139.15	119.62
Trade payables to related parties	-	0.60
	139.15	120.22

(iii) Other financial liabilities	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Current maturities of long-term borrowings	316.00	316.00
Interest accrued but not due	0.95	1.18
Outstanding dues of employees	16.97	15.11
Outstanding dues of other creditors	45.90	48.88
	379.82	381.17

Break up of current financial liabilities carried at amortised cost

Particulars	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Current maturities of long-term borrowings	316.00	316.00
Interest accrued but not due	0.95	1.18
Outstanding dues of employees	16.97	15.11
Outstanding dues of other creditors	45.90	48.88
Total financial liabilities measured at amortised cost	379.82	381.17

16 Other current liabilities	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Advance received from customers	21.08	29.99
Statutory liabilities	19.57	5.92
	40.65	35.91



Sukhsagar Complexes Private Limited

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

17 Revenue from operations

Sale of products and services

Room rentals
Food and beverage (excluding liquor and wine)
Liquor and wine
Telephone and telex
Other services

March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
989.96	874.07
136.68	183.94
18.99	14.50
0.05	1.82
75.22	91.41
1,220.90	1,165.74

18 Other income

Sale of scrap
Excess provision/ credit balances written back
Exchange gain net

March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
0.34	0.39
0.26	0.90
-	0.09
0.60	1.38

19 Cost of materials 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

March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
2.60	2.17
93.01	95.28
95.61	97.45
1.11	2.60
94.50	94.85

(b) Consumption of liquor & wine

Inventory at the beginning of the year
Add: Purchases

Less: Inventory at the end of the year
Cost of liquor and wine consumed

March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
0.99	1.10
6.43	4.89
7.42	5.99
1.18	0.99
6.24	5.00
100.74	99.85

20 Employee benefit expense

Salaries, wages and bonus
Contribution to provident fund and other fund
Gratuity expense
Staff welfare and training expenses

March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
156.60	158.24
8.45	8.17
0.76	0.66
32.04	32.25
197.85	199.32



21 Other expenses

	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	25.45	17.59
Power and fuel	123.83	107.41
Linen & uniform washing and laundry expenses	15.69	26.67
Guest transportation	8.10	6.66
Subscription charges	2.52	3.28
Repair and maintenance expenses		
- Buildings	14.87	14.19
- Plant and machinery	22.79	7.31
- Others	20.68	28.18
Rent	2.40	2.54
Rates and taxes	36.32	26.36
Insurance	2.43	2.60
Communication costs	8.51	11.96
Printing and stationery	6.48	6.48
Traveling and conveyance	3.98	5.00
Vehicle running and maintenance expenses	0.05	-
Advertising and sales promotion	6.86	17.36
Commission -other than sole selling agent	55.45	7.21
Security and cleaning expenses	28.40	24.86
Membership and subscriptions	-	0.65
Legal and professional fees	8.13	6.67
Provision for doubtful debt, loans, advances etc.	0.93	0.09
Payment to auditors	0.55	0.25
Provision for slow/non moving inventory	-	0.26
Equipment hire charges	7.89	7.53
Miscellaneous expenses	3.50	3.11
	405.81	334.22
Payment to auditor		
Statutory audit fees	0.55	0.25
	0.55	0.25

22 Finance costs

	March 31, 2018 Rs in lakhs	March 31, 2017 Rs in lakhs
Interest		
- on term loans from banks	417.06	519.09
- on others	10.45	13.41
Bank charges (including commission on credit card collection)	5.82	4.61
	433.33	537.11



23 Depreciation and amortization expense

Depreciation of tangible assets
Amortization of intangible assets

March 31, 2018	March 31, 2017
Rs in lakhs	Rs in lakhs
136.15	160.18
0.42	0.48
136.57	160.66

24 Finance Income

Interest Income on :
- Security deposits receivable
- Bank deposits

March 31, 2018	March 31, 2017
Rs in lakhs	Rs in lakhs
-	1.69
8.70	8.36
8.70	10.05

25 Earnings per share (Basic and Diluted)

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

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

The following data reflects the inputs to calculation of basic and diluted EPS

Profit / (loss) after tax
Profit / (Loss) for calculation of basic and diluted EPS

Weighted average number of Equity shares for basic EPS
Weighted average number of Equity shares adjusted for the effect of dilution
Weighted average number of equity shares in calculating diluted EPS

Basic and diluted EPS

March 31, 2018	March 31, 2017
Rs in lakhs	Rs in lakhs
(43.90)	(153.46)
(43.90)	(153.46)
1,962,945	495,000
-	-
1,962,945	495,000
(2.24)	(31.00)



26. 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:

