



29<sup>th</sup> September, 2018

To  
The General Manager,  
Department of Corporate Services  
BSE Limited  
P.J. Towers, Dalal Street,  
Fort, Mumbai – 400 001.

Sub: 35<sup>th</sup> Annual Report for the year 2017-2018.

Dear Sir/ Madam,

With reference to the subject captioned above and pursuant to Regulation 34(1) of SEBI (LODR) Regulation, 2015. Please find enclosed herewith 35<sup>th</sup> Annual Report of the Company for the year 2017-18.

We request you to consider the above submission of the Company.

Thanking you  
Yours truly,

For SAYAJI HOTELS LIMITED

  
AMIT SARRAF  
COMPANY SECRETARY



Yours. Truly.

SAYAJI HOTELS LIMITED

35<sup>th</sup>  
Annual  
Report  
2017-2018





## SHRI SAJID DHANANI

24th May 1966 - 11th November 2012

Late Shri Sajid Dhanani, MD, Sayaji Group of Hotels, is considered to be the true debonair and visionary entrepreneur in the hospitality industry. An astute businessman with a visionary acumen, he introduces several innovations in his hotels, which have now become industry standard for excellence.

With the start of first Sayaji hotel in Baroda followed by Indore, Pune, Kolhapur, Bhopal, Effotel Hotel Indore and Barbeque Nation chain of restaurants nationwide, Mr. Dhanani, or Sajid Bhai as he was affectionately known, decided on two tents for Sayaji “Change is the Rule of the Game” and “Customer First”. He instituted these values in every step of the Sayaji saga. He lived his life serving and providing the very best facilities in luxury and cuisine to his guests and positioned Sayaji as the only hotel in the world that call itself “truly yours”.

## **BOARD OF DIRECTORS**

- Shri T.N. Unni - Chairman
- Shri Raof Razak Dhanani - Managing Director
- Smt. Suchitra Dhanani - Whole Time Director
- Shri Abhay Chintaman Chaudhari - Director
- Shri Kayum R. Dhanani - Director
- Shri Pradeep Goyal - Director
- Shri Sanjay Ahuja - Nominee Director TFCI

## **STATUTORY AUDITORS**

- M/s. K.L. Vyas & Co.  
Chartered Accountants  
Shop No. 2, IInd Floor, Parshwanath,  
Dawa Bazar, 6th Hazareshwar Colony, Udaipur - 313001

## **REGISTRAR AND SHARE TRANSFER AGENT (RTA)**

- Link Intime India Pvt. Limited.  
C-101, 247 Park, LBS Marg, Vikhroli West,  
Mumbai - 400083  
e-mail: mumbai@linkintime.co.in  
Phone(022) 49186000, Fax: (022) 49186060

## **BANKERS**

- State Bank of India
- Tourism Finance Corporation of India Ltd.
- Axis Bank Ltd.
- Aditya Birla Finance Ltd.

## **REGISTERED OFFICE**

- F1 C2 Sivavel Apartment, 2 Alagappa Nagar,  
Zamin Pallavaram, Chennai Tamil Nadu - 600117  
Phone : 044-29871174  
E-mail : cs@sayajigroup.com

## **CORPORATE OFFICE**

- H/1, Scheme No. 54, Vijay Nagar, Near Maghdoot Garden,  
Indore – 452010 (Madhya Pradesh)  
Phone : 0731-4006666, Fax : 0731-4003131  
E-mail : cs@sayajigroup.com

## **HOTELS**

- Opp. Rajshree Talkies, Near Kala Ghoda, Sayajigunj,  
Vadodara – 390005 (Gujarat)
- H/1, Scheme No. 54, Vijay Nagar, Near Maghdoot Garden,  
Indore – 452010 (Madhya Pradesh)
- Survey No. 135, 136, Mumbai Bangalore Highway,  
Opp. B. U. Bhandari Workshop, Wakad, Pune - 411057
- Near Bhimnath Bridge, Opp. Parsi Agyari,  
Sayajigunj, Vadodara - 390005 (Gujarat)
- Van Vihar Road,  
Prempura , Bhopal (Madhya Pradesh)
- 2014/15, 'E' Ward,  
Old B.P. Highway, Kawla Naka, Kolhapur-03
- GE Road, Behind Mangneto Mall,  
Jivan Vihar, Raipur, Chhattisgarh-492006

## **CORPORATE IDENTITY NUMBER (CIN)**

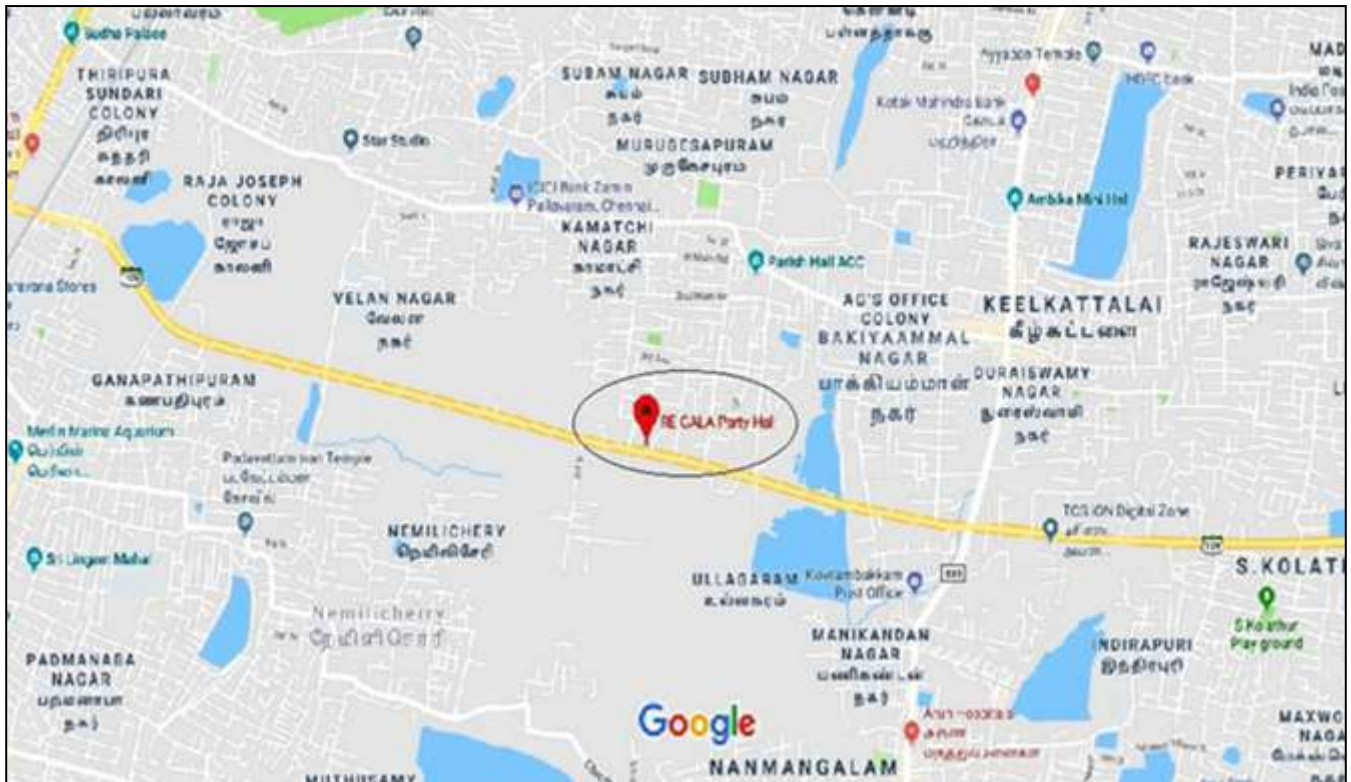
- L51100GJ1982PLC005131



## MAP SHOWING LOCATION OF THE VENUE OF 35th ANNUAL GENERAL MEETING OF SAYAJI HOTELS LIMITED

**Venue:**

Re-Gala Party Hall, 113/4  
200 feet Road, Zamin Pallavaram, old Pallavaram  
Chennai, Tamil Nadu-600117



Landmark: Near Shell Petrol Bunk

Distance from Chennai Central Railway Station: 27 Km

Distance from Chennai Airport, Meenambakkam: 10 Km

Source: Google Map

## CONTENTS

<b>Standalone</b>	<b>Page No.</b>
• Notice	04
• Board's Report & Management Discussion And Analysis	13
• Report on Corporate Governance	51
• Independent Auditors' Report	79
• Annual Accounts	86
• Cash Flow Statement	88
• Notes on Accounts	90
<b>Consolidated</b>	
• Independent Auditors' Report	143
• Consolidated Financial Statements	147
• Cash Flow Statement	150
• Notes on Accounts	154

<b>Date</b>	: September 28, 2018
<b>Day</b>	: Friday
<b>Time</b>	: 11.00 A.M.
<b>Venue</b>	: Re-Gala Party Hall, 113/4, 200 Feet Road, Zamin Pallavaram, Chennai - 600117
<b>Book Closure Date</b>	: From September 11, 2018 to September 12, 2018 (both days inclusive)

## NOTICE

**NOTICE** is hereby given that the 35th Annual General Meeting of the Members of Sayaji Hotels Limited will be held on 28th Day of September, 2018 at 11.00 A.M. at the venue situated at Re-Gala Party Hall, 113/4, 200 Feet Road, Zamin Pallavaram, Chennai Tamil Nadu - 600117 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (a) The Standalone Financial Statements of the Company for the year ended March 31, 2018, containing the audited Balance Sheet, the statement of Profit and Loss and Cash Flow and report of the Board and Auditors thereon on that date.
  - (b) The Consolidated Financial Statements of the Company for the year ended March 31, 2018, containing the audited Balance Sheet, the statement of Profit and Loss and Cash Flow and report of the Auditors there on that date.
2. To appoint Director in place of **Mr. Raof Razak Dhanani (DIN-00174654)**, who retire by rotation and, being eligible, seeks re-appointment.
3. Appointment of Auditors:

To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as **Ordinary Resolution**.

**“RESOLVED THAT**, pursuant to the provision of section 139,142 and other applicable provision, if, any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, M/s. K.L.Vyas & Co., Chartered Accountants, (Firm Regn. No. 003289C) be and are hereby appointed as Statutory Auditor of the Company for a second term of 5 years commencing from the conclusion of this Annual General Meeting till the conclusion of 40th Annual General Meeting to be held in the calendar year 2023 (i.e. for financial year 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23), subject to their eligibility under Section 141 of the Companies act,2013 and the remuneration of the statutory auditors shall be as may be determined by the Audit Committee and approved by the Board of Directors of the Company in consultation with the said auditors.”

### SPECIAL BUSINESS :

4. **Re-appointment of Mr. Raof Razak Dhanani as Managing Director of the Company:**

To Consider and if thought fit, to pass with or without modifications, if any, the following resolution as **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Sections 196,

197 and 203 read with the Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and all other applicable provisions of the Companies Act, 2013 and as per Articles of Association of the Company the consent of the members of the Company be and are hereby accorded for the re-appointment of Mr. Raof Razak Dhanani (DIN-00174654), as the Managing Director of the Company for the further period of 5 (five) years with effect 5th November, 2018 to 4th November, 2023 as per following terms and conditions as approved by the Nomination and Remuneration Committee of the Board.

### Remuneration :

1. **Salary:** Rs. 2,00,000/- per month (with the Annual Increment as may be decided by the Board of director on the 1st April of every year)
2. **Variable pay :** variable pay as may be provided by the Company as per the policy.
3. **Commission :** based on the net profits of the Company computed in the manner laid down u/s 197 of the Companies Act, 2013 such commission shall be such percentage of the net profit and such amount as the Board of Directors of the Company may determine keeping in view the performance of the Company in each financial year.
4. **Perquisites and Allowances:**
  - a) For such amount as may be decided by the Board of Directors which shall be subject to the maximum of 100% of the salary and may be paid under the following categories as may be determined by the Board of directors of the Company from time to time:
    - a. House Rent Allowances
    - b. Special allowance
    - c. Leave Travel allowance
    - d. CCA
    - e. Annual club maintenance fees
    - f. Payment of statutory contribution toward PF, ESIC as may be applicable
    - g. Other allowance (including vehicle expenses, repair and maintenance)
    - h. Conveyance allowance
    - l. Gratuity
    - j. Medical expenses reimbursement.

**RESOLVED FURTHER THAT** in case of in absence or inadequacy of net profit in any financial year, the Company shall pay the above said remuneration by way of salary, perquisites, dearness allowance and any other allowances as calculated under the provisions of the Income Tax Act and the rules made

there under and as per part II of schedule V of Companies Act, 2013 as the minimum remuneration subject to the maximum of Rs. 7,00,000 p.m. as may be recommended by the Nomination and Remuneration Committee and approved by the Board from time to time.

**RESOLVED FURTHER THAT** the Managing Director shall not be entitled for any sitting fee for attending any meeting of the Board of Directors or a committee thereof. The appointment shall be contractual basis and there would be relation with the Company and the Managing Director as Employer -Employee for all the purposes and the services of Mr. Raof Razak Dhanani may be terminated by a notice of 180 days in by either side or salary and allowances in lieu thereof.”

**RESOLVED FURTHER THAT** the Board of directors of the Company be and is hereby authorised with liberty and powers to the Board of Directors to increase, reduce, alter or vary the terms and conditions of remuneration in such manner as the Board may deem fit within the limit specified as aforesaid from time to time.

**5. Approval for re-appointment of Mr. T. N. Unni as an Independent Director for Second Term of 5 years and continuance of his tenure after attaining the age of 75 years:**

To consider and if thought fit, to pass with or without modification, if any, the following resolution as **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018 and subject to such other approvals as may be necessary, consent of the members be and are hereby accorded for continuance of the tenure of Mr. T. N. Unni (DIN: 00079237) as an independent director on the Board of the Company even after the attainment of above 75 Years of age.

“**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors)

Rules, 2014 and the applicable provisions of the SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. T.N.Unni ((DIN: 00079237), who was appointed as an Independent Director and who holds office as an Independent Director upto March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, for a second term of 5 consecutive years and to hold office from 1st April, 2019 to March 31, 2024 and shall not be liable to retire by rotation.

**6. Approval for re-appointment of Mr. Pradeep Goyal as an Independent Director for Second Term of 5 years:**

To consider and if thought fit, to pass with or without modification, if any, the following resolution as **Special Resolution:**

“**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Pradeep Goyal(DIN 02798770), who was appointed as an Independent Director and who holds office as an Independent Director upto March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, for a second term of 5 consecutive years and to hold office from 1st April, 2019 to March 31, 2024 and shall not be liable to retire by rotation.

**By Order of the Board**

**Corporate Office:**  
**Sayaji Hotel,**  
**H-1, Scheme No. 54**  
**Vijay Nagar,**  
**Indore (M.P.)**

**Date : 24.08.2018**

**T. N. Unni**  
**Chairman**  
**DIN - 00079237**

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## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN THE PRESCRIBED FORM SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The business set out in the Notice will be transacted through electronic remote e-voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 22.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days, except Sundays between 11.00 A.M. to 6.00 P.M. up to the date of meeting.
7. The Company has decided for closure of Register of Members and Share Transfer Books from 11th September, 2018 to 12th September, 2018 (both days inclusive).
8. (a) Members are requested to notify immediately any change of address;
  - (i) To their Depository Participants (DPs) in respect of their electronic share accounts; and

- (ii) To the Company to its Share Transfer Agents in respect of their physical shares Folios, if any.
  - (b) In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
  - (c) Non-resident Indian Shareholders are requested to inform Share Transfer Agents Immediately:
    - (i) Change in the residential status on return to India for permanent settlement.
    - (ii) The particulars of NRE Account with Bank in India, if not furnished earlier.
9. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer agent of the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
  10. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
  11. The Company has connectivity with the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/Investors having their depository account. The ISIN for the Equity Shares of the Company is INE318C01014. In case of any query/ difficulty in any matter relating thereto may be addressed to the Share Transfer Agents: Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083
  12. As per the provisions of the Companies Act, 2013, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-SH 13 prescribed by the Government can be obtained from the Share Transfer Agent or may be download from the website of the Ministry of Company affairs.
  13. Pursuant to the provisions of section 124(5) and 125 of the Companies Act, 2013, the Company is not having any amount due for transfer to the IEPF Authority of the Central Government as well as share for transfer to the IEPF Authority due to unpaid or unclaimed dividends for a continuous period of seven years.



14. The SEBI has mandated the submission of PAN by every participant in securities market, members holding shares in electronic form are therefore, requested to submit the PAN to their depository participant with whom they are maintaining their D-mat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Link Intime India Pvt. Ltd.

It may please be noted that as per the SEBI (LODR) Regulations amended in 2018, the members holding shares in the physical form are required to notify their PAN and Bank Mandate details to the Registrar and Share Transfer Agent of the Company as earliest. The Company has already sent a letter through registered post to the shareholders holding shares in the physical form and will also sent 2 further reminders after a gap of thirty days.

Further that the Company has also sent letters through registered post informing that, the shareholders holding their shares in the physical form shall not be transferable after 5th December, 2018, except for transmission thereof.

15. Pursuant to the requirement of SEBI (LODR) Regulation, 2015, profile of the Directors proposed for appointment/re-appointment being given in a statement containing details of the concerned Directors is attached hereto.
16. The Rule 18 of the Companies (Management and Administration) Rules 2014 and Rule 11 of the Companies (Accounts) Rules, 2014 allows companies to send notice of the annual general meeting, annual report and other communication through electronic mode at the registered email address of the members/ beneficiaries, keeping in view the underlying objective, Members who hold shares in physical form and desired to receive the documents in electronic mode are requested to please promptly provide their details (name, LF No., email ID) to the Registrar and Share Transfer agent of the Company.
17. Your the Company henceforth affect electronic delivery of communication/ documents including the notice of the Annual General Meeting, Annual Reports and such other necessary communication/documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP).
18. E-mail addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, and will be deemed to be your registered e-mail address for serving the necessary communication/ documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members who wish to inform any updates/changes of their e-mail address, are requested to promptly update the same with their DP.
19. The annual report and other communications/documents sent electronically would also be displayed on the Company's website: [www.sayajihotels.com](http://www.sayajihotels.com). As a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you.
20. We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, as the case may be, in the interest of the environment.
21. During the last financial year the Preference Shareholders (for 1000000 Preference Shares of Rs. 100/- each) were also eligible to exercise their voting rights in terms of provisions of Section 47 of the Companies Act, 2013 due to non-payment of dividend for a continuous period of 2 years. The Preference Shareholders shall have the same voting right in proportion to their share in the total paid up capital of the Company. Since the nominal value of the one Preference Share is Rs. 100/- therefore each vote of the Preference Shareholders for their each Preference Share will be equal to 10 vote of the equity shares. Further, all the Preference Share are held by the promoters and the relative of the promoters of the Company and they have relinquish their voting rights for the interest of the equity shareholders/ Company.
22. **Voting through electronic means**
- (I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by CDSL.
- (II) Procedure and instructions for e-voting are as follows:
- (i) The voting period begins on 24.09.2018 at 9.00 A.M. and ends on 27.09.2018 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21.09.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders/Members.
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,

- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any

other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant i.e. Sayaji Hotels Ltd. on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m - Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com.
- III. The voting rights of shareholders shall be in proportion to their shares of the paid up share capital of the Company as on the cut-off date of 21.09.2018.
- IV. Mr. Ritesh Gupta proprietor of M/s Ritesh Gupta & Co., Company Secretary, whole time in Practice (ICSI Membership No. FCS 5200) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall immediately after conclusion of the Annual General Meeting and counting the votes casted in the meeting unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- VI. The Results shall be declared after submission of report by Scrutinizer to the Chairman. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.sayajihotels.com](http://www.sayajihotels.com) and on the website of CDSL and communicated to the BSE Limited.

**REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT/RE-APPOINTMENT**

<b>Name and Designation of Appointee</b>	<b>Age / Qualifications</b>	<b>Expertise/ Experience</b>	<b>Date of appointment</b>	<b>No. of Other Directorship</b>	<b>No. of shares held &amp; %age</b>
Raoo Razak Dhanani (Managing Director)	54 Yrs. Graduate	Mr. Raoo Razak Dhannai carries with him vast experience of the fertilizers industry. He is also looking after this Company and its other group concern from the year 2013.	Appointed as additional director w.e.f. 14.11.2013 and as Managing Director 05.11.2015	14	3898651 Equity Shares (22.25%)
T. N. Unni	77 Yrs. Chartered Accountant	Expertize in taxation, accountancy, law, arbitration and Corporate Governance Practices	31.01.2002	5	Nil
Pradeep Goyal	53 Yrs. Chartered Accountant	Experience of finance, accounts, taxation and foreign exchange related matters	06.02.2014	8	Nil

**Corporate Office:**  
**Sayaji Hotel, H-1, Scheme No. 54**  
**Vijay Nagar, Indore (M.P.)**  
**Date : 24.08.2018**

**By Order of the Board**  
**T. N. Unni**  
**Chairman**  
**DIN - 00079237**

**ANNEXURE TO THE NOTICE**

**(Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of Special Business)**

**Item No. 4:**

Mr. Raof Razak Dhanani was originally appointed a director in the w.e.f. 14th November, 2013 and appointed as the Managing Director of the Company w.e.f. 5th November, 2015 for a term of three years, therefore his tenure as Managing Director will expire on 4th November, 2018.

The Nomination and Remuneration Committee of the Board at their respective meeting held on 14.08.2018 considered that the Company has done quite well during his tenure. The business and profitability of the Company is increasing every year. The number of

property of the Company are also increased from 3 to 8. He is taking care and heading the management & administration of the Company. He is also giving financial back up to the Company as and when require. He is nurturing the Company through his wisdom, vision and hard work therefore it seems appropriate to reappoint him as Managing Director for the further period of five years.

The information to be given pursuant to the requirement of sub clause (iv) of the section II of the part II of the schedule V are as under –

<b>1.</b>	<b>GENERAL INFORMATION</b>	
1.	Nature of industry	Hotel, Restaurant and Hospitality Industry
2.	Date or expected date of commencement of commercial production	N.A. (The Company is in existence of operations more than 28 years.)
3.	In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators	The Company is having turnover of Rs. 19,396.85 Lakhs, Net Profits after Tax Rs. (362.48) Lakhs and having Paid Up Capital of Rs. 2751.80 Lakhs as at 31st March, 2018.
5.	Foreign investments or collaborators, if any	None
<b>II.</b>	<b>INFORMATION ABOUT THE APPOINTEE:</b>	
1.	Background details	Mr. Raof Razak Dhannai aged 54 years carries with him vast experience of the fertilizers industry. He is also looking after the Company and its other group concern from the year 2013. The Company is expanding tremendously under his guidance. He is a promoter and on the Board of the Company since 14.11.2013 and functioning as Managing Director of the Company since 05.11.2015.
2.	Recognition or awards	None
3.	Past Remuneration	Rs. 2,00,000/- per month (approved by the members on May 3rd, 2018 through postal ballot).
4.	Job profile and his suitability	He devotes his full time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company, subject to the superintendence, control and supervision of the Board.  Mr. Dhanani has invaluable experience in the line of the business of the Company which is compatible with the Organizational requirements and the Company would definitely have benefited under his leadership and guidance.

5.	Remuneration proposed	Rs. 200000/- per month (subject to the authority to the Company to may provide minimum remuneration of Rs. 700000/- per month in case of inadequacy/absence of the profit) as more particularly described in the resolution. The proposed remuneration is within the limit prescribed under schedule V Part II Part A
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin)	Remuneration proposed to be given is consider appropriate and reasonable looking to the trend of the industry, size of the Company and profile & position of Mr. Dhanani.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration proposed, Mr. Raof Razak Dhannai also holds 3898651 (22.25%) equity shares of Rs. 10/- each.  Mrs. Suchitra Dhanani and Mr. Kayum Razak Dhannai, directors of the Company being relative of the appointee, may be deemed to be interested otherwise in the above said resolution.
<b>III.</b>	<b>OTHER INFORMATION</b>	
1.	Reasons of loss or inadequate profits	The Company does not envisage any loss, however, it has inadequate profits, due to higher depreciation and interest burden on the existing and upcoming projects.
2.	Steps taken or proposed to be taken for improvement	The Company is continuously analyzing and assessing its position and various operational and financial matrix to convert it into the profit making Company. The Company is focusing to get more property on management/ operational contract to improve its profitability.
3.	Expected increase productivity and profits measurable terms	The profitability of the Company will be increased suitably in future period to come however the same cannot be predicted at this stage in the competitive market conditions and further expansion projects in the hands.

The terms of remuneration, as set out in the resolution are considered to be just, fair and reasonable by the Nomination and Remuneration Committee and are in accordance with the remuneration policy of the Company as well as in the Industry. Accordingly, the resolution mentioned in Item No. 4 of the notice is being proposed for approval accordingly as special resolution.

Mr. Raof Razak Dhanani, being the appointee may be considered as financially interested to the extent of the managerial remuneration as may be drawn by him. Mrs. Suchitra Dhanani and Mr. Kayum Razak Dhanani being the relative of the proposed appointee, may be deemed to be interested otherwise in the above said resolution.

Mr. Raof Razak Dhannai also holds 3898651 equity shares of Rs.

10/- each consisting of 22.25% of the Equity paid up share capital of the Company.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

**Item No. 5 :**

The SEBI has issued SEBI (LODR) (Amendment) Regulations, 2018 on 20th April, 2018 and according to the regulation 17 of the said regulation, no person can continue the directorship as non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect by the members of the Company.

Mr. T. N. Unni, Independent Director and Chairman of the Board is



presently aged 78 years. He is a well-known Chartered Accountant and having vast experience of taxation, accountancy, law, arbitration and Corporate Governance Practices. Keeping in view rich and vast experience of Mr. T.N.Unni, continuance of his tenure shall be in the best interest of the Company.

Further that the first term of Shri T.N.Unni, being the Independent Director shall be concluded on 31st March, 2018, therefore the Nomination and Remuneration Committee of the Board has considered that to take advantage of his sound knowledge and experience he should be re-appointed for a further term of 5 consecutive years from 1st April, 2019 to 31st March, 2024.

Accordingly, approval of the members is sought through Special Resolution for continuance of the tenure of the Mr. T. N. Unni as Non- Executive Independent Director and Chairman of the Board of the Company.

Mr. T. N. Unni is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director.

The Company has also received declaration from Mr. T. N. Unni that he meets the criteria of independence as prescribed both under section 149(6) of the Act and under the SEBI (LODR) Regulations, 2015.

In the opinion of the Board, Mr. Unni fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations.

Copy of draft letter of appointment setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Save and except Mr. T. N. Unni, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

**Item No. 6 :**

Mr. Pradeep Goyal (DIN 02798770), was appointed as an Independent Director of the Company and holds office as an Independent Director of the Company up to March 31, 2019 ("first term"). The Nomination and Remuneration Committee of the Board

of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Pradeep Goyal as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of him would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to reappoint to Mr. Pradeep Goyal as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Pradeep Goyal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from Mr. Goyal that he meets the criteria of independence as prescribed both under section 149(6) of the Act and under the SEBI (LODR) Regulations, 2015.

In the opinion of the Board, Mr. Goyal fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations.

Copy of draft letter of appointment setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Save and except Mr. Pradeep Goyal, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends the Special Resolution set out at Item No 6 of the Notice for approval by the members.

**By Order of the Board**

**Corporate Office:**  
**Sayaji Hotel,**  
**H-1, Scheme No. 54**  
**Vijay Nagar,**  
**Indore (M.P.)**

**T. N. Unni**  
**Chairman**  
**DIN - 00079237**

**Date : 24.08.2018**

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## BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

**To,  
THE MEMBERS OF  
SAYAJI HOTELS LIMITED**

The Directors have pleasure in presenting their 35th Annual Report of your Company together with its Audited consolidated and standalone Financial Statements for the financial year ended March 31, 2018.

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. As such financial statements for the previous year ended as at March 31, 2017 have been restated to make comparable to Ind AS.

### HIGHLIGHTS OF PERFORMANCE

During the year under review, on standalone basis the total revenue in the year 2018 was increased by 21.85 % (from Rs.15917.79 Lakhs in 2017 to Rs.19396.85 Lakhs in 2018). This was mainly due to opening of the new hotel unit and good performance of the existing hotels. The Losses After Tax is also decreased by 41% (from Rs. 614.75 Lakhs to Rs. 362.48 Lakhs). On consolidated level the total revenue was increased by 21.18% (from Rs. 18045.67 Lakhs to Rs. 21869.25 Lakhs). The loss after tax is also decreased by 71.36 % (from. Rs. 900.02 Lakhs to Rs. 257.78 Lakhs).

### FINANCIAL RESULTS(Rs. In Lakhs, Except EPS)

Particulars	Standalone (Rs. in Lakhs)		Consolidated (Rs. In Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Total income from operation(net)	19396.85	15917.79	21869.25	18045.67
Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	(283.75)	(719.14)	(257.78)	(900.02)
Share of Profit / (Loss) of associate	-	-	193.94	549.15
Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	(283.75)	(719.14)	(63.84)	(350.87)
Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	(362.85)	(614.36)	(389.13)	(305.79)
Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(362.48)	(614.75)	(365.36)	(299.75)
Equity Share Capital	1751.80	1751.80	1751.80	1751.80
Earnings Per Share				
Basic:	(2.76)	(4.19)	(2.91)	(2.43)
Diluted:	(2.76)	(4.19)	(2.91)	(2.43)

**DIVIDEND**

In view of the accumulated losses as well as the Company is in the process to expand its reach in the various part of the Country through owned hotel, management model, operating lease etc. and said expansion may demand substantial working capital infusion, hence the board has not recommended dividend for the financial year 2017-18 (Previous year 2016-17 Nil).

**REGISTERED OFFICE SHIFTING**

The Registered office of the Company is shifting from the State of Gujarat to the State of Tamilnadu (within the jurisdiction of the Registrar of Companies, Chennai) vide the order dated June 29th, 2018 of the Regional Director (North – Western Region), Ahmedabad.

**SHARE CAPITAL**

The authorized share capital of the Company is Rs. 4000.00 Lakhs. The paid up Equity Share Capital is Rs.1751.80Lakhs and Preference Share Capital is Rs. 1000.00 Lakhs. During the year under review, the Company has not issued shares with differential voting right nor granted stock option not sweat equity.

The Company's equity shares are listed with the BSE Ltd. and available for trading at the platform of BSE Ltd.

**FINANCE**

Cash and cash equivalent as at 31st March, 2018 was Rs. 1214.95 Lakhs. The Company continues to focus on judicious management of its working capital, receivables, and inventories. The working capital parameters were kept under strict check through continuous monitoring.

**DEPOSITS**

In terms of the provisions of Sections 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits by Companies) Rules, 2014, the Company had no opening or closing balances and during the year under review, the Company has also not accepted any public deposits and as such, no amount of principal or interest was outstanding as on March 31, 2018.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company has disclosed the full particulars of the loans given, investments made or guarantees or security provided as required under section 186 of the Companies Act, 2013 and Regulation 34(3) and Schedule V of the SEBI (LODR) Regulations, 2015 in Notes to the financial statements attached with this Board Report. However, the Company is covered under the infrastructure section therefore section 186 of the Companies Act, 2013 is not applicable as such.

**AMOUNT TO BE CARRIED TO RESERVE**

During the year under review Rs. (1007.21 Lakhs) are proposed to be carried in the financial statements under the head of the reserves and surplus. (Previous year Rs. (644.36 Lakhs)

**BUSINESS PLANS****● Vadodara**

During the year the Company has launched one more 4 Star hotel in the Vadodara City under the 'Sayaji' brand. The Hotel has 137 rooms, 2 restaurants and multiple banquet facilities. The hotel received fair response from the city and surrounding area. The current year will be its first full fledged year of operation.

The existing hotel at Vadodara city was re-branded in the name of 'Effotel'. At present that hotel is in the process of the complete renovation and may re-open by September 2018.

**● Raipur**

Last year the Company started operation into the Raipur City. The hotel property is receiving good response and ramping up.

**● Management Contract/Lease Model**

The Company is focusing to open more and more hotel into the tier 2 cities under the management contract/lease model. This strategy will help the Company in two ways, firstly the brand of the Company will easily expand and secondly there will be huge saving on account of capital expenditure and incidental finance cost.

**MANAGEMENT DISCUSSION AND ANALYSIS  
GENERAL ECONOMIC CONDITIONS AND OPPORTUNITIES**

Tourism has now become a significant industry in India. It is a sun rise industry, an employment generator, a significant source of foreign exchange for the country. Tourism in India is the third largest foreign exchange earner of the country. The booming tourism industry has had a cascading effect on the hospitality sector with an increase in the occupancy ratios and average room rates.

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists.

Total contribution by travel and tourism sector to India's GDP is expected to increase from Rs 15.24 trillion (US\$ 234.03 billion) in

2017 to Rs 32.05 trillion (US\$ 492.21 billion) in 2028. India ranked 7th among 184 countries in terms of travel & tourism’s total contribution to GDP in 2017. Travel and tourism is the third largest foreign exchange earner for India. Foreign exchange earnings (FEEs) in March 2018 were US\$ 2.66 billion. The number of Foreign Tourist Arrivals (FTAs) in March 2018 was 1.03 million. A sum of US\$ 27.693 billion was earned under foreign exchange through tourism during calendar year 2017. Total employment in the sector is expected to rise to 52.3 million jobs by 2028. During calendar year 2017, 10.177 million foreign tourists have arrived in India. The Government of India has set a target of 20 million foreign tourist

arrivals (FTAs) by 2020 and double the foreign exchange earnings as well.

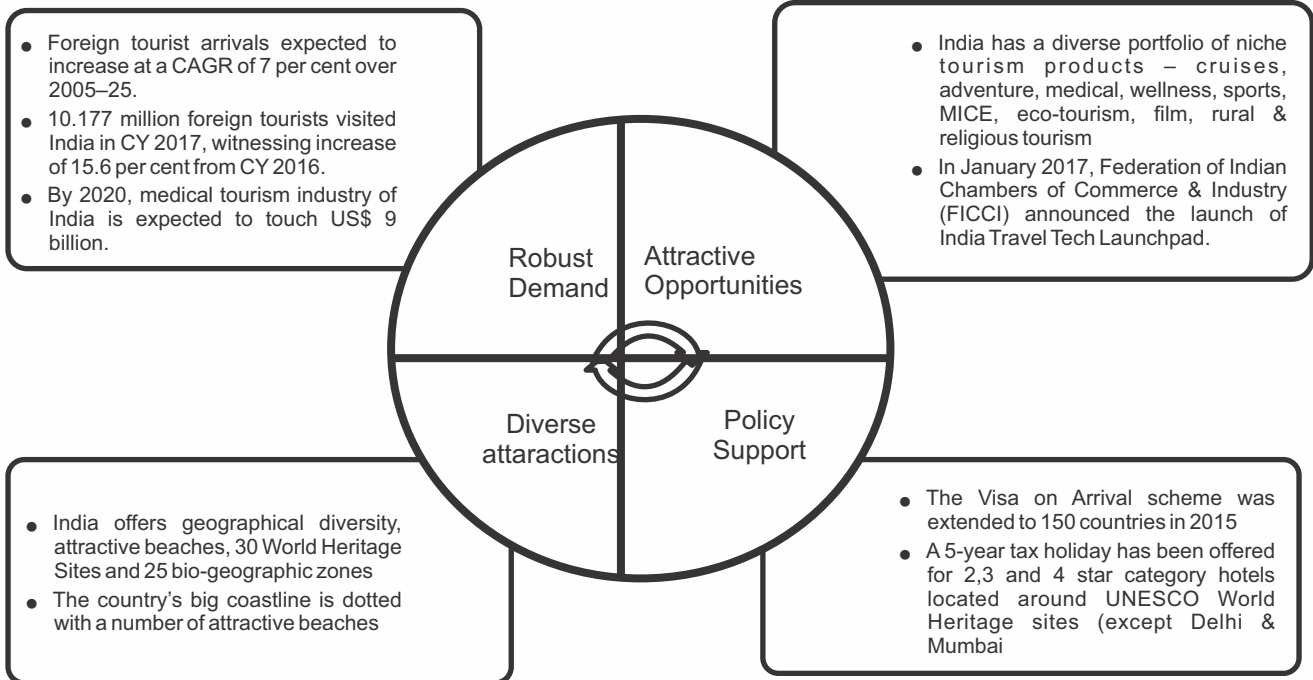
The launch of several branding and marketing initiatives by the Government of India such as ‘Incredible India!’ and ‘Athiti Devo Bhava’ has provided a focused impetus to growth. The Indian government has also released a fresh category of visa - the medical visa or M visa, to encourage medical tourism in the country. Incredible India 2.0 campaign was launched in September 2017. The Government of India is working to achieve 1% share in world’s international tourist arrivals by 2020 and 2 % share by 2025.