Operating lease commitments – Company as lessee

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

Contingent liabilities

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

Estimates and assumptions

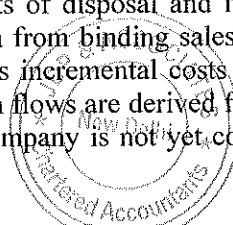
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions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

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.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments



Sukhsagar Complexes Private Limited

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

that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Considering that nature of the Company's operations and history of past tax losses, deferred tax assets (including MAT credit) are recognized to the extent that it is probable that taxable profit will be generated in future against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, it is considered prudent to recognize the deferred tax assets only to the extent of deferred tax liabilities and the Company has not recognised deferred tax assets of Rs 397.56 lakhs, Rs 390.47 lakhs as of March 31, 2018 and March 31, 2017 respectively.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 27



Sukhsagar Complexes Private Limited

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

27. Gratuity and other post-employment benefit plans

	<i>Rs. In lakhs</i>	
	March 31, 2018	March 31, 2017
Gratuity plan	3.32	2.75
Total	3.32	2.75

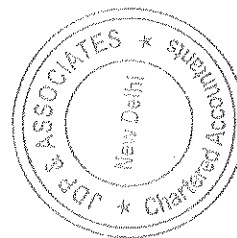
The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at 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.



Suksagar Complexes 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:

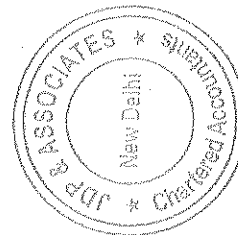
	Remeasurement gains/(losses) in other comprehensive income							<i>Rs. In lakhs</i>	
	Gratuity cost charged to profit or loss	Sub-total included in profit or loss	Net interest expense	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer
April 1, 2017	2.75	0.76	0.18	-	-	(0.06)	(0.13)	(0.19)	-
Defined benefit obligation	2.75	0.76	0.18	-	-	(0.06)	(0.13)	(0.19)	-
Fair value of plan assets	-	-	-	-	-	-	-	-	3.32
Benefit liability	2.75	0.76	0.18	-	-	(0.06)	(0.13)	(0.19)	-



Suksagar Complexes 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, 2017:

	Remeasurement gains/(losses) in other comprehensive income							Rs. In lakhs			
	Gratuity cost charged to profit or loss	Net interest expense	Sub-total included in profit or loss	Benefits paid	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 included in OCI	Sub-total included in OCI	Contributions by employer	March 31, 2017
April 1, 2016	0.51	0.15	0.66	-	-	-	0.08	0.01	0.09	-	2.75
Defined benefit obligation	2.00	0.51	0.66	-	-	-	0.08	0.01	0.09	-	2.75
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	2.00	0.51	0.66	-	-	-	0.08	0.01	0.09	-	2.75



Sukhsagar Complexes 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
Unquoted investments:		
Asset invested in insurance scheme with the LIC	-	-
Total	-	-

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

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

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

India gratuity plan:

	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.10	0.11	0.11	0.11



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.09	0.09	0.09	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.

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

Duration (Years)	For the year ended March,2018	For the year ended March 31, 2017
1	0.83	0.67
2	0.67	0.59
3	0.57	0.46
4	0.50	0.39
5	0.40	0.33
Above 5	1.37	1.09
Total expected payments	4.35	3.53

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

28. 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)



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

b. Contingent liabilities

Claims against the Company not acknowledged as debts

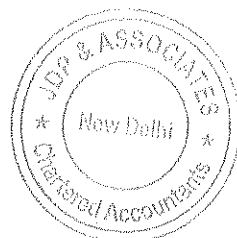
- a) Malviya National Institute of Technology, Jaipur (“MNIT”) filed an application before the Sub-divisional Officer (“SDO”), Jaipur against, among others, Sukhsagar Complexes Private Limited (one of the subsidiary), alleging that a portion of the land on which Red Fox Hotel, Jaipur has been constructed is owned by MNIT. Pursuant to an order dated December 31, 1999, the SDO, Jaipur, recorded certain land bearing khasra number 102/433 in the name of Gulab Chand and certain others, while removing the name of Malviya Regional Engineering College, the predecessor entity to MNIT. Against the order of the SDO, MNIT filed an appeal (appeal no. 327/2013) before the Divisional Commissioner, Jaipur (“Commissioner”), against Gulab Chand, Girdharilal Maninar and Gopal Das Johar, being the previous owners of the property sold to Sukhsagar, and also, among others, Sukhsagar, stating that Sukhsagar and Devashish Builders Private Limited had encroached on the land belonging to MNIT. The appeal was dismissed by the Commissioner pursuant to an order dated January 8, 2013 and the order passed by the SDO, dated December 31, 1999, was confirmed. Subsequently, Sukhsagar filed a review petition before the Commissioner challenging the order dated January 8, 2013 on grounds of certain procedural irregularities. The Commissioner, through an order dated September 4, 2013, recalled its previous order dated January 8, 2013. The Commissioner eventually dismissed the appeal filed by MNIT through an order dated September 11, 2013. MNIT filed a writ petition before the High Court of Rajasthan challenging the order of the Commissioner, dated September 11, 2013. The management based upon its assessment and expert’s advice believes that any liability is improbable to crystallize.

b) Other Contingent liabilities

Rs. In lakhs

		March 31 st 2018	March 31 st 2017
a.	Counter guarantees issued in respect of guarantees issued by company’s bankers	33.60	33.60
b.	Guarantees given on behalf of fellow subsidiary	2,500.00	2,500.00
c.	In respect of Service Tax Demand under appeal	10.00	10.00
d.	In respect of matters pending with consumer courts The company has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.	22.75	22.75

The company has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

29. Related Party Transactions

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

Holding company

Lemon Tree Hotels Limited

Fellow subsidiary companies

Canary Hotels Private Limited
Oriole Dr Fresh Hotels Private Limited

Enterprise in which holding company has significant influence

Mind Leaders Learning India Private Limited

Key Management Personnel

Mr. Sumant Jaidka (Director)
Mr. Cyrus Mehernosh Madan (Director)

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

Company Secretary

Mr. Anurag Arora(CS)



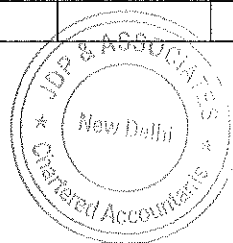
Sukhsagar Complexes Private Limited

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	Fellow Subsidiary	Enterprise in which Holding Company has significant influence	Key Mangement Person
Amount received by the company on behalf of Party					
Lemon Tree Hotels Limited	31-Mar-18	-	-	-	-
	31-Mar-17	0.59	-	-	-
Oriole Dr fresh Hotels Private Limited					
	31-Mar-18	-	-	-	-
	31-Mar-17	-	0.60	-	-
Loans (taken)					
Lemon Tree Hotels Limited	31-Mar-18	288.00	-	-	-
	31-Mar-17	104.00	-	-	-
Loan (Repaid)					
Lemon Tree Hotels Limited	31-Mar-18	330.00	-	-	-
	31-Mar-17	-	-	-	-
Remuneration Paid					
Mr.Anurag Arora	31-Mar-18	-	-	-	1.50
	31-Mar-17	-	-	-	1.44
Training Fee Paid(Net of Taxes)					
Mind Leaders Learning India Private Limited	31-Mar-18	-	-	1.63	-
	31-Mar-17	-	-	-	-
Subscription in Equity share capital of the Company					
Lemon Tree Hotels Limited	31-Mar-18	1,094.97	-	-	-
	31-Mar-17	-	-	-	-



Sukhsagar Complexes Private Limited

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

Transactions with Related Party	Year Ended	Holding Company	Fellow Subsidiary	Enterprise in which Holding Company has significant influence	Key Mangement Person
Subscription in preference share capital of the Company					
Lemon Tree Hotels Limited	31-Mar-18	-	-	-	-
	31-Mar-17	90.00	-	-	-
Redemption of Preference share capital of the Company					
Lemon Tree Hotels Limited	31-Mar-18	770.00	-	-	-
	31-Mar-17	-	-	-	-
Guarantee Received					
Lemon Tree Hotels Limited	31-Mar-18	4,500.00	-	-	-
	31-Mar-17	4,500.00	-	-	-
Guarantee Given					
Canary Hotels Private Limited	31-Mar-18	-	2,500.00	-	-
	31-Mar-17	-	2,500.00	-	-
Balance Outstanding at year end					
Lemon Tree Hotels Limited	31-Mar-18	62.00	-	-	-
	31-Mar-17	104.59	-	-	-
Mind Leaders Learning India Private Limited	31-Mar-18	-	-	0.32	-
	31-Mar-17	-	-	-	-
Oriole Dr Fresh Hotels Private Limited	31-Mar-18	-	-	-	-
	31-Mar-17	-	0.60	-	-



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

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

30. Fair value measurement

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

a. Financial instruments by category

Rs. In lakhs

	31-March-18		31-March-17	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade receivables	-	150.19	-	100.66
Cash and cash equivalents	-	81.95	-	47.21
Other financial assets	-	135.05	-	135.36
Total Financial Assets	-	367.19	-	283.23

Rs. In lakhs

	31-March-18		31-March-17	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities				
Borrowings	-	3,912.73	-	4,583.04
Trade payables	-	139.15	-	120.22
Other financial liabilities	-	63.82	-	381.16
Total Financial Liabilities	-	4,115.70	-	5,084.42

b. 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.