**EXECUTIVE SUMMARY**

<b>New Visa Reforms</b>	Electronic tourist authorizations, known as E – Tourist Visa, launched by the Government of India have resulted in increase in number of tourist visa issued in the country, with arrivals through e-visa increasing 57.2 per cent to 1.697 million during CY 2017. During CY 2018 (up to February) arrivals through e-visa increased 60.7 per cent year-on-year to 516,000.
<b>Contribution to GDP above worldaverage</b>	India ranked 3rd among 184 countries in terms of travel & tourism’s total contribution to GDP in 2016. India’s foreign exchange earnings (FEEs) from tourism increased by 20.8 per cent during CY 2017 to reach US\$ 27.693 billion. During CY 2018 (up to February) FEEs from tourism increased 16.3 per cent year-on-year to US\$ 5.49 billion.
<b>Creating higher employment</b>	The travel & tourism sector in India accounted for 9.3 per cent of the total employment opportunities generated in the country in 2016, providing employment to around 40.3 million people during the same year. The number is expected to rise by 2 per cent annum to 46.42 million jobs by 2026.
<b>Higher investments</b>	Travel & tourism’s contribution to capital investment is projected to grow 6.3 per cent per annum during 2016–26, higher than the global average of 4.5 per cent
<b>Increasing visitor exports</b>	Contribution of visitor exports to total exports is estimated to increase 7.2 per cent per annum during 2016–2026 compared to the world average of 4.3 per cent

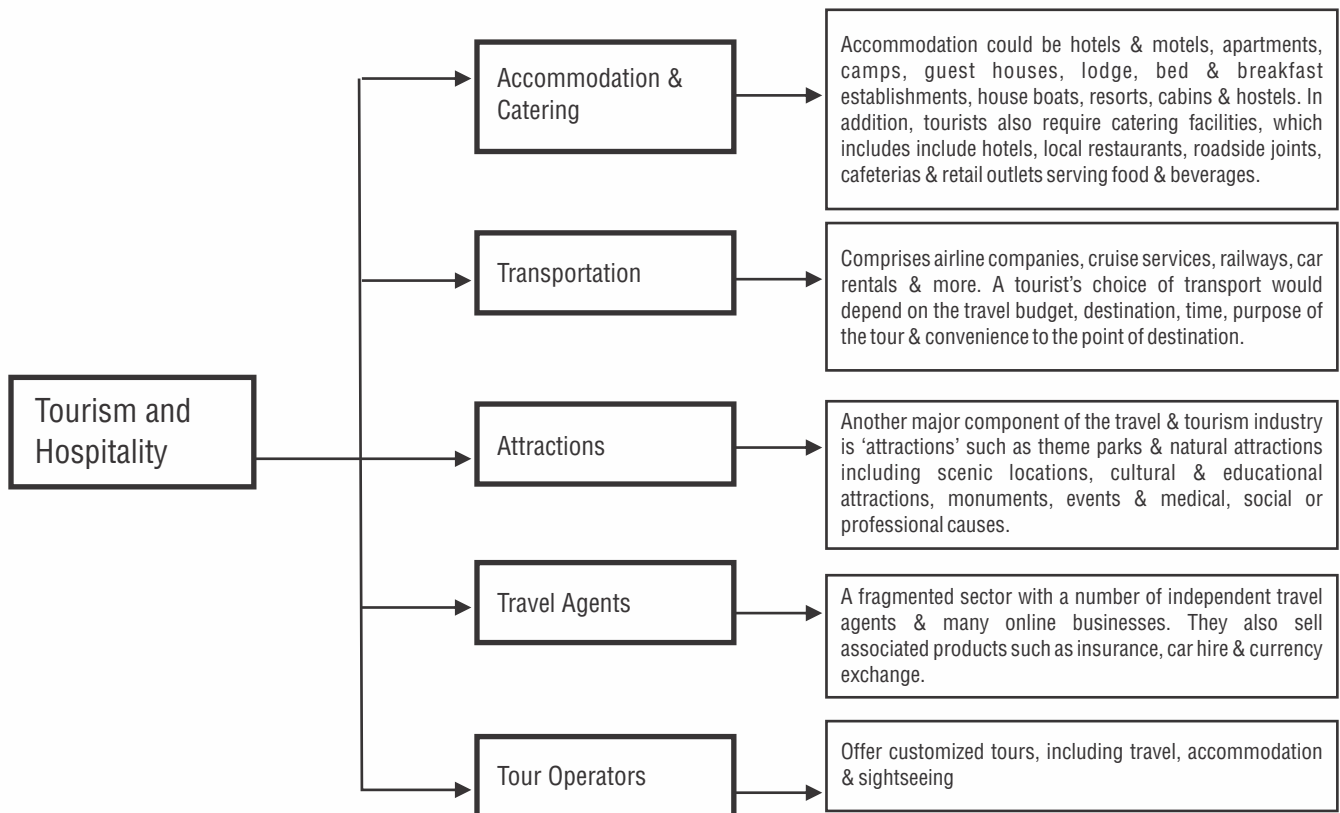
Source: World Travel & Tourism Council’s (WTTC’s) Economic Impact 2017, Ministry of Tourism

### ADVANTAGE INDIA



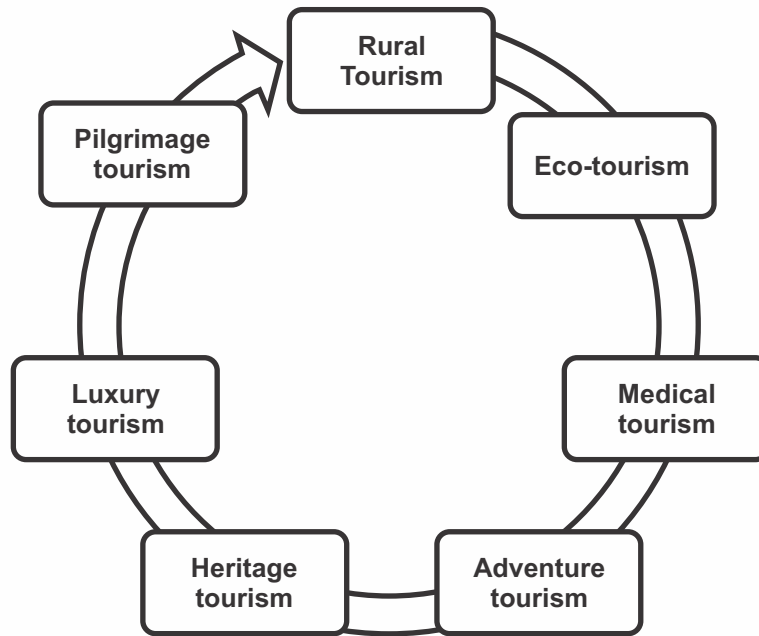
Source: WTTC, Ministry of Finance, Aranca Research

### SEGMENT OF TOURISM AND HOSPITALITY



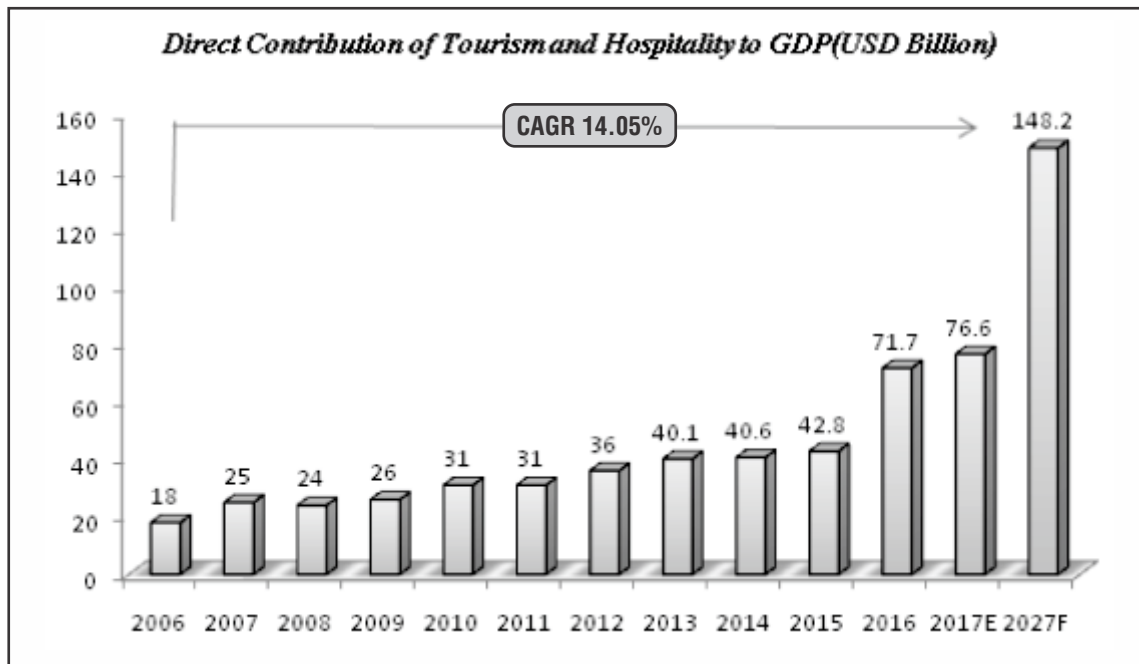


**EMERGING TOURISM AND HOSPITALITY SEGMENTS**



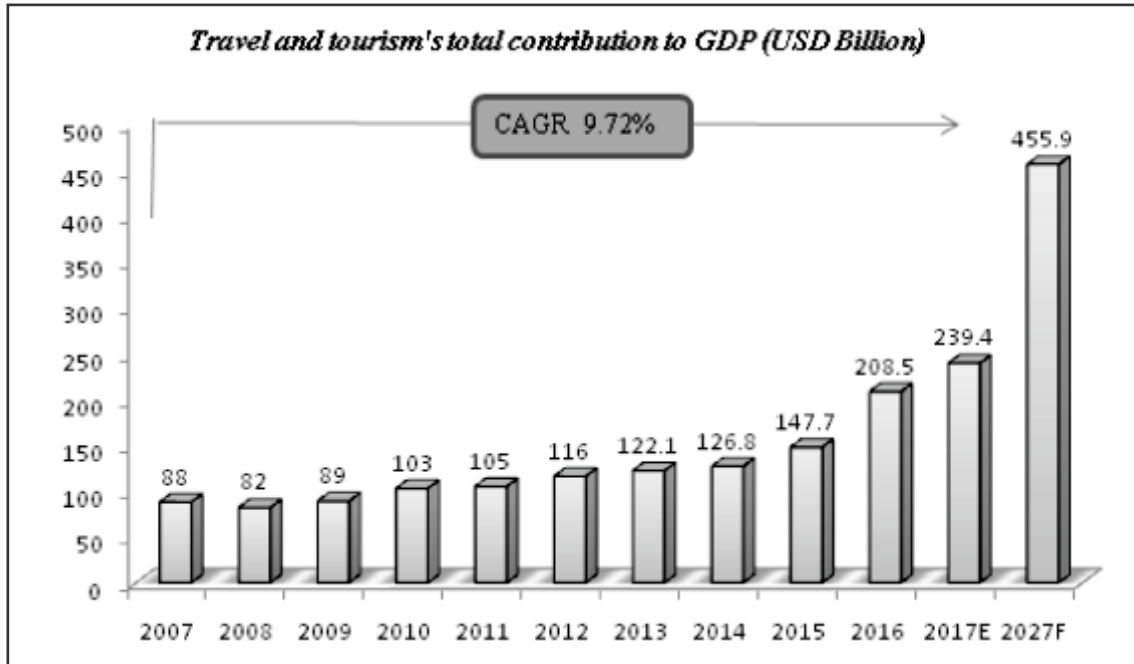
**RISING CONTRIBUTION TO INDIA'S GDP**

- (A)
- Tourism in India accounts for 9.6 per cent of the GDP & is the 3rd largest foreign exchange earner for the country.
  - The tourism & hospitality sector's direct contribution to GDP in 2016, was US\$ 71.7 billion. This is expected to rise by 6.9 per cent to US\$ 76.6 billion in 2017.
  - During 2006–17E, direct contribution of tourism & hospitality to GDP is estimated to have registered a CAGR of 14.05 per cent
  - The direct contribution of travel & tourism to GDP is expected to reach US\$ 148.2 billion by 2027.



Source: World Travel & Tourism Council's Economic Impact 2017, Ministry of Tourism

- (B)
- The sector's total contribution to GDP stood at US\$ 208.9 billion (9.6 per cent of GDP) in 2016 and is forecast to rise by 6.7 per cent in 2017, and to rise by 6.7 per cent pa to Rs 28,491.8 billion (US\$ 424.5 billion), 10 per cent of GDP in 2027.
  - In February 2018, the country earned foreign exchange of around US\$ 2.706 billion, from the tourism sector.

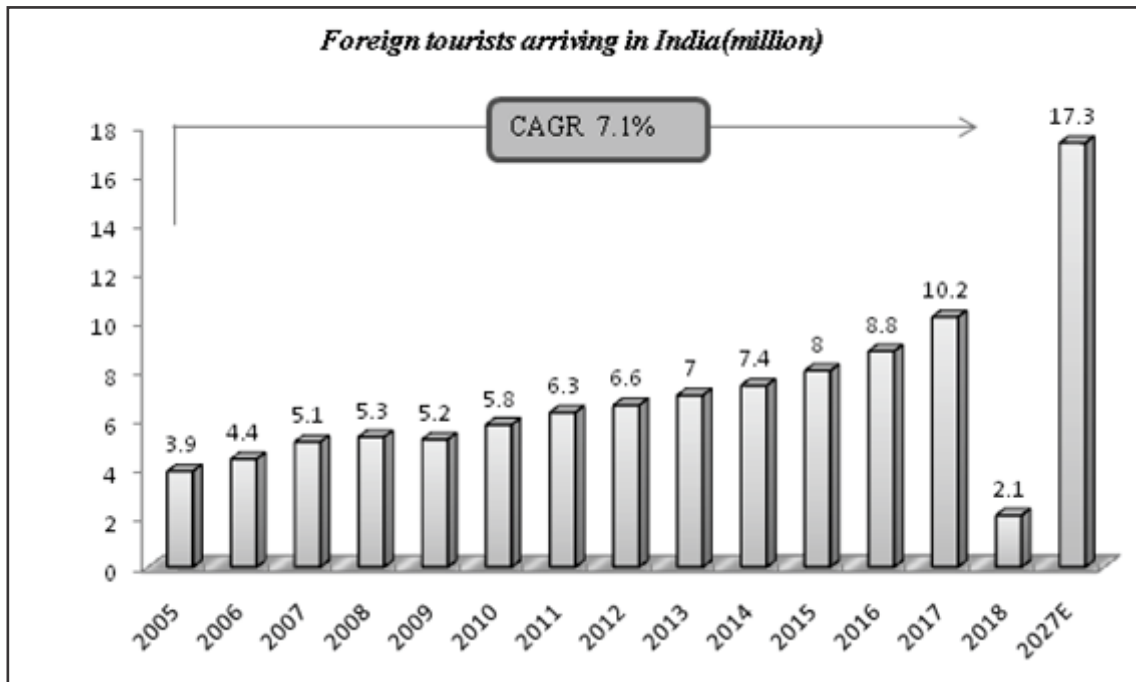


*Source: World Travel & Tourism Council's Economic Impact 2017, Ministry of Tourism*

### FOREIGN ARRIVALS ARE RISING

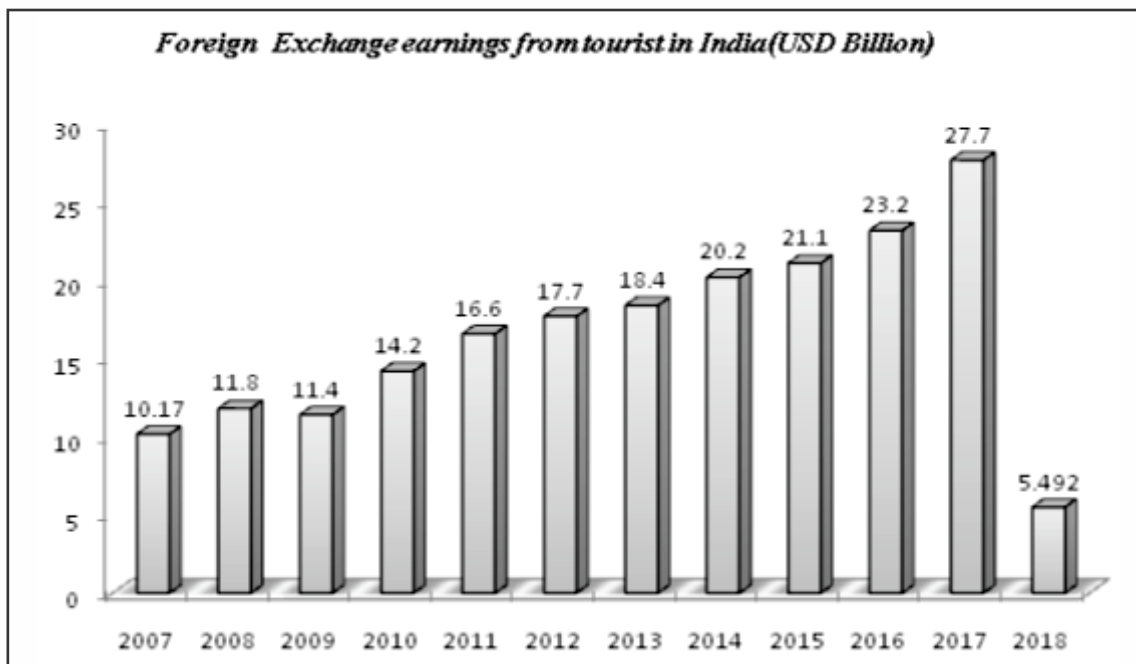
- (A)
- In CY2017, foreign tourist arrival in India stood at 10.177 million and reached 2.12 million in CY 2018 (up to February)
  - Foreign tourist arrivals into the country is forecast to increase at a CAGR of 7.1 per cent during 2005–25
  - India is expected to attract 17.3 million international tourist arrivals by 2027.
  - Growth in tourist arrivals has been due to flexible government policies, developed rail & road infrastructure, ease in availability of e-visas to foreign tourists.
  - The number of Foreign Tourist Arrivals (FTAs) in February 2018 were 1.05 million as compared to FTAs of 956,000 in February 2018 and 849,000 lakh in February 2016
  - The growth rate in FTAs in February 2018 over February 2017 was 10.1 per cent.
  - The Government of India has set a target of 20 million foreign tourist arrivals (FTAs) by 2020 and double the foreign exchange earnings as well.
  - The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.

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**Source:** World Travel & Tourism Council's Economic Impact 2017, Ministry of Tourism. Data for the year 2018 is updated till the month of February.

- (B)
- During 2017, India has earned foreign exchange of US\$ 27.693 billion from tourism.
  - Foreign exchange earnings from tourism in India witnessed growth at a CAGR of 10.4 per cent during 2006-17
  - In FY16, foreign exchange earnings from the tourism sector stood at US\$23.15 billion
  - Foreign exchange earnings (FEEs) in February 2018 were US\$ 2.706 billion as compared to US\$ 2.354 billion in February 2017 and US\$ 2.001 billion in February 2016.
  - The year-on-year growth rate in FEEs in February 2018 over February 2017 was 15 per cent, compared to 17.6 per cent in February 2017 to January 2016



**Source:** World Travel & Tourism Council's Economic Impact 2017, Ministry of Tourism. Data for the year 2018 is updated till the month of February.

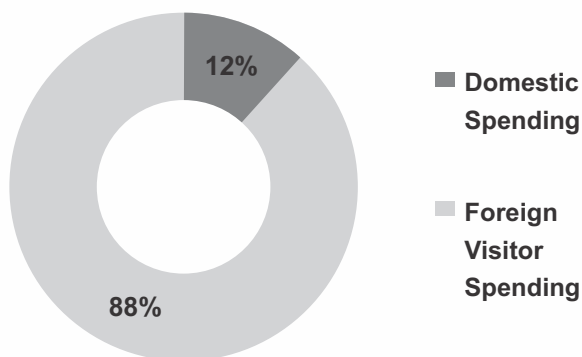
### Domestic Consumers to lead Growth

- Domestic travel revenues are estimated at US\$ 183.48 billion in 2016 and are anticipated to further increase to US\$ 203.3 billion by 2026.
- Revenues earned from foreign visitors are estimated at US\$ 25.02 billion in 2016 & are projected to further increase to US\$ 40.11 billion by 2026.
- Indian travelers booked 52 per cent more trips in the 3rd quarter of 2016 as compared to last year.
- Out of total Indian travelers, in 2016, 17 per cent people were in the age bracket 18-24 years, compared to 12 per cent in the

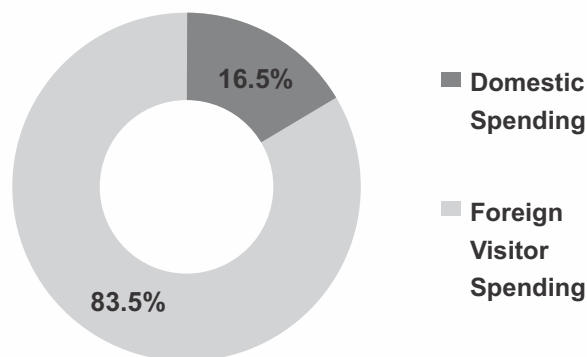
previous year, which was mainly due to the increasing usage of smart phones by the young travelers.

- India's state-of-the-art high-speed 15 coach train Tejas Express made its 1st run on 22nd May 2017, from Mumbai to North Goa. It covered a distance of 579 kms in 8.5 hours. The train has 2 classes - Executive Chair Car & Chair Car. It is equipped with facilities like automatic doors, secured gangways, Wi-Fi, LCD screens, magazines, tea-coffee vending machines, bio-toilets, etc. At the time of booking, the passengers will have a choice to opt for on-board catering services, which will not be compulsory like in Shatabdi.

#### Share of Tourists by Expenditure



#### Expected Share of tourists by Expenditure



Source: World Travel & Tourism Council's Economic Impact 2017, Ministry of Tourism

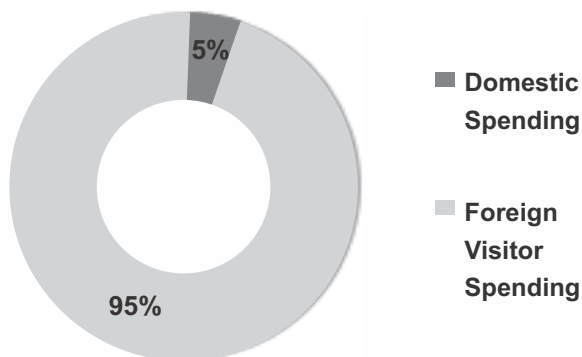
### Rising Revenues from Leisure and Business Segments

- Share of revenues from leisure travel to the total tourism revenue stood around 94.6 per cent in 2016.
- Leisure travel spending reached Rs 12,079 billion (US\$ 179.7 billion) in 2016 and is expected to reach Rs 12,910 billion (US\$

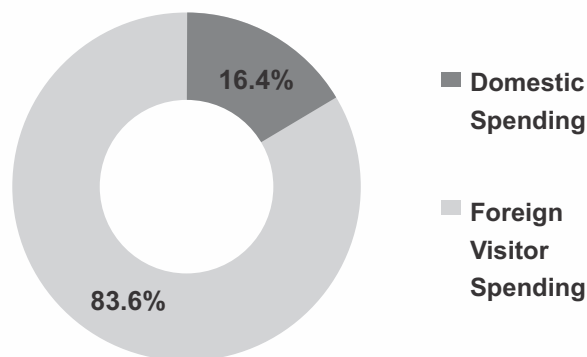
196.41) billion in 2017 and US\$ 386.3 billion by 2027.

- Business travel revenues were Rs 689 billion (US\$ 10.25 billion) in 2016 & are projected to increase to Rs 726.6 billion (US\$ 11.1) billion by 2017 and US\$ 23.3 billion by 2027.

#### Segment Wise Revenue Share (2016 E)



#### Segment Wise Revenue Share (2026 )



Source: World Travel & Tourism Council's Economic Impact 2016, Aranca Research

## Government Initiatives

### 1. Swadesh Darshan-

- Based on specific themes, government has identified 13 circuits which includes Krishna Circuit, Buddhist Circuit, Himalayan Circuit, North East Circuit & Coastal Circuit.
- Tajmahotsav: the 10 day celebration provide a platform to experience India's arts, craft, culture, cuisine, dance & music.
- Under Budget 2018-19, the government allotted Rs 1,250 crore (US\$193.08 million) for Integrated development of tourist circuits under Swadesh Darshan and Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD).

### 2. Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD)-

- National Mission on Pilgrimage Rejuvenation & Spiritual Augmentation was implemented by the Ministry for enhancing the facilities provided & infrastructure at pilgrimage centres of all cities

- In March 2018, total amount sanctioned by the Ministry of Tourism for this scheme was Rs 5638.87 crore (US\$ 868.87 million) since 2014-15.

### 3. National Tourism Policy 2015-

- Formulation of National Tourism Policy 2015 that would encourage the citizens of India to explore their own country as well as position the country as a 'Must See' destination for global travelers.
- Under Union Budget 2017, USD14.87 million was allocated for promotion & publicity of various programmes & schemes of the Tourism ministry.

### 4. Tourism Projects-

- Under Union Budget 2017-18, the government allocated USD15.25 million for development of Umiam Lake-Ulum Sohpetbneng-Mawdiangdiang under North East Circuit of Swadesh Darshan Scheme & USD11.53 million for development of Buddhist sites of MP (Mandsaur-Dhar-Sanchi-Satna-Rewa)

*Source: Union Budget 2015–16, Aranca Research*

## TOURISM POLICY AND INITIATIVES GIVE A BOOST TO THE INDUSTRY

1. **Special Boards** - The Ministry has set up a Hospitality Development & Promotion Board, which will monitor & facilitate hotel project clearances/approvals.

2. **Tourist Police** - In March 2018, Ministry of Tourism initiated State Governments/Union Territory administrations of India to deploy Tourist Police.

3. **Tax Incentives** - An investment-linked deduction under Section 35 AD of the Income Tax Act is in place for establishing new hotels in the 2-star category and above across India, thus permitting a 100 per cent deduction in respect of the whole or any expenditure of a capital nature.

### 4. Safety and Security Initiatives-

- Ministry of Tourism launched a 24x7 Toll Free Multilingual Tourist Information-Helpline on 1800111363 or 1363 in 12 languages which will provide information relating to travel in India.
- Ministry of Tourism issued guidelines on Safety and Security for States/UTs along with tips for travelers.
- Launched Social Media Awareness Campaign in the spirit of 'Atithidevo Bhava' to develop importance of good conduct and behavior towards tourists.
- Initiative to conduct constant dialogue with State/UTs for drawing ideas for development and promotion of

tourism.

### 5. Incentives from Ministry of Tourism-

- Assistance in large revenue-generating projects.
- Support to Public Private Partnerships in infrastructure development such as viability gap funding.
- Schemes for capacity-building of service providers.

### 6. Project Mausam-

- Under 'Project Mausam' the Government of India has proposed to establish cross cultural linkages & to revive historic maritime cultural & economic ties with 39 Indian Ocean countries. In 2015, Government of India linked China Silk Road project with Project Mausam.

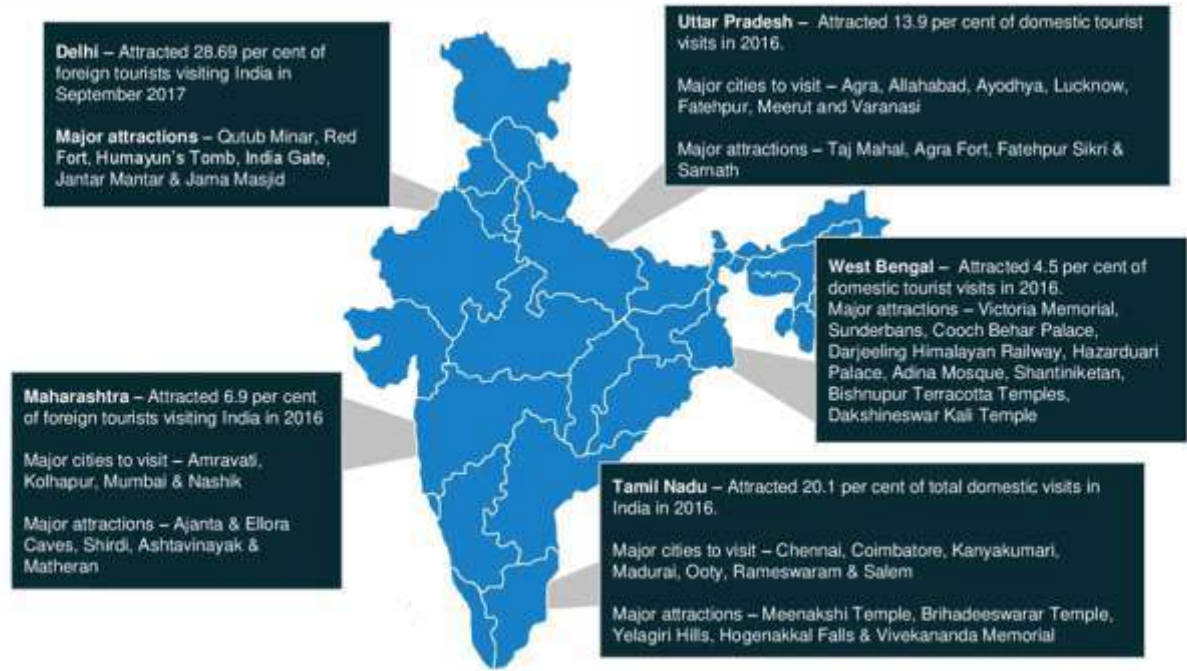
### 7. E – Tourist Visa-

- Since April 2017, the facility has been made available to citizen 161 countries.
- Year-on-year growth of 48.3 per cent was registered during the month of December 2017, as a total of 241,000 tourists arrived in India on E – Tourist Visas
- Foreigners travelling to India on e-tourist visa will receive a BSNL SIM card which will be pre activated and loaded with talktime and data.

*Source: World Travel & Tourism Council, Aranca Research*



**LEADING STATES/UT IN TERMS OF FOREIGN TOURISTS**



Note: As per latest data available  
 Source: Ministry of Tourism

**SUBSIDIARY/IES AND ASSOCIATE/S**

Your Company holds 100% equity as well as preference share capital in Sayaji Housekeeping Services Limited, 52.37% equity share capital in Aries Hotels Private Limited and 51.67% in Malwa Hospitality Private Limited.

In May 2018, the Company has incorporated 3 new public limited companies as its wholly owned subsidiary i.e. (a) Sayaji Hotels Management Limited (b) Sayaji Hotels (Pune) Limited (c) Sayaji Hotels (Vadodara) Limited.

**BUSINESS SHOULD PROMOTE WELL-BEING OF EMPLOYEES**

Our people are the key to truly leveraging the potential of the Company’s growth. The continuous zeal and commitment of our people powers and we nurture this with training, motivation, leadership development and performance rewards. The Company’s Corporate Human Resource Policy sets a robust framework for people management. Apart from this, Whistle Blower Policy, Protection of Women’s Rights at Workplace Policy, and code of conduct for protection of human rights.

Sayaji is a merit-based organisation and discrimination of any form based on caste, religion, region, gender or physical disability is not permitted.

**PROTECTION OF WOMENS AT WORKPLACE:**

The Company has zero tolerance for sexual harassment at its workplace and in line with the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal)

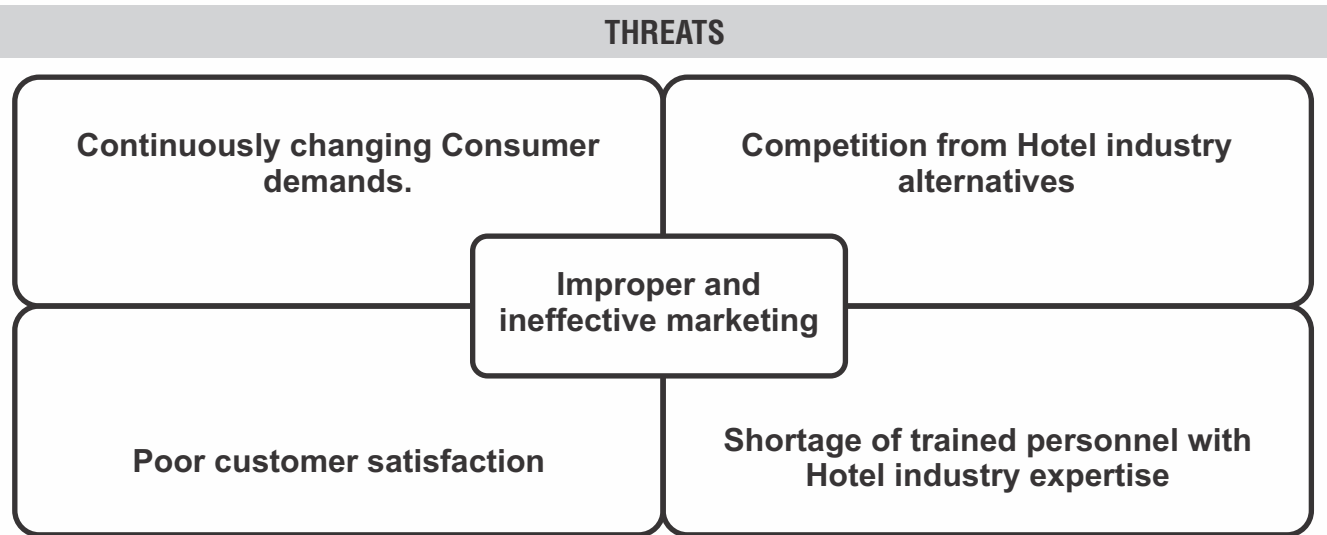
Act, 2013 and the Company has formulated a policy on ‘Protection of Women’s Rights at Workplace’ as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This has been widely disseminated. There were no cases of sexual harassment complaints received by the Company in the financial year 2017-18.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Board of Directors formulated the Corporate Social Responsibility (CSR) Policy for your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), on the recommendations of the CSR Committee. The CSR Policy outlines the CSR vision of your Company which is based on embedded tenets of trust, fairness and care.

As the average net profit of the Company for last 3 years is negative hence there is no liability on the Company to incur expenditure on CSR activities as prescribed u/s 135 and Schedule VII of the Companies Act, 2013 hence is not required to provide particulars of CSR.

CSR Policy has also been approved by the Board and placed on the Company’s website at [https://www.sayajihotels.com/data/Corporate\\_Social\\_Responsibility\\_Policy.pdf](https://www.sayajihotels.com/data/Corporate_Social_Responsibility_Policy.pdf)



**RISK MANAGEMENT AND RISK MONITORING**

In risk management and monitoring, the probability of risk is estimated with available data/ information and appropriate risk treatments are worked out in the following areas:

**1. Economic Environment and Market conditions**

The hospitality industry is prone to impacts due to fluctuations in the economy caused by changes in global and domestic economies, changes in local market conditions, excess hotel room supply, reduced international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other social factors. Since demand for hotels is affected by world economic growth, a global recession could also lead to a downturn in the hotel industry.

**2. Revenue Concentration**

High concentration in any single business segment exposes SHL to the risks inherent in that segment. Prudent norms are being adopted based on which we can monitor and prevent undesirable concentration in a geography, industry, or customer. The quest for diversified activities within the existing realm of over all management after due consideration of the advantages and disadvantages of each activity is consistent with company policy of increasing business volumes with minimum exposure to undue risks. Concentration of revenue from any particular brand or segment of industry is sought to be minimized over the long term by careful extension into other activities, particularly in areas SHL has some basic advantage.

**3. Inflation and Cost Structure**

The industry in general has a high operating leverage. At

organizational level, cost optimization and cost reduction initiatives are implemented and are closely monitored. SHL controls costs through budgetary mechanism and its review against actual performance with the key objective of aligning them to the financial budgets/model. The focus on these initiatives will further inculcate across the organization the importance of cost reduction and control.

**4. Financial Reporting Risks**

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure can create uncertainty for companies. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time, as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such corporate governance standards.

SHL is committed to maintaining high standards of compliances, corporate governance and public disclosure and complying with evolving laws, regulations and standards in this regard would further help us address these issues.

**5. Risk of Corporate accounting fraud:**

Accounting fraud or corporate accounting fraud are business scandals arising out of misusing or misdirecting of funds, overstating revenues, understating expenses etc. SHL to mitigate this risk by:

- Understanding the applicable laws and regulations
- Conducting risk assessments

- Deploying a strategy and process for implementing the new controls
- Adhering to internal control practices that prevent collusion and concentration of authority
- Employing mechanisms for multiple authorization of key transactions with cross checks
- Creating a favorable atmosphere for internal auditors in reporting and highlighting any instances of even minor non-adherence to procedures and manuals and a host of other steps throughout the organization

**6. Legal Risk-**

Legal risk is the risk in which SHL is exposed to legal action. As SHL is governed by various laws and SHL has to do its business within four walls of law, where SHL is exposed to legal risk exposure. Focus is to be given on evaluating the risks involved in a contract, ascertaining our responsibilities under the applicable law of the contract, restricting our liabilities under the contract, and covering the risks involved, so that adherence to all contractual commitments can be ensured.

Management places and encourages its employees to place full reliance on professional guidance and opinion and discuss impact of all laws and regulations to ensure company's total compliance. Advisories and suggestions from professional agencies and industry bodies, chambers of commerce etc. are carefully studied and acted upon where relevant.

**7. Compliance with Local Laws**

SHL is subject to additional risks related to complying with a wide variety of national and local laws, restrictions. SHL strives to place robust process with the help of consultants to mitigate and minimize such compliance risk under municipal laws of the land.

**8. Environmental Risk Management-**

SHL endeavors to protect the environment in all its activities, as a social responsibility and strives to avoid any situation causing a risk to the environment and community at large.

**9. Human Resource Management**

SHL's Human Resources (HR) Department add value to all its Units and associate companies by ensuring that the right person is assigned to the right job and that they grow and contribute towards organizational excellence. Our growth has been driven by our ability to attract good quality talent and effectively engage them in right jobs.