Sukhsagar Complexes Private Limited

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

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:

Financial assets and liabilities measured at fair value

Rs in lakhs

	March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Financial investments as FVTPL	-	-	-	-

Rs in lakhs

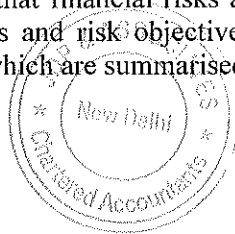
	March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Financial investments as FVTPL	-	-	-	-

31. Financial risk management objectives and policies

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

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

Market risk



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

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.

Rs. In Lakhs

	March 31, 2018	March 31, 2017
Variable rate borrowings	3,850.73	4,146.17
Fixed rate borrowings	62.00	752.87

Interest rate sensitivity

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

Rs. In lakhs

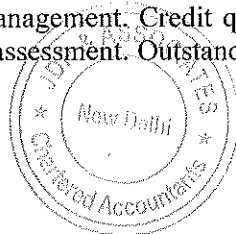
	Increase/decrease in basis points	Effect on profit before tax
31-March-18		
	50	20.28
	-50	(20.28)
31-March-17		
	50	21.24
	-50	(21.24)

Credit risk

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

Trade receivables and Security Deposits

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



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 9. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

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 loans to related parties, deposits with banks and financial institutions and other financial instruments.

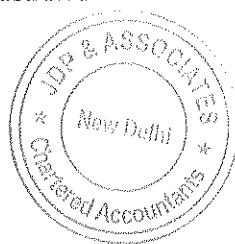
(a) Trade receivables

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

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security.

(b) Financial instruments and cash deposits

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



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

Gross carrying amount of trade receivables

Rs. In lakhs

Ageing	March 31, 2018	March 31, 2017
Not due	-	-
0-60 days past due	109.42	89.69
61-120 days past due	18.93	4.38
121-180 days past due	11.85	2.90
180-365 days past due	7.66	0.96
365-730 days past due	1.67	1.22
more than 730 days	0.66	1.52

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

Rs. In lakhs

Ageing	March 31, 2018	March 31, 2017
Not due	-	-
0-60 days past due	0.93	0.10
61-120 days past due	-	-
121-180 days past due	-	-
180-365 days past due	-	-
365-730 days past due	0.89	0.79
more than 730 days	-	-

**Reconciliation of provision for doubtful debts
- Trade receivables**

Rs. In lakhs

	March 31, 2018	March 31, 2017
Provision at beginning	0.89	0.79
Addition during the year	0.93	0.10
Reversal during the year	-	-
Utilized during the year	-	-
Provision at closing	1.82	0.89

Liquidity risk

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



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

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

	<i>Rs. In lakhs</i>					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
31-March-18						
Borrowings(Other than preference share)	62.00	-	316.00	3,012.73	522.00	3,912.73
Trade and other payables	139.15	-	-	-	-	139.15
Financial Liabilities	63.82	-	-	-	-	63.82
	264.97	-	316.00	3,012.73	522.00	4,115.70
Year ended						
31-March-17						
Borrowings(other than preference share)	104.00	-	316.00	3,348.00	482.17	4,250.17
Trade and other payables	120.22	-	-	-	-	120.22
Financial Liabilities	65.16	-	-	-	-	65.16
	289.38	-	316.00	3,348.00	482.17	4,435.55

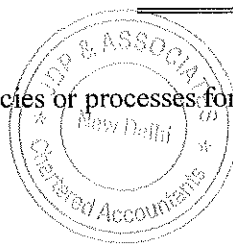
32. Capital management

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

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

	<i>Rs. In lakhs</i>	
	31-March-18	31-March-17
Borrowings (other than preference share)	3,912.73	4,250.17
Trade payables	139.15	120.22
Less: cash and cash equivalents	81.95	47.21
Net debt	3,969.93	4,323.17
Total capital (Including preference share)	1,066.30	774.88
Capital and net debt	5,036.23	5,098.05
Gearing Ratio	79%	85%

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



Sukhsagar Complexes 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.

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

34. The management of parent company confirm to extend its continued financial support to enable the Company to meet its working capital and other financing requirements as and when required. Thus, these financial statements has been prepared on going concern basis.

35. Segment Reporting

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

Information about geographical areas

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

Information about major customers

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



Sukhsagar Complexes Private Limited
Notes to financial statements for the year ended March 31, 2018

36. Previous Year Comparatives

Last year financials has been audited by predecessors auditors Jain Jindal & Co.

As per our report of even date

As per our report of even date

For JDP & Associates
Firm Registration No. 026828N
Chartered Accountants



Jatin Kumar
Partner
Membership No. 531072



**For and on behalf of the Board of Directors of
Sukhsagar Complexes Private Limited**



Cyrus Mehernosh Madan
Director
Din:02695031



Sumant Jaldka
Director
Din:05201572



Anurag Arora
Company Secretary

Place : New Delhi
Date : May 24, 2018