Risk in matters of human resources are sought to be

minimized and contained by following a policy of providing equal opportunity to every employee, inculcate in them a sense of belonging and commitment and also effectively train them in spheres other than their own specialization. Employees are encouraged to make suggestions on innovations, cost saving procedures, free exchange of other positive ideas relating to hospitality industry etc. It is believed that a satisfied and committed employee will give his best and create an atmosphere that cannot be conducive to risk exposure.

**RISK MANAGEMENT POLICY**

Sayaji manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's risk management framework encompasses internal control in an integrated manner and is tailored to the specific Reliance segments, businesses and functions. It takes into account various factors such as the size and nature of the inherent risks and the regulatory environment of the individual business segment or operating company.

The Sayaji Hotel management systems, organizational structures, processes, standards, code of conduct and values and behaviors together govern how Sayaji conducts its business and manages associated risks.

Sayaji's risk management framework is designed to be a simple, consistent and clear framework for managing and reporting risks from the Group's operations to the Board. The framework and related processes seek to avoid incidents and maximize business outcomes by allowing management to:

- Understand the risk environment and assess the specific risks and potential exposure for Reliance.
- Determine how to deal best with these risks to manage overall potential exposure.
- Manage the identified risks in appropriate ways.
- Monitor and seek assurance of the effectiveness of the management of these risks and intervene for improvement where necessary.
- Report up the management chain to the board on a periodic basis about how risks are being managed, monitored, assured and the improvements that are being made.
- Businesses are required to confirm periodically that all relevant risks have been identified, assessed, evaluated and that appropriate mitigation systems have been implemented.

The Company has a well established risk management process and framework for all the hotels and managed properties across India and backed by strong internal control system.

## AUDIT AND SYSTEMS

Your Company believes that internal control is a necessary adjunct of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance and comfort on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds / errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information.

Your Company's independent and robust Internal Audit processes provide assurance on the adequacy and effectiveness of internal controls, compliance with operating systems, internal policies and regulatory requirements.

The Internal Audit function consisting of an outsourced professional firm is resourced to deliver high standards audit assurances.

The Audit Committee of your Board met five times during the year. The Terms of Reference of the Audit Committee included reviewing the adequacy and effectiveness of the internal control environment, monitoring implementation of the action plans emerging out of Internal Audit findings including those relating to strengthening of your Company's risk management systems, and discharge of statutory mandates.

## HUMAN RESOURCES -

The business is on a growth trajectory and has started sailing through the transformation phase. To keep abreast with the growing needs of the business, the HR team has been holding the baton for achieving excellence by being the frontrunner in various initiatives. In order to effectively percolate the transformation plan and management expectations, regular town hall sessions are conducted at various locations with the Senior Management. This has helped in enhancing the employees' morale and collaborative spirit.

To realise the vision, HR function of the business is ably supporting the building of capability and capacity, towards which a multi-pronged strategy has been developed and deployed. In particular, the HR team has been at the forefront of the company-wide capability building initiative. Further, HR policies & practices have been aligned to achieve an efficient delivery model and meet dynamic business requirements. The company has total number of permanent employees on roll as 31st March ,2018 was 2313 across all its units.

## SAFETY, HEALTH AND ENVIRONMENT

The Company's commitment towards providing a healthy and safe work environment to its employees, contractors, and all the visitors

forms the foundation of its safety processes. Sayaji's ultimate goal is to establish a zero accident work environment. A fully equipped and well-qualified organisation is in place at all locations providing necessary governance, documentation and healthy and safety assurance. A Hotel management team of qualified specialists provides recommendations and the action plan is monitored through a comprehensive and robust tracking system to ensure complete adoptability of the plan. Delivering safe, compliant and reliable operations leads to a sustainable competitive advantage.

Terms of reference of health, safety and environment inter alia include the following-

- Monitoring and ensuring the highest standards of environmental, health and safety norms
- Ensuring compliance with applicable pollution and environmental laws at the Company's works / factories / locations by putting in place effective systems in this regard and reviewing the same periodically.
- Reviewing, as the Committee deems appropriate, the Company's health, safety and environment related policy and making recommendations as necessary.
- Reviewing the Company's performance on health, safety and environment related matters and suggesting improvements as the Committee may deem necessary.
- Carry out any other function as is mandated by the Board from time to time.

## PERFORMANCE OF THE SUBSIDIARY COMPANIES - AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARIES

As on 31st March 2018 the Company has 3 Subsidiaries and 1 Associate Company. During the year under review, there was no change in the nature of businesses of Subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries and Associates. A statement containing salient features of the financial statements of the subsidiary/associate companies is also included in the Annual Report as attached in Annexure - 6.

Pursuant to the provisions of Section 136(1) of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of the subsidiaries are available on the website of the Company, [www.sayajihotels.com](http://www.sayajihotels.com).

Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's Registered Office or e-mail to [cs@sayajigroup.com](mailto:cs@sayajigroup.com).



**BOARD OF DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL**

The Board of Directors has an optimum combination of executive and non-executive independent directors including one women director. According to the requirement of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. As on 31st March, 2018, your Board has following directors and key managerial personals:

S.No.	Name	Date of Appointment	Designation
1.	Mr. Thottapuly Narayanan Unni	31/01/2002	Independent Director
2.	Mr. Sanjay Ahuja	01/02/2012	Nominee Director (of TFCl)
3.	Mr. Raoof Razak Dhanani	14/11/2013	Managing Director
4.	Mrs. Suchitra Dhanani	06/02/2014	Whole Time Director
5.	Mr. Abhay Chintaman Chaudhari	14/02/2017	Independent Director
6.	Mr. Kayum Dhanani	30/11/2012	Director
7.	Mr. Pradeep Goyal	06/02/2014	Independent Director
8.	Mr. Sandesh Khandelwal	06/02/2014	Chief Financial officer
9.	Mr. Amit Sarraf	26/09/2011	Company Secretary

**CHANGES IN THE COMPOSITION OF BOARD OF DIRECTORS**

During the year under review, there were no changes done in the constitution of the Board.

**INDEPENDENT DIRECTORS**

As on March 31st, 2018, Your Company has following Independent Directors:

S.No	Name	DIN	Date of Appointment
1.	Mr. T.N. Unni	00079237	31/01/2002
2.	Mr. Pradeep Goyal	02798770	06/02/2014
3.	Abhay Chintaman Chaudhari	06726836	14/02/2017

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from Independent Directors confirming that he is not disqualified from appointing/continuing as Independent Director.

**RETIREMENT BY ROTATION -**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Raoof Razak Dhanani is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their appointment.

The resolutions seeking approval of the members for the re-appointment of Mr. Raoof Razak Dhanani, have been incorporated in the Notice of the Annual General Meeting of the Company.

**RE-APPOINTMENT OF THE INDEPENDENT DIRECTORS FOR THE SECOND TERM**

The term of 5 years of the existing independent directors Mr. T.N.

Unni and Mr. Pradeep Goyal is being completed on 31st March, 2019. The Nomination and Remuneration Committee of the Board has considered their significant contribution in the growth of the Company and has proposed their re-appointment for a second term of 5 years w.e.f. 1st April, 2019 to 31st March, 2024 subject to the approval of the members by way of special resolution. Further that the age of Mr. T.N.Unni is crossed the age limit of 75 years, therefore, he can be re-appointed by way of the special resolution only.

Your Board recommend to pass necessary resolution as set out in the notice of the Annual General Meeting.

**CHANGES IN OTHER KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 203 of the Act, during the year under review, there were no changes in the position of KMPs.

**NUMBER OF MEETINGS OF THE BOARD**

The Board met 5 (five) times during the financial year 2017-18. The

meeting details are provided in the corporate governance report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Company has disclosed on its website ([https://www.sayajihotels.com/data/Familiarization\\_programme\\_for\\_Independent\\_directors.pdf](https://www.sayajihotels.com/data/Familiarization_programme_for_Independent_directors.pdf)) details of the familiarization programs formulated to educate the Directors regarding their roles, rights and responsibilities in the Company and the nature of the industry in which the Company operates, the business model of the Company, etc.

**SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA**

The Board is Responsible for the selection of new directors. The Board delegates the screening and selection process to the nomination and remuneration committee, which consists majority of independent directors. The Committee, based on defined criteria, makes recommendations to the Board on the induction of the new directors. The Policy for the Selection and Appointment of Directors is publicly available on the Company’s website at [www.sayaji.com](http://www.sayaji.com) which forms the part of this Annual Report.

**ANNUAL EVALUATION OF THE BOARD**

One of the key functions of the Board is to monitor and review the Board evaluation framework.

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, committees and individual directors has to be made.

All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, Individual directors and the Chairman. The questionnaire included inputs on composition, culture, functioning, information availability, compliance and governance, effectiveness etc. Questionnaire also covered, in the case of individual directors, qualitative assessment and in the case of Chairman additional criteria like leadership qualities and other key aspects of his role.

The Individual Directors’ responses to the questionnaire on the performance of the Board, Committee(s), Directors and Chairman, were analyzed by an independent consultant, to arrive at unbiased conclusions.

The inputs, including areas of improvement, given by all the directors were discussed in the meeting of the Independent Directors held on 14th February, 2018.

**1. Criteria for evaluation of board of directors as a whole**

- i. The frequency of meetings;
- ii. The length of meeting;
- iii. The administration of meeting;
- iv. The number of committee and their note;
- v. The flow of information to board members and between board members;
- vi. The quality and quantity of information; and
- vii. The Disclosure of information to the stakeholders.

**2. Criteria for evaluation of the individual Directors**

- i. Ability to contribute and monitor corporate governance practices;
- ii. Ability to contribute by introducing best practices to address top management issues;
- iii. Participation in long term strategic planning;
- iv. Commitment to the fulfillment of director obligations and fiduciary responsibility;
- v. guiding strategy;
- vi. Monitoring management performance and development;
- vii. Statutory compliance and Corporate Governance;
- viii. Attendance and contribution at board / Committee meetings;
- ix. Time spent by each of the member; and
- x. Core competence.

**INTERNAL CONTROL SYSTEMS**

Given the nature of business and size of operations, your Company has designed a proper and adequate internal control system to ensure:

- Recording of transactions are accurate, complete and properly authorised;
- Adherence to Accounting standards and compliance to applicable statutes, Company policies and procedures;
- Effective usage of resources and safeguarding of assets.

Further, your Company, through its own independent and multi-disciplinary Internal Audit function, carries out periodic risk based internal audits across locations and functions, based on the Internal Audit plan as approved by the Audit Committee of the Board.



The Internal Audit function reviews compliance vis-à-vis the established design of the Internal control, as also the efficiency and effectiveness of operations. The risks identified out of the audits are reviewed periodically and mitigation ensured. The summary of the Internal Audit findings and status of implementation of action plans for risk mitigation, are submitted to the Audit Committee every quarter for review, and concerns if any, are reported to the Board.

**A CATALOG OF VARIOUS POLICIES OF THE COMPANY ARE HEREUNDER:**

- Corporate Social Responsibility Policy
- Familiarization programme for Independent directors
- Material Subsidiary Policy
- Related Party Transaction Policy
- Risk Management Policy
- Remuneration and Nomination Policy
- Policy for determination of materiality
- Policy for Preservation of the Documents

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Company's Director make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013, which is to be the best of their knowledge and belief and according to the information and explanations obtained by them:

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March, 31st 2018 and of the loss of the Company for the year ended on that date
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

- f. that proper systems have been devised to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

**COMPOSITION OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS**

During the year, in accordance with Companies Act, 2013, the Company has the following committee as at year ended 31st March 2018:

S.No	Committees of the Board
1	Audit Committee
2	Corporate Social Responsibility Committee
3	Borrowing and Investment Committee
4	Nomination and Remuneration Committee
5	Stakeholders' Relationship Committee

The details with respect to the composition, charters and meeting held during the year, are given in detail in the 'Report on Corporate Governance', of the Company which forms part of this Annual Report and is available on the Company's website at <https://www.sayajihotels.com/investors>.

**RELATED PARTY TRANSACTIONS**

Transaction entered with the related parties defined under the Companies Act, 2013 and provisions of SEBI (LODR) regulation, 2015 during the financial year 2017-18 were mainly in the ordinary course of business and on arm's length basis.. All such contracts or arrangements have been approved by the Audit Committee. No material contracts or arrangements with related parties were entered into during the year under review. Further, the prescribed details of related party transactions of the Company in Form No. AOC-2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the Annexure 1 to this Report.

The policy on materiality of Related Party Transaction and dealing with related party transaction, as approved by the Board, is available on the Company's website and can be accessed at: [https://www.sayajihotels.com/data/Related\\_Party\\_Transaction\\_Policy.pdf](https://www.sayajihotels.com/data/Related_Party_Transaction_Policy.pdf)

**19. STATUTORY AUDITORS**

M/s K. L. Vyas & Co., Chartered Accountants, (F.R.No 003289C), the Statutory Auditors of the Company, hold office till the conclusion of the 35th Annual General Meeting (AGM) of the Company. The Board has recommended for the re-appointment of M/s K. L. Vyas & Co, Chartered Accountants (F.R.No 003289C), as the Statutory Auditors of the Company, for a term of five

consecutive years, from the conclusion of this AGM till the conclusion of the 40th AGM of the Company to be held in the year 2023 for approval of the Members by way of Special Resolution.

The report of the Statutory Auditors along with the Notes to Schedules is enclosed to this report and contains an Unmodified Opinion

The Auditors' have confirmed their eligibility under Section 141(3)(g) of the Companies Act, 2013 and the Rules framed there under for appointment as Auditors of the Company. As required under SEBI (LODR) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

## **20. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s Ritesh Gupta & Co., Practicing Company Secretary, (holding Certificate of Practice bearing No 3764) to conduct Secretarial Audit for the FY 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as "Annexure 2" in 'Form No.MR-3' to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## **CORPORATE GOVERNANCE**

At Sayaji, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximising stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses.

Pursuant to Regulation 24 and Regulation 34 of SEBI (LODR) Regulations, 2015, the Management Discussion and Analysis, Business Responsibility Report, Report on Corporate Governance and Auditors' Certificate regarding compliance with conditions of corporate governance form part of the Directors' Report.

## **CEO & CFO CERTIFICATION**

As required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015, Certificate signed by Mr. Raoof Razak Dhanani, Managing Director and Mr. Sandesh Khandelwal, Chief Financial Officer, for the year 2017-18 was placed before the Board of Directors in its 1st Board Meeting held on 30th May' 2018 and is annexed to Corporate Governance Report.

A copy of the certificate on the financial statements for the financial

year ended March, 31st 2018 is annexed along with this Report.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company is prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017 forming part of this Annual Report.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Your Company is continuously striving towards conservation of energy across all its units and has implemented various Energy Conservation programs and latest technology up gradation measures, your Company also earned foreign currency in Financial Year 2017 – 2018, The hotels are fitted with energy saving devices to conserve energy in the long run which leads to reduce energy cost and helps to promote economic, political and environmental sustainability and thus maximize profit.

Information as required under Section 134(3)(m) of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished in Annexure 3 to this Report.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF REPORT**

There are no material changes and commitment affecting the financial position of the Company between the end of the financial year and the date of this report.

## **DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The Company's shares are available for dematerialization with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). About 91.25% of the paid-up equity share capital of the Company has been dematerialized as on March 31, 2018.

## **LISTING & DEPOSITORY FEE**

The Company has paid Annual Listing Fee for the Financial Year 2017-18 to the BSE Ltd. according to the prescribed norms & regulations. Company has also paid Annual Custody Fee to National Securities Depository Limited and to Central Depository Services.

## **EXTRACT OF ANNUAL RETURN**

As per the provisions of Section 92(3) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules 2014, an extract of the Annual Return in Form MGT-9 is attached as Annexure '4' to this Report.

**PARTICULARS OF REMUNERATION OF EMPLOYEES**

The disclosure required to be made in terms of Section 197(12) of the Companies Act, 2013 and Rule 5(1) is annexed herewith as “Annexure 5”.

The information as per the provision of section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under –

1	Name and Designation of The Employee	Vivek Kumar Thakur (General Manager of the Sayaji Hotel – Indore Unit)
2	Remuneration Received	318250/- Monthly Gross
3	Nature Of Employment, Whether Contractual Or Otherwise	On role employee
4	Qualifications And Experience Of The Employee	Diploma in Hotel Management Experience - 18 years.
5	Date Of Commencement Of Employment;	01.06.2017
6	The Age Of Such Employee;	41 Year (13 Nov 1976 - Date Of Birth)
7	The Last Employment Held By Such Employee Before Joining The Company	General Manager, Chancery Pavilion Bangalore
8	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub – rule (2) above	None
9	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager	He is not relative of any director and manager.

**ACKNOWLEDGEMENTS**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Boards of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company’s executives, staff and workers.

forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

**FORWARD-LOOKING STATEMENTS**

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘will’ and other similar expressions as they relate to the Company and / or its businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any

**For and on behalf of the Board**

**T. N. Unni  
Chairman  
DIN - 00079237**

**Place: Indore  
Date : 24.08.2018**

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**ANNEXURE '1' TO BOARD'S REPORT**

**Form AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013]

**1. Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2018, which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party and nature of relationship (a)	Nature of contracts/ arrangements/ transactions (b)	Duration of the contracts / arrangements/ transactions (c)	Salient terms of the contracts or arrangements or transactions including the value, if any (d)	Date(s) of approval by the Board, if any (e)	Amount paid as advances, if any (f)
Any Sister Concern, associate and related Companies	Providing and availment of the services.	Continuous nature of transaction.	The Company shall provide the various services which includes but not limited Room Services, F&B Services, Car Services and other ancillary services to its sister concern/subsidiary company/associate company etc. as may be require on time to time basis. .  The Company shall also get various services/good from the said sister concern/subsidiary company/associate company etc. as may be require on time to time basis.	30.05.2017	None
Malwa Hospitality Pvt. Ltd.  Nature of Relationship – Associate Company	Service Providing Transaction	Continuous nature of transaction	The Company shall provide intellectual professional services to the Malwa Hospitality Pvt. Ltd. and the Malwa shall pay the cost of the above said services in the way to pay professional fee to the Company.	30.05.2017	None
Vicon Imperial (I) Pvt. Ltd. ("Vicon")  Nature of Relationship - Associate Company	The Company has entered into the agreement with Vicon for the purpose of running, conducting, operating and managing the hotel property of the Vicon situated at G.E. Road, Raipur (Chhattisgarh)	15 Years 3 months beginning from the effective date of the agreement i.e. w.e.f. 01.05.2017	Consideration of the permission granted to carry on the business at the said hotel -  Minimum Guarantee of Rs. 4.65 Cr. p.a. to be paid in equity monthly installment or 20% of the Revenue from Hotel plus 10% of Revenue from outdoor Catedring  And  Security Deposit of Rs. 2.15 Cr. (to be refundable at the time of the termination of the said agreement)	30.05.2017	None

<b>Name(s) of the related party and nature of relationship (a)</b>	<b>Nature of contracts/ arrangements/ transactions (b)</b>	<b>Duration of the contracts / arrangements/ transactions (c)</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any (d)</b>	<b>Date(s) of approval by the Board, if any (e)</b>	<b>Amount paid as advances, if any (f)</b>
Prinite Hospitality Pvt. Ltd. ("Prinite")  Nature of Relationship - Associate Company	The Company has entered into the agreement with Prinite for the purpose of running, conducting, operating and managing the hotel property of the Prinite situated at Near Bhimnath Bridge, Opp. Parsi Agyari, Sayajigunj, Vadodara - 390005 (Gujarat)	5 Years w.e.f. effective date of the agreement	Consideration o the permission granted to carry on the business at the said hotel -  The company shall pay on monthly basis 20% of Revenue from the said hotel.  And  Security Deposit of Rs. 10.00 Cr. (to be refundable at the time of the termination of the said agreement	30.05.2017	None
Barbeque-Nation Hospitality Ltd.  Nature of Relationship - Associate Company	Service Providing Transaction	Continuous nature of transaction	Barbeque Nation Hospitality Ltd. to provide conducting services for sale of liquor for the company in the restaurant located at roof top of Pune hotel and company to pay conducting fees to Barbeque Nation Hospitality Ltd. against such services.	11.12.2017	None
Mrs. Suchitra Dhanani  Nature of Relationship – Director of the Company	Property acquisition transaction	The registered sale deed to be executed within 3 months from the date of this agreement to sale.	The Company has entered into the agreement for purchase of shop no. G1, G2, G3, G4, G5, G6, F2 and F3 situated at Sayaji Arcade, H-1, Scheme No. 54, Vijay Nagar, Indore – 452010 (M.P.) on a total consideration of RS. 1, ,76,67,160/-. The area of each shop is 420 Sq. Ft.	11.12.2017	None
Sayaji Hotels Management Limited  Nature of Relationship – Wholly owned subsidiary Company	Investment transaction	One-time Transaction. At the time of subscription	Investment and Subscription of the 50000 Equity Shares of M/s Sayaji Hotels Mangement Ltd. of Rs. 10/- each	19.03.2018	None
Sayaji Hotels (Pune) Limited  Nature of Relationship – Wholly owned subsidiary Company	Investment transaction	One-time Transaction. At the time of subscription	Investment and Subscription of the 50000 Equity Shares of M/s Sayaji Hotels (Pune) Ltd. of Rs. 10/- each	19.03.2018	None

Name(s) of the related party and nature of relationship (a)	Nature of contracts/ arrangements/ transactions (b)	Duration of the contracts / arrangements/ transactions (c)	Salient terms of the contracts or arrangements or transactions including the value, if any (d)	Date(s) of approval by the Board, if any (e)	Amount paid as advances, if any (f)
Sayaji Hotels (Vadodara) Limited  Nature of Relationship – Wholly owned subsidiary Company	Investment transaction	One-time Transaction. At the time of subscription	Investment and Subscription of the 50000 Equity Shares of M/s Sayaji Hotels (Vadodara) Ltd. of Rs. 10/- each	19.03.2018	None

For and on behalf of the Board  
**T. N. Unni**  
Chairman  
DIN - 00079237

Place: Indore  
Date : 24.08.2018

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**ANNEXURE '2' TO BOARD'S REPORT  
FORM No. MR-3  
SECRETARIAL AUDIT REPORT  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

To,  
**The Members,  
Sayaji Hotels Limited  
Kala Ghoda, Sayaji Gunj  
Opp. Rajashree Talkies  
Baroda, Gujarat 390005**

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Sayaji Hotels Limited (CIN:L51100GJ1982PLC005131)** (hereinafter called "**The Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
5. The Provisions of the Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India

Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

6. The Company has identified and confirmed the following laws as being specifically applicable to the Company:

- Food safety and Standards Act, 2006 and Food Safety and standards Rules, 2011;
- Food & Drug Administration Act;
- Liquor Licenses;
- Prevention of Food alteration Act ;

We have relied on the representation made by the company, its officers and on the reports by designated professionals for system and processes formed by the company to monitor and ensure compliances under other applicable acts, laws & regulations to the Company.

We have also examined compliance with the applicable clauses of the following-

- Secretarial standards-1 pertaining to Board Meetings and Secretarial standards-2 pertaining to General Meetings issued by the Institute of Company Secretaries of India were applicable during the year.
- Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; the equity shares of the Company are listed on BSE Limited.

We report that during the period under review the Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the Financial Year under report;

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that during the period under review, the Company has substantially complied with the provisions of the Act, Rules, Regulations Guidelines, Standards, etc, except the following:

- Securities Exchange Board of India through its adjudication order no. EAD/SR/SM/AO/01/2017-18 dated September 29, 2017 imposed the penalty of Rs. 1200000/- (Rs. Twelve Lakh Only) to the Company for non-compliance of minimum public shareholding norms.
- Securities Exchange Board of India through its adjudication order no. RA/DPS/287/2018 dated January 31, 2018 imposed the penalty of Rs. 1500000/- (Rs. Fifteen Lakh Only) to the Company for the violation of regulation of 13(6) of SEBI (Prohibition of Insider Trading) Regulation, 1992.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda

items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

Based on the information, representation, clarifications and reports provided by the Company, its Board of Directors, its designated officers, and authorized representatives during the conduct of audit we further report that, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules and Regulations, guidelines and happening of events etc. to the Company.

We further report that the event/actions having major bearing in the affairs of the Company during the period under report as below-

- The Company is in process to file appeal with divisional bench of High Court of Madhya Pradesh in a legal case against the Indore Development Authority.
- The Company has passed the Special resolution for alteration in Memorandum of Association for shifting of registered office from the "State of Gujarat" to the "State of Tamil-Nadu".

**For Ritesh Gupta & Co.  
Company Secretaries**

**Date: 30.07.2018  
Place: Indore**

**Ritesh Gupta  
CP:3764, FCS:5200**

**Note:** This report to be read with our letter of even date which is annexed as 'Annexure-A' and forms part of this report.

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## ‘Annexure-A’ to the Secretarial Audit Report

**To,**  
**The Members,**  
**Sayaji Hotels Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company since the same have been subject to review by statutory financial auditor, Cost auditor and other designated professionals.

4. The compliances of subsidiaries companies not been reviewed in this audit since the same have been subject to review by other designated professionals and not a part of our audit assignment.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

**For Ritesh Gupta & Co.**  
**Company Secretaries**

**Date : 30.07.2018**  
**Place: Indore**

**Ritesh Gupta**  
**CP No. 3764, FCS:5200**

## ANNEXURE ‘3’ TO BOARD’S REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies Accounts) Rules, 2014]

**(A) Conservation of Energy -**

- (i) The steps taken or impact on conservation of energy; - None
- (ii) The steps taken by the Company for utilizing alternate sources of energy; - Company has taken solar power units from Ujaas Energy Ltd. for its hotel situated at Indore. Approximately 15% of power consumption of the above hotel of the Company is through solar energy.
- (iii) The capital investment on energy conservation equipment; - None

**(B) Technology Absorption**

- (i) The efforts made towards technology absorption; - No technology absorption was done by the Company during the last financial year.
- (ii) The benefit derived like product improvement, cost reduction, product development or import

substitution; - N.A.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –Company has not imported any technology during the last three financial years.
  - (a) The details of technology imported; - N.A.
  - (b) The year of import; - N.A.
  - (c) Whether the technology been fully absorbed; - N.A.
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof; and - N.A.
  - (e) The expenditure incurred on Research and Development - N.A.

**(C) Foreign exchange earnings and Outgo–**

- i. Foreign Exchange Earning – 757.62 Lakhs
- ii. Foreign Exchange Outgo – 40.96 Lakhs

**ANNEXURE '4' TO BOARD'S REPORT  
EXTRACT OF ANNUAL RETURN  
As on the financial year ended 31.03.2018**

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**FORM NO. MGT – 9**

**I. Registration and Other Details**

CIN	L51100GJ1982PLC005131
Registration Date	05/04/1982
Name of the Company	Sayaji Hotels Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	(C2/F1), in Siva Vel Apartment, No. 2 Alagappa Nagar, Zamin Pallavaram Chennai Tamil Nadu, 600117 Phone : 044-29871174; Fax : 0000000000, Email – cs@sayajigroup.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link In Time India Pvt. Ltd. C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Phone : 022-49186000 Email: shweta.poojari@linkintime.co.in, Name of Contact Person: Shweta Poojari

**II. Principal Business Activities of the Company**

**All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:**

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Hotel	55101	42.14%
Restaurants and Banquet	56301	57.86%

**III. Particulars of Subsidiaries and associate Companies as on 31st March, 2018**

Name and address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
Sayaji Housekeeping Services Ltd.	U74900KA2016PLC086985	Wholly-Owned Subsidiary	100%	2(87)
Aries Hotels Pvt. Ltd.	U74300GJ1996PTC030171	Subsidiary	52.37%	2(87)
Sayaji Hotels Management Ltd.	U55205TN2018PLC122667	Wholly-Owned Subsidiary	100%	2(87)
Malwa Hospitality Pvt. Ltd.	U55209MP2008PTC020502	Subsidiary	51.67%	2(87)
Sayaji Hotels (Vadodara) Limited	U55209TN2018PLC122598	Wholly-Owned Subsidiary	100%	2(87)
Sayaji Hotels (Pune) Limited	U55204TN2018PLC122599	Wholly-Owned Subsidiary	100%	2(87)

**PART - A  
EQUITY SHARES**

**IV (A). SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of the total Equity)**

**i) Category-wise Shareholding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	88,67,935	1641100	10509035	59.99	93,78,526	12,88,100	1,06,66,626	60.89	0.90
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	2497575	120000	2617575	14.94	24,55,000	0	24,55,000	14.01	(0.93)
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(1):</b>	<b>11365510</b>	<b>1761100</b>	<b>13126610</b>	<b>74.93</b>	<b>11,833,526</b>	<b>12,88,100</b>	<b>1,31,21,626</b>	<b>74.90</b>	<b>(0.03)</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>11365510</b>	<b>1761100</b>	<b>13126610</b>	<b>74.93</b>	<b>11,833,526</b>	<b>12,88,100</b>	<b>1,31,21,626</b>	<b>74.90</b>	<b>(0.03)</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	0	4000	4000	0.02	0	4000	4000	0.02	0
b) Banks / FI	0	300	300	0.00	50	300	350	0.00	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-Total (B)(1):</b>	<b>0</b>	<b>4300</b>	<b>4300</b>	<b>0.02</b>	<b>50</b>	<b>4300</b>	<b>4350</b>	<b>0.02</b>	<b>0</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	87335	13373	100708	0.58	89845	13373	1,03,218	0.59	0.01
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
l) Individual Shareholders holding nominal share capital upto 1 lakh	294051	214213	508264	2.90	300103	209762	509865	2.91	0.01

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	Total % of Shares	Demat	Physical	Total	Total % of Shares	
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	727104	0	727104	4.16	7,27,104	0	7,27,104	4.16	0.00
<b>c) Others</b> (HUF and Non Resident (Non Repatriable))	18142	0	18142	0.10	18,521	0	18,521	0.11	0.01
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0.00
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0.00
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0.00
iv) NRI / OCBs	3014855	16383	3031238	17.31	3016447	16383	3032830	17.31	0.00
v) Clearing Members/ Clearing House	1634	0	1634	0.00	486	0	486	0.00	0.00
vi) Trusts	0	0	0	0	0	0	0	0	0.00
vii) LLP	0	0	0	0	0	0	0	0	0.00
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0.00
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
<b>Sub-Total (B)(2):</b>	<b>4143121</b>	<b>243969</b>	<b>4387090</b>	<b>25.05</b>	<b>4152506</b>	<b>239518</b>	<b>4392024</b>	<b>25.08</b>	<b>0.03</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4143121</b>	<b>248269</b>	<b>4391390</b>	<b>25.07</b>	<b>4152556</b>	<b>243818</b>	<b>4396374</b>	<b>25.10</b>	<b>0.03</b>
<b>Grand Total (A+B)</b>	<b>15508631</b>	<b>2009369</b>	<b>17518000</b>	<b>100</b>	<b>15986082</b>	<b>1531918</b>	<b>17518000</b>	<b>100</b>	<b>0</b>

**ii) Shareholding of Promoters (Including Promoters Group)**

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Raooof Razak Dhanani	3898651	22.26	25.01	3898651	22.26	27.66	0.00
Anisha Dhanani	2,96,578	1.69	0.00	2,96,578	1.69	100	0.00
Ahilya Hotels Ltd.	2455000	14.01	10.39	2455000	14.01	0.00	0.00
Late. Sajid R. Dhanani	2435511	13.90	56.50	2435511	13.90	24.64	0.00
Nasim Desai	626900	3.57	0.00	0	0	0.00	(3.57)
Suchitra Dhanani	320829	1.83	35.02	330029	1.88	0.00	0.05
Kayum Dhanani	25,59,288	14.61	3.09	3638079	20.77	100	6.16
Habibunisha Dhanani	93,700	0.53	0.00	0	0	0.00	(0.53)
Abbas Shaikh	50000	0.29	0.00	0	0	0.00	(0.29)
Sadika Memon	50100	0.29	0.00	100	0.00	0.00	(0.29)
Bipasha Dhanani	50000	0.29	0	50000	0.29	0.00	0.00
Shamim Sheikh	50200	0.29	0.00	200	0.00	0.00	(0.29)
Abdul Razak Dhanani	50600	0.29	0.00	0	0.00	0.00	(0.29)



Shareholders Name	Shareholding at the end of the year			Shareholding at the beginning of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Mansoor Memon	100	0.00	0.00	100	0.00	0.00	0.00
Jamila Dhanani	9200	0.05	0.00	0	0.00	0.00	(0.05)
Rafiqunisha Merchnat	17378	0.10	0.00	17378	0.10	0.00	0.00
Liberty Construction & Leasing Ltd.	120000	0.69	0.00	0	0.00	0.00	(0.69)
Bharat Equity Services Ltd.-	1400	0.01	0.00	0	0.00	0.00	(0.01)
M.P. Agro Industries Ltd.	41175	0.24	0.00	0	0.00	0.00	(0.24)
<b>Total</b>	<b>13126610</b>	<b>74.93</b>		<b>13121626</b>	<b>74.90</b>		<b>(0.03)</b>

**iii) Change in Promoters' (Including Promoters Group) Shareholding (Please specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	13126610	74.93	13126610	74.93
02.06.2017 To sale of the shares	(371)	(0.00)	13126239	74.93
12.05.2017 To sale of Shares	(4582)	(0.03)	13121657	74.90
13.06.2017 To Sale of Shares	(31)	(0.00)	13121626	74.90
At the end of the year	13121626	74.90	13121626	74.90

**iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Abdul Gani Sarfaraz Dhanani	748687	4.27	748687	4.27
Sana Dhanani	716623	4.09	716623	4.09
Nasreen Yusuf Dhanani	715097	4.08	715097	4.08
Rohini S. Udar	526000	3.00	526000	3.00
Shraddha Ankit Gadiya	278600	1.59	278600	1.59
Ankit Gadiya	278600	1.59	278600	1.59
Shashikant Chandramohan Dubey	254850	1.45	254850	1.45
Ramiz Darvesh	122454	0.69	122454	0.69
Trans Agro India Pvt. Ltd.	76000	0.43	76000	0.43
Dilip Kumar Gadiya	59850	0.34	59850	0.34

**v) Shareholding of Directors and Key Managerial Personnel**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1 Raof Razak Dhanani</b>				
At the beginning of the year	3898651	22.26%	3898651	22.26%
Changes During the year	-	-	-	-
At the end of the year	3898651	22.26%	3898651	22.26%
<b>2 Kayum Razak Dhanani</b>				
At the beginning of the year	2559288	14.61%	2559288	14.61%
27.03.2017 By transfer of Shares	124190	0.71%	2683478	15.32%
28.03.2017 By Transfer of Shares	34755	0.20%	2718233	15.52%
29.03.2017 By Transfer of Shares	34755	0.20%	2752988	15.72%
12.05.2017 By transfer of shares	36593	0.21%	2789581	15.92%
02.06.2018 By transfer of Shares	119979	0.68%	2909560	16.61%
13.06.2017 By Transfer of shares	101619	0.58%	3011179	17.19%
15.06.2017 By transfer of shares	626900	3.58%	3638079	20.77%
At the end of the year	3638079	20.77%	3638079	20.77%
<b>3 Suchitra Dhanani</b>				
At the beginning of the year	320829	1.83%	320829	1.83%
Date – 23.11.2017 By transfer of Shares	9200	0.05%	330029	1.88%
At the end of the year	330029	1.88%	330029	1.88%
<b>4 T. N. Unni</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>5 Sanjay Ahuja</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>6 Pradeep Goyal</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year-	-	-	-	-

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>7 Abhay Chintaman Chaudhari</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>8 Sandesh Khandelwal</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-
<b>9 Amit Sarraf</b>				
At the beginning of the year	-	-	-	-
Changes During the year	-	-	-	-
At the end of the year	-	-	-	-

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**PART - B  
PREFERENCE SHARES**

**(Preference Share Capital Breakup as % of the total Paid up Preference Share Capital)**

**i) Category-wise Shareholding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	0	1000000	1000000	100	0	1000000	1000000	100	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	00	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(1):</b>	<b>0</b>	<b>1000000</b>	<b>1000000</b>	<b>100</b>	<b>0</b>	<b>1000000</b>	<b>1000000</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>1000000</b>	<b>1000000</b>	<b>100</b>	<b>0</b>	<b>1000000</b>	<b>1000000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 1 Lac	0	0	0	0	0	0	0	0	0

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	Total % of Shares	Demat	Physical	Total	Total % of Shares	
ii) Individual Shareholders holding nominal share capital upto 1 Lac	0	0	0	0	0	0	0	0	0
<b>c) Others (specify)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
i) Shares held Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	0	0	0	0	0	0	0	0	0
v) Clearing Members/ Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) LLP	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B)</b>	<b>0</b>	<b>1000000</b>	<b>1000000</b>	<b>100</b>	<b>0</b>	<b>1000000</b>	<b>1000000</b>	<b>100</b>	<b>0</b>

\* There is a no Change in preference Shareholding during the year.

## ii) Preference Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Preference shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Preference shares of the Company	% of Shares Pledged / encumbered to total shares	
Saba Dhanani	125000	12.50	0	125000	12.50	0	0
Sadiya Dhanani	125000	12.50	0	125000	12.50	0	0
Azhar Dhanani	125000	12.50	0	125000	12.50	0	0
Zuber Dhanani	125000	12.50	0	125000	12.50	0	0
Kayum Dhanani	125000	12.50	0	125000	12.50	0	0
Akanksha Sara Dhanani	125000	12.50	0	125000	12.50	0	0
Sanya Dhanani	125000	12.50	0	125000	12.50	0	0
Suchitra Dhanani	125000	12.50	0	125000	12.50	0	0
<b>Total</b>	<b>1000000</b>	<b>100.00</b>	<b>0</b>	<b>1000000</b>	<b>100.00</b>	<b>0</b>	<b>0</b>

**iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

	Preference Shareholding at the beginning of the year		Cumulative Preference Shareholding during the year	
	No. of Shares	% of total Paid up Preference shares of the Company	No. of Shares	% of total Paid up Preference shares of the Company
At the beginning of the year	1000000	100.00	1000000	100.00
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Nil	0	0	0
At the end of the year	1000000	100.00	1000000	100.00

\*There is no Change in preference Shareholding during the year.

**iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) : Nil**
**v) Shareholding of Directors and Key Managerial Personnel**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1 Suchitra Dhanani</b>				
At the beginning of the year	125000	12.50	125000	12.50
Changes During the year	-	-	-	-
At the end of the year	125000	12.50	125000	12.50
<b>2 Kayum Razak Dhanani</b>				
At the beginning of the year	125000	12.50	125000	12.50
Changes During the year	-	-	-	-
At the end of the year	125000	12.50	125000	12.50

**vi. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year i.e. 01.04.2017</b>				
i) Principal Amount	7854.61	2831.57	-	10686.18
ii) Interest due but not paid	-	24.91	-	24.91
iii) Interest accrued but not due	20.32	-	-	20.32
<b>Total (i+ii+iii)</b>	<b>7874.93</b>	<b>2856.48</b>	<b>-</b>	<b>10731.41</b>
<b>Change in Indebtedness during the financial year i.e. 2017-18</b>				
Addition	769.00	1935.47	-	2704.47
Reduction	1269.53	1440.00	-	2709.53
<b>Net Change</b>	<b>(500.53)</b>	<b>495.47</b>	<b>-</b>	<b>(5.06)</b>
<b>Indebtedness at the end of the financial year i.e. 31.03.2018</b>				
i) Principal Amount	7368.19	3324.89	-	10693.08
ii) Interest due but not paid	6.21	27.06	-	33.27
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>7374.40</b>	<b>3351.95</b>	<b>-</b>	<b>10726.35</b>



**vii. REMUNERATION OF DIRECTORS AND KMP**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. in Lakhs)

S.No.	Particular of Remuneration	Mrs. Suchitra Dhanani	Mr. Raoof Razak Dhanani	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	31.29	0.00	31.29
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-		-
2	Stock Options	-		-
3	Sweat Equity	-		-
4	Commission	-		-
	- as % of profit	-		-
	- others, specify....	-		-
5	Others, please specify	-		-
	<b>Total</b>	<b>31.29</b>	<b>0.00</b>	<b>31.29</b>

\* Inclusive of Leave Encashment

**B. Remuneration to other Directors:**

**1. Independent Directors (Rs. In Lakhs)**

S.No.	Particular of Remuneration	Mr. T. N. Unni	Mr. Pradeep Goyal	Mr. Abhay Chaudhari	Total
1	-Fee for attending Board/Committee Meetings	0.81	0.00	0.51	1.32
2	-Commission	-	-	-	-
3	- Others, please specify	-	-	-	-
	<b>Total B.1</b>	<b>0.81</b>	<b>0.00</b>	<b>0.51</b>	<b>1.32</b>

**2. Non-Executive Directors (Rs. In Lakhs)**

S.No.	Particular of Remuneration	Mr. Abdul Razak Dhanani	Mr. Kayum Razak Dhanani	Tourism Finance Corporation of India Ltd.	Total
1	-Fee for attending Board/Committee Meetings	0	0	0.07	0.07
2	-Commission	-	-	-	-
3	- Others, please specify	-	-	-	-
	<b>Total B2</b>	<b>0</b>	<b>0</b>	<b>0.07</b>	<b>0.07</b>
	<b>Total (B1+B2)</b>				<b>1.39</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S.No.	Particular of Remuneration	Mr. Sandesh Khandelwal CFO (Rs. In Lakhs)	Mr. Amit Sarraf CS (Rs. In Lakhs)	Total (Rs. In Lakhs)
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	21.57	9.84	31.41
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S.No.	Particular of Remuneration	Mr. Sandesh Khandelwal CFO (Rs. In Lakhs)	Mr. Amit Sarraf CS (Rs. In Lakhs)	Total (Rs. In Lakhs)
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify....	-	-	-
5	Others, please specify	-	-	-
	<b>Total C</b>	<b>21.57</b>	<b>9.84</b>	<b>31.41</b>

**viii. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES - NONE**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	AUTHORITY [RD/NCLT/COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	---	---	---	---	---
---	---	---	Securities Exchange Board of India through its adjudication order no. EAD/SR/SM/AO/01/2017-18 dated September 29, 2017 imposed the penalty of Rs. 1200000/- (Rs. Twelve Lakhs Only) to the Company for non-compliance of minimum public shareholding norms.	<b>Securities Exchange Board of India</b>	---
---	---	---	Securities Exchange Board of India through its adjudication order no. RA/DPS/287/2018 dated January 31, 2018 imposed the penalty of Rs. 1500000/- (Rs. Fifteen Lakhs Only) to the Company for the violation of regulation of 13(6) of SEBI (Prohibition of Insider Trading) Regulation, 1992	<b>Securities Exchange Board of India</b>	---

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	AUTHORITY [RD/NCLT/COURT]	Appeal made, if any (give details)
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
<b>B. DIRECTOR</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
<b>C. OTHER OFFICER IN DEFAULT</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---

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## ANNEXURE '5' TO BOARD'S REPORT

Disclosure pursuant to Section 197(12) of the Companies Act, 2013, and Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;-

S. No.	Name of Director	Designation	Remuneration paid to Director in FY 2018	Median Remuneration in FY 2018	Ratio
i.	Mrs. Suchitra Dhanani	WTD	31.29	1.38	1:22 :67

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; -

S. No.	Name	Designation	Remuneration Paid in FY17 (In Lakhs)	Remuneration Paid in FY 18 (In Lakhs)	Change (In Lakhs)	Change in terms of %
i.	Mrs. Suchitra Dhanani	WTD	32.01	31.29	(0.72)	(2.25%)
ii.	Mr. Sandesh Khandewal	CFO	20.64	21.57	0.93	4.51%
iii.	Mr. Amit Sarraf	CS	9.02	9.84	0.64	6.96%

- iii. The percentage increase in the median remuneration of employees in the financial year;

Remuneration FY17 (In Lakhs.)	Remuneration FY18 (In Lakhs)	Increase (In Lakhs)	%
1.26	1.38	0.12	9.52%

- iv. The number of permanent employees on the rolls of company; -

Name of the Company	No. of Employees on payroll (As on 31.03.17)	No. of Employees on payroll (As on 31.03.18)	% Change during the year
Sayaji Hotels Ltd.	2098	2313	10.25%

- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Remuneration paid to employees excluding managerial personal for FY 17 (In lakhs)	Remuneration paid to employees excluding managerial personal for FY 18 (In lakhs)	% change in remuneration paid to employees excluding managerial personal (In lakhs)	Remuneration paid to managerial personal for FY 17 (In lakhs)	Remuneration paid to managerial personal for FY 18 (In lakhs)	% change in remuneration paid to managerial personal (In lakhs)
3343.47	4679.78	39.96%	61.85	62.70	1.37%

- vi. Affirmation that the remuneration is as per the remuneration policy of the Company -

The remuneration provided by the Company to the directors and employees is as per the remuneration policy of the Company.

**ANNEXURE '6' TO BOARD'S REPORT**

**FORM NO. AOC-1**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

Sr. No.	1	2	3
Name of the Subsidiary	Malwa Hospitality Pvt. Ltd	Aries Hotels Pvt. Ltd.	Sayaji Housekeeping Services Ltd.
Date of acquiring Subsidiary	26.03.2008	31.03.2014	16.03.2016
Financial Year ending on	31.03.2018	31.03.2018	31.03.2018
Reporting Currency	INR IN LACS	INR IN LACS	INR IN LACS
Exchange Rate on the last day of the financial year	NA	NA	NA
Share Capital	1,334.40	996.35	636.50
Reserves & Surplus	-852.73	195.19	231.84
Total Assets	2,626.73	1,230.15	871.56
Total Liabilities excluding equity	2,145.06	38.61	3.23
Investments	-	110.48	631.06
Turnover	2,461.35	-	-
Profit/(Loss) before tax	107.14	-2.53	140.54
Provision for tax Including deferred tax	72.78	-	3.96
Profit/(Loss) after tax	34.36	-2.53	136.52
Proposed Dividend	-	-	-
% of shareholding	51.67%	52.37%	100%

**PART B: Associate and Joint Ventures**

**Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates or Joint Ventures	Barbeque-Nation Hospitality Ltd
1. Latest audited Balance Sheet Date	31.03.2018
2. Date on which the Associate or Joint Venture was associated or acquired	29.03.2016
3. Shares of Associate or Joint Ventures held by the Company on the year end	
No.	-
Amount of Investment in Associates or Joint Venture	-
Extend of Holding (in percentage)	-
4. Description of how there is significant influence	M/s Sayaji Houskeeping Services Ltd. (i.e. Subsidiary of M/s Sayaji Hotels Ltd. ) holds 45.73% stake in M/s Barbeque-Nation Hospitality Ltd. therefore it is an associate of M/s Sayaji Hotels Ltd.
5. Reason why the associate/joint venture is not consolidated	NA
6. Net worth attributable to shareholding as per latest audited Balance Sheet	8148.20 lakhs
7. Profit or Loss for the year (Net)	161.61 lakhs
i. Considered in Consolidation	Yes.
ii. Not Considered in Consolidation	-

**For K. L. Vyas & Co.**  
Chartered Accountants  
Firm Regn No. 003289C

**K. L. Vyas**  
Partner  
M. No. 072043  
Indore 30th May, 2018

For : Sayaji Hotels Limited

**T. N. Unni**  
Chairman  
DIN-00079237

For Sayaji Hotels Ltd.

**Sandesh Khandelwal**  
Chief Financial Officer

For : Sayaji Hotels Limited

**Raof Razak Dhanani**  
Managing Director  
DIN – 00174654

For Sayaji Hotels Ltd.

**Amit Sarraf**  
Company Secretary

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended on 31st March, 2018

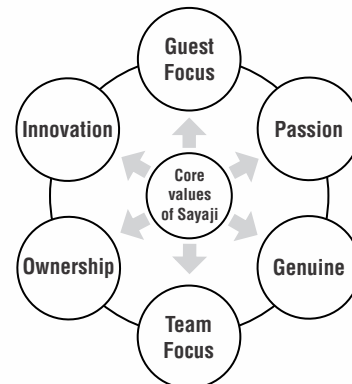
### A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

- Sayaji Hotels Limited "Sayaji" has been one of the front runners in India to have put in place a formalized system of Corporate Governance. Sayaji is committed to achieve the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report.
- The Corporate Governance standards demonstrate inalienable rights vested with various stakeholders and strong commitment to values, ethics and business conduct. Your Company is committed to good Corporate Governance, based on an effective Independent Board, separation of supervisory role from the executive management and constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and customer satisfaction.
- Sayaji philosophy on Corporate Governance is about intellectual honesty whereby the governance is not just about encompassing regulatory and legal requirements but also strives to enhance stakeholders' value as a whole. Your Company belongs to legacy where the visionary founders laid the stone for good governance through the philosophies of "To make more & more people happy for a prolonged period of Time", implying the duty to work diligently carries the responsibility that one should give something back to others and society and enables one to build trust and confidence with one's stakeholders, including employees, customers and suppliers, where long term relationships could be developed for the benefit of everyone. Thus, the standards of governance are guided by the following principles.
  - ✓ Clear and ethical strategic direction and sound business decisions
  - ✓ Prudent financial management.
  - ✓ Transparent and professional decision making.
  - ✓ Excellence in Corporate Governance by abiding the guidelines and continuous assessment of Board processes and the management systems for constant improvisation.

- Your Company protects and facilitates the exercise of shareholders' rights, provides adequate and timely information, opportunity to participate effectively and vote (including remote e-voting) in general shareholder meetings and postal ballots, and ensure equitable treatment to all the shareholders.
- Your Company recognizes the rights of all the stakeholders and encourages co-operation between the Company and the stakeholders to enable your participation in the Corporate Governance process.
- Your Company ensures adequate, timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company to the stock exchanges and the investors. Information is prepared and disclosed in accordance with the prescribed standards of accounting, financial and non-financial disclosure and are disseminated in an equal, timely and cost efficient access to relevant information by users.

Our Core Purpose

"To make more & more People happy for a Prolonged period of Time"



### B. GOVERNANCE STRUCTURE

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established five Committees to discharge its responsibilities in an effective manner. Sayaji's Company Secretary acts as the Secretary to all the committees. The Chairman and Managing Director (MD) provides overall direction and guidance to the Board. In the



operations and functioning of the Company, the MD is assisted by one Executive Directors and a core group of senior level executives.

The Chairman of the Board ('the Chairman') is the leader of the Board. The Chairman is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman guides the Board for effective governance structure in the Company. In doing so, the Chairman presides at the meetings of the Board and the shareholders of the Company.

The Chairman takes a lead role in managing the Board and facilitating effective communication among Directors. The Chairman is responsible for matters pertaining to governance, including the organisation and composition of the Board, the organisation and conduct of Board meetings, effectiveness of the Board, committees and individual Directors in fulfilling their responsibilities. The Company Secretary assists the Chairman in management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

The Chairman and MD actively works with the Human Resources, Nomination and Remuneration Committee to plan the Board and committees' composition, induction of directors to the Board, plan for director succession, participate in the Board effectiveness evaluation process and meet the individual directors to provide constructive feedback and advice.

**C. ETHICS/GOVERNANCE POLICIES-**

At Sayaji, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Vigil Mechanism and Whistle Blower Policy
- Policy for determining materiality
- Nomination and Remuneration Policy
- Policy for preservation of documents
- Risk Management Policy
- Corporate Social Responsibility Policy

**D. BEST CORPORATE GOVERNANCE PRACTICES-**

Sayaji maintains the highest standards of Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate

Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies. Some of the best implemented global governance norms include the following:

- All securities related filings with Stock Exchanges are reviewed every quarter by the Board.
- The Company has independent Board Committees for matters related to Corporate Governance and stakeholders' interface and nomination of Board members.
- The Company's internal audit is also conducted by independent auditors.

**E. BOARD OF DIRECTORS**

At Sayaji, The Board of Directors of your Company which consists of an optimum mix of Executive and Non-Executive Directors and Women Director. The composition of the Board consists of a fine blend of professionals from diverse backgrounds which enables the Board to discharge its responsibilities more efficiently and provide effective leadership by taking the Company's business to achieve greater heights. We believe that a truly diverse board will leverage difference in thought, perspective, knowledge, skill and industry experience cultural and geographical background, age, ethnicity, race and gender which will help us retain our competitive advantage.

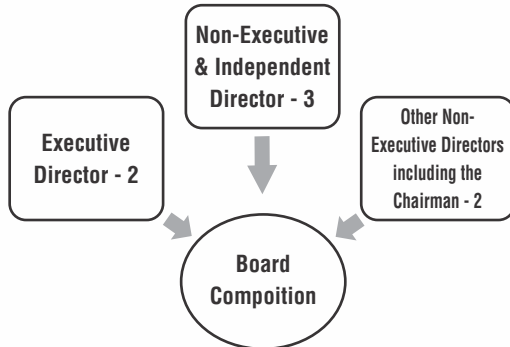
**▪ BOARD COMMITTEES -**

The Board currently has 5 Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders' Relationship Committee, 4) Corporate Social Responsibility Committee and 5) Borrowing & Investment Committee. The terms of reference of the Board Committees are governed by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each Board Committee are convened by the Company Secretary in consultation with the respective Committee Chairman.



▪ **Board Composition and category of Directors as on March 31, 2018**

The Board of Directors has an optimum combination of executive and non-executive independent directors including one women director.



▪ **Information placed before the Board of Directors:**






- The Board of Directors has complete access to the information within the Company, which inter alia includes –
  - a) Annual revenue budgets and capital expenditure plans.
  - b) Quarterly results.
  - c) Financing plans of the Company.
  - d) Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee Stakeholders Relationship Committee and Corporate Social Responsibility Committee
  - e) Details of any joint venture, acquisitions of companies or collaboration agreement.

- f) Quarterly report on fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems.
- g) Any materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any
- h) Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company.
- i) Developments in respect of human resource Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any
- j) Show cause, demand, prosecution and adjudication notices, if any, from revenue authorities which are considered materially important, including any exposure that exceeds 1% of the Company's worth, and their outcomes.
  - Post-meeting internal communication system: The important decisions taken at the Board /Committee meetings are communicated to the concerned departments / ICs promptly. An Action Taken Report is presented to the Board.

▪ **Directors' Profile**

A brief resume of Directors, nature of their expertise in specific functional areas and names of companies in which they hold Directorships, Memberships/ Chairmanships of Board Committees are hereunder -

S. No	Name of the Directors	Date of Appointment	Profile
1.	T. N. Unni (DIN-00079237)	 31/01/2002	He is a practicing Chartered Accountant and having experience of more than 40 yrs in accounts, taxation, Corporate Governance etc. At present he is the Chairman of the Board and the Audit Committee
2.	Raof Razak Dhanani (DIN-00174654)	 14/11/2013	Mr. Raof Razak Dhanani is the Managing Director of the Sayaji Hotels Ltd.

<b>S. No</b>	<b>Name of the Directors</b>	<b>Date of Appointment</b>	<b>Profile</b>
3.	Suchitra Dhanani (DIN-00712187)	 06/02/2014	Mrs. Suchitra Dhanani, aged 53 years is Whole-Time Director of Sayaji Hotels Ltd. and qualified as Master in Social Works. She is presently taking care Guest Satisfaction Index Department and training department of the Company and also involved day to day critical matters of the Company
4.	Kayum Razak Dhanani (DIN-00987597)	 30/11/2012	Mr. Kayum Dhanani, aged 46 years is qualified as an IGCS from Cambridge University. Presently he is serving as non-executive director in the Company.  He has wide range of experience viz. soles and shoes industry, fertilizers business and hotel & restaurant business. He is also Managing director of the Barbeque-Nation Hospitality Limited and Sara Suole Private Limited
5.	Abhay Chintaman Chaudhari (DIN-06726836)	 14/02/2017	Mr. Abhay Chintaman Chaudhari, aged 62 years is retired senior Bank officer. He had worked as Chief General Manager in State Bank of India. He was also deputed to other associates Companies of State Bank on time to time basis. He is well versed in finance, capital market, risk management etc.
6.	Sanjay Ahuja (DIN-00084945)	 01/02/2012	Mr. Sanjay Ahuja, is a Company Secretary and Cost Accountant by profession. He is the Compliance Officer of Tourism Finance Corporation of India Ltd. "TFCI" and acting as a nominee of TFCI on the Board of the Company.
7.	Pradeep Goyal (DIN-02798770)	 06/02/2014	Mr. Pradeep Goyal, aged 53 years is a Chartered Accountant and associated with the Company as an independent director. He has large experience in the field of Finance, Accounts and Taxation.

▪ **SELECTION OF INDEPENDENT DIRECTORS**

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Human Resources, Nomination and Remuneration Committee, for appointment, as Independent Director on the Board. The

Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in

which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

▪ **FAMILIARISATION PROGRAMMES FOR DIRECTORS**

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company’s procedures and practices.

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company’s business segments are made at the separate meetings of the Independent Directors from time to time.

The details of such familiarization programmes for Directors are put up on the website of the Company and can be accessed at <https://www.sayajihotels.com/investors>

▪ **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

During the year under review, an annual Independent Directors meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI (LODR) Regulations, 2015, was convened on February 14, 2018, wherein all Independent Directors were present, to review the performance of the Non-Independent Non-Executive Directors

▪ **INDEPENDENT DIRECTORS’ MEETING**

including the Chairman of the Board and performance of the Board as a whole. The Non- Independent Directors did not take part in the meeting.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The independent directors in the meeting referred above shall, inter alia reviews-

- (a) review the performance of non-independent directors and the board of directors as a whole;
- (b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Name of the Committee	Extract of Terms of Reference	During the year under review, the Independent Directors met on 14.02.2018 inter alia to review the performance of following Non-Independent Directors and Board as a whole.
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Independent Directors’ Meeting	Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI (LODR) Regulations, 2015 the meeting shall reviewed-  (a) review the performance of non-independent directors and the Board as a Whole  (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;  (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties	Name of the Non Independent Directors	Category
		Mrs. Suchitra Dhanani	Whole- time Director
		Mr. Kayum Razak Dhanani	Non-Executive Director
		Mr. Raoof Razak Dhanani	Managing Director
		Mr. Sanjay Ahuja	Nominee Director of TFCI

**Other Details-**

1. Mr. T.N. Unni, Mr. Pradeep Goyal and Mr. Abhay Chintaman Chaudhari being the Independent Directors, of the Company were present at the meeting and the Company Secretary assisted the said meeting.

- **CODE OF CONDUCT**

The Company has in place a comprehensive Code of Conduct ('the Code') applicable to the Directors and employees. The Code is applicable to Non-Executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually and the same has been posted on the Company's website [www.sayajihotels.com](http://www.sayajihotels.com)

All Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration to that effect signed by the Managing Director is attached, and forms part of this Annual Report.

**F. BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES**

- **INSTITUTIONALISED DECISION-MAKING PROCESS**

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being served.

The Board has constituted five Committees, viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Borrowing and Investment Committee. The Board is authorized to constitute additional functional Committees, from time to time, depending on business needs.

The Company's internal guidelines for Board / Committee meetings facilitate decision-making process at its meetings in an informed and efficient manner. The following sub-sections deal with the practice of these guidelines at SHL.

- **SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS**

Minimum four pre-scheduled Board meetings are held annually. Additional Board meetings are convened to address the Company's specific needs. In case of business

exigencies or urgency, resolutions are passed by circulation. The Board notes compliance reports of all laws applicable to the Company, every quarter.

The meetings are held at the Company's office at Sayaji Hotel, H-1, Scheme No. 54, Vijay Nagar, Indore (M.P.).

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalise the agenda for Board meetings.

The agenda and notes on agenda are circulated to Directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

- **RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS**

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/ Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

- **POST-MEETING FOLLOW-UP SYSTEM**

The Governance processes in the Company include an effective post-meeting follow-up, review and reporting process for action taken / pending on decisions of the Board and the Board Committees.

The important decisions taken at the Board / Committee meetings are communicated to the concerned departments / ICs promptly. An Action Taken Report is presented to the Board.

- **ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS**

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

**Other Relevant Details of Directors:**

Name of the Director	Attendance at meetings during 2017-18		Number of directorship held in Indian Public/Private Co. including this Co.	Chairmanship in the Board	Committee Position	
	Board	AGM			Member	Chairman
Mr. Raoof Razak Dhanani	3	No	15	Nil	2	Nil
Mr. Kayum Razak Dhanani	1	No	10	Nil	4	Nil
Mrs. Suchitra Dhanani	3	No	10	Nil	2	2
Mr. T. N. Unni	5	No	6	1	3	8
Mr. Pradeep Goyal	1	No	9	Nil	4	2
Mr. Sanjay Ahuja	1	No	1	Nil	2	Nil
Mr. Abhay Chaudhari	5	No	5	Nil	3	Nil

**Board Meetings held during the Year 2017-18**

Date on which the Board Meetings were held	Total Strength of the Board	No of directors present
May 30, 2017	7	3
August 28, 2017	7	4
December 12, 2017	7	4

Date on which the Board Meetings were held	Total Strength of the Board	No of directors present
February 14, 2018	7	3
March 19, 2018	7	5

**Disclosure of Relationship between Directors inter-se:**

Name	Relationship	Name of other Directors in inter-se relationship
Mr. Raoof Razak Dhanani	Brother	Mr. Kayum Razak Dhanani
	Sister in Law	Mrs. Suchitra Dhanani
Mr. Kayum Razak Dhanani	Brother	Mr. Raoof Razak Dhanani
	Sister in Law	Mrs. Suchitra Dhanani
Mrs. Suchitra Dhanani	Brother in Law	Mr. Raoof Razak Dhanani
	Brother in Law	Mr. Kayum Razak Dhanani

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**No. of Shares held By Non- Executive Director**

Name of Director and KMPs	No. of Shares Held
Mr. Kayum Razak Dhanani	3638079

**ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS**

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

**G. COMMITTEES OF THE BOARD**

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and non-mandatory committees viz. Borrowing and Investment Committee.

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

Committee of the Company	Audit Committee	Nomination and Remuneration Committee
Meetings held	5	4
Directors' Attendance		
Raof Razak Dhanani	NA	NA
T. N. Unni	5	4
Abhay Chaudhari	5	4
Sanjay Ahuja	1	0
Kayum Razak Dhanani	NA	NA
Pradeep Goyal	1	1
Suchitra Dhanani	NA	NA

**AUDIT COMMITTEE**

**COMPOSITION OF THE COMMITTEE**

<b>Mr. T. N. Unni (Chairman of the Committee)</b>	<b>Independent Director</b>
<b>Mr. Abhay Chaudhari</b>	<b>Independent Director</b>
<b>Mr. Pradeep Goyal</b>	<b>Independent Director</b>
<b>Mr. Sanjay Ahuja</b>	<b>Nominee Director</b>

The Committee's composition and terms of reference are in compliance with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess requisite qualifications.

**TERMS OF REFERENCE OF AUDIT COMMITTEE INTER ALIA INCLUDE THE FOLLOWING**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending the appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company
- Approving payment to statutory auditors, including cost auditors, for any other services rendered by them
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Significant adjustments made in financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications / modified opinions in draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties

- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems
- Formulating the scope, functioning, periodicity and methodology for conducting the internal audit
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors of any significant findings and follow-up thereon
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- To review the functioning of the Vigil Mechanism and Whistle Blower mechanism
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, and so on of the candidate
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries
- Reviewing mandatorily the following information:
  - (a) The Management Discussion and Analysis of financial condition and results of operations
  - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
  - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors
  - (d) Internal audit reports relating to internal control weaknesses; and

- (e) Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s)

- Carrying out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment as may be applicable

**GENERAL**

The representatives of Statutory Auditors are permanent invitees to the Audit Committee meetings. The representatives of Statutory Auditors, Executives from Accounts department, Finance department and Internal Audit department attend the Audit Committee meetings.

The Internal Auditor reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 29, 2017.

**MEETING DETAILS**

Five meetings of the Committee were held during the year. The meetings were held on May 30, 2017; August 28, 2017; December 11, 2017, February 14, 2018 and 19 March 2018. The details of attendance are given in this Report.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

**COMPOSITION OF THE COMMITTEE**

<b>Mr. T. N. Unni (Chairman of the Committee)</b>	<b>Independent Director</b>
<b>Mr. Abhay Chaudhari</b>	<b>Independent Director</b>
<b>Mr. Pradeep Goyal</b>	<b>Independent Director</b>

The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints.

The Committee's composition and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 the Listing Regulations.

**TERMS OF REFERENCE OF STAKEHOLDERS' RELATIONSHIP COMMITTEE INTER ALIA INCLUDE THE FOLLOWING**

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share / debenture certificates
- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend and so on.

- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Perform such other functions as may be necessary or appropriate for the performance of its duties
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable

**MEETING DETAILS**

There was no meeting was required to be held during the year.

**COMPLIANCE OFFICER**

Mr. Amit Sarraf, Company Secretary, is the Compliance Officer for complying with requirements of Securities Laws.

**INVESTOR GRIEVANCE REDRESSAL**

- As on March 31st, 2018 there was no request pending/overdue beyond the due dates.
- The total number of complaints received and replied to the satisfaction of the shareholders during the year under review were 4, Outstanding complaints as on 31st March, 2018 were nil as per records.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**COMPOSITION OF THE COMMITTEE**

<b>Mrs. Suchitra Dhanani (Chairperson of the Committee)</b>	<b>Whole-Time Director</b>
<b>Mr. T. N. Unni</b>	<b>Independent Director</b>
<b>Mr. Pradeep Goyal</b>	<b>Independent Director</b>

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy, observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013.

**TERMS OF REFERENCE OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE INTER ALIA INCLUDE THE FOLLOWING**

- Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be

undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder

- Recommend the amount of expenditure to be incurred on the CSR activities
- Monitor the implementation of the CSR Policy of the Company from time to time
- Ensure compliance with Corporate Governance norms prescribed under Listing Regulations, the Companies Act and other statutes or any modification or re-enactment thereof
- Advise the Board periodically with respect to significant developments in the law and practice of Corporate Governance and to make recommendations to the Board for appropriate revisions to the Company's Corporate Governance Guidelines
- Monitor the Company's compliance with Corporate Governance Guidelines and applicable laws and regulations and make recommendations to the Board on all such matters and on any corrective action to be taken, as the Committee may deem appropriate
- Review and assess the adequacy of the Company's Corporate Governance Manual, Code of Conduct for Directors and Senior Management, Code of Ethics and other internal policies and guidelines and monitor that principles described therein are being incorporated into the Company's culture and business practices
- Formulate / approve codes and / or policies for better governance

**MEETING DETAILS**

There was no meeting held during the year.

**BORROWING AND INVESTMENT COMMITTEE**

**COMPOSITION OF THE COMMITTEE**

<b>Mrs. Suchitra Dhanani (Chairperson of the Committee)</b>	<b>Whole-Time Director</b>
<b>Mr. Raof Razak Dhanani</b>	<b>Managing Director</b>
<b>Mr. Pradeep Goyal</b>	<b>Independent Director</b>

**TERMS OF REFERENCE OF BORROWING AND INVESTMENT COMMITTEE INTER ALIA INCLUDE THE FOLLOWING**

- To take decision on borrowing, providing guarantee/security and to make investment subject to the provisions of the Companies Act, 2013 and limit approved by the shareholders of the Company.
- To assists and makes recommendations to the Board on:
  - a. investment strategy and investment risk management;
  - b. investment performance and outlook;

- c. compliance with the investment component of nib's Capital Management Plan
- d. external group borrowings;
- e. undertaking special projects delegated by the Board.

**MEETING DETAILS**

There was no meeting held during the year.

**NOMINATION AND REMUNERATION COMMITTEE**

**COMPOSITION OF THE COMMITTEE**

<b>Mr. Pradeep Goyal (Chairperson of the Committee)</b>	<b>Independent Director</b>
<b>Mr. T. N. Unni</b>	<b>Independent Director</b>
<b>Mr. Abhay Chaudhari</b>	<b>Independent Director</b>
<b>Mr. Sanjay Ahuja</b>	<b>Nominee Director</b>

The Committee's composition and terms of reference are in compliance with provisions of the Companies Act, 2013, Regulation 19 of the Listing Regulations and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.

**TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE INTER ALIA INCLUDE THE FOLLOWING**

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- Formulate the criteria for evaluation of Independent Directors and the Board
- Devise a policy on Board diversity
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal
- Carry out evaluation of every Director's performance
- Consider extension or continuation of term of appointment of independent directors on the basis of the report of performance evaluation of independent directors.
- Recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
- Administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme

- Review human resources policies and overall human resources of the Company
- Perform such other functions as may be necessary or appropriate for the performance of its duties
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory
- notification, amendment as may be applicable

**MEETING DETAILS**

Four meetings of the Committee were held during the year. The meetings were held on May 30, 2017; August 28, 2017; and February 14, 2018, 19 March 2018. The details of attendance are given in this Report.

**NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration (N&R) Committee has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors, CEO & Managing Director and their remuneration. The policy is hosted at the website of the company and may be viewed at the link [www.sayajihotels.com](http://www.sayajihotels.com)

**TERMS OF APPOINTMENT & REMUNERATION –WHOLE-TIME DIRECTOR**

**1. Mrs. Suchitra Dhanani**

<b>Period of Appointment</b>	3 Years (from 06.02.2017 to 05.02.2020)
<b>Salary Grade</b>	Rs. 250000/- <sup>1</sup> Per Month
<b>Perquisite &amp; Allowances</b>	Upto the 100% of the salary
<b>Minimum Remuneration</b>	In case of in absence or inadequacy of the profit in any financial year, the Company shall pay the above said remuneration i.e. (Salary+Perquisite& allowances) subject to the maximum of Rs. 5,00,000 per month
<b>Notice Period</b>	180 Days

<sup>1</sup> With the annual increment as may be decided by the Board of Directors of the Company.

**TERMS OF APPOINTMENT & REMUNERATION –MANAGING DIRECTOR**

**1. Mr. Raof Razak Dhanani**

<b>Period of Appointment</b>	3 Years (from 05.10.2015 to 04.10.2018)
<b>Salary Grade</b>	Rs. 200000/- <sup>1</sup> Per Month
<b>Perquisite &amp; Allowances</b>	Upto the 100% of the salary
<b>Minimum Remuneration</b>	In case of in absence or inadequacy of the profit in any financial year, the Company shall pay the above said remuneration i.e. (Salary+ Perquisite & allowances) subject to the maximum of Rs. 7,00,000 per month

<sup>1</sup> With the annual increment as may be decided by the Board of Directors of the Company.

\*The Board of Directors at their Meeting held on 19.03.2018 after getting approval of the Nomination and remuneration committee and the Board, passed special resolution on 3rd May,2018 by the way of the postal ballot for the revision of the remuneration of Mr. Raof Razak Dhanani, Managing Director of the Company.

**H. POLICY AND THE DISCLOSURES**

<b>Particulars</b>	<b>Regulations</b>	<b>Details</b>	<b>Website link for details/policy</b>
Related party transactions	Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and as defined under the Act.	All material transactions entered into with related parties during the financial year were in the ordinary course of business on arm's length basis and approved by the Audit Committee. The board approved policy for related party transactions is uploaded on the website of the Company.  The Register under Section 188 of the Companies Act, 2013 is maintained and particulars of transactions have been entered in the Register, wherever applicable.	<a href="https://www.sayajihotels.com/data/Related_Party_Transaction_Policy.pdf">https://www.sayajihotels.com/data/Related_Party_Transaction_Policy.pdf</a>
Details of Non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (c) 10(b) to the (Listing Obligations and Disclosures Requirements) Regulations, 2015	The details related to the non-compliance are separately reported in the Corporate Governance Report.	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Mrs. Suchitra Dhanani, Competent Authority. The said policy has been uploaded on the website of the Company.	<a href="https://www.sayajihotels.com/data/WhistleBlowerVigilMechanismPolicy.pdf">https://www.sayajihotels.com/data/WhistleBlowerVigilMechanismPolicy.pdf</a>
Policy on Determination of Materiality for Disclosures	Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	Under regulation 30(4) (ii) of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 the Company has framed a policy on disclosure of material events and information as per the Listing Regulations. The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of information on an ongoing basis.	<a href="https://www.sayajihotels.com/data/determination-of-materiality.pdf">https://www.sayajihotels.com/data/determination-of-materiality.pdf</a>

<b>Particulars</b>	<b>Regulations</b>	<b>Details</b>	<b>Website link for details/policy</b>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	The Company has adopted a Policy on Archival and Preservation of Documents Policy involves the systematic identification, categorization, maintenance, review, retention, and destruction of documents received or created in the course of business.	<a href="https://www.sayajihotels.com/data/new_july/Policy-for-preservation-of-documents.pdf">https://www.sayajihotels.com/data/new_july/Policy-for-preservation-of-documents.pdf</a>
Discretionary requirements	Schedule II Part E of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	<ul style="list-style-type: none"> <li>• The auditors' report on statutory financial statements of the Company are unqualified.</li> <li>• The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer.</li> <li>• the internal auditors of the Company, make presentations to the audit committee on their reports.</li> </ul>	
Policy on Material Subsidiary Companies	Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015	<p>The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year.</p> <p>The Audit Committee reviews the financial statements of the Company's unlisted subsidiary Companies.</p>	<a href="https://www.sayajihotels.com/data/Material_Subsiary_Policy.pdf">https://www.sayajihotels.com/data/Material_Subsiary_Policy.pdf</a>
Policy for Prevention, Prohibition & Redressal Sexual Harassment of Women at Workplace	As per the requirement of the Companies Act, 2013	As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committee (ICC) for each of their units . During the year, the Company didn't receive any complaint.	<a href="https://www.sayajihotels.com/data/new_july/Internal-Complaint-Committee.pdf">https://www.sayajihotels.com/data/new_july/Internal-Complaint-Committee.pdf</a>
Reconciliation of Share Capital Audit Report	Regulation 55A of the SEBI Depositories and Participants) Regulations, 1996 and SEBI Circular No D&CC / FITTC/ Cir- 16/ 2002 dated December 31, 2002	A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services(India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.	<a href="https://www.sayajihotels.com/investors">https://www.sayajihotels.com/investors</a>



<b>Particulars</b>	<b>Regulations</b>	<b>Details</b>	<b>Website link for details/policy</b>
Code of Conduct	Regulation 17 of SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2018. The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.	<a href="https://www.sayajihotels.com/investors">https://www.sayajihotels.com/investors</a>

**I. OTHER DISCLOSURES**

**▪ Strictures and Penalties**

Securities Exchange Board of India through its adjudication order no. EAD/SR/SM/AO/01/2017-18 dated September 29, 2017 imposed the penalty of Rs. 1200000/- (Rs. Twelve Lakhs Only) on the Company for non-compliance of minimum public shareholding norms. This Violation was done during the year 2014.

Securities Exchange Board of India through its adjudication order no. RA/DPS/287/2018 dated January 31, 2018 imposed the penalty of Rs. 1500000/- (Rs. Fifteen Lakhs Only) on the Company for the violation of regulation of 13(6) of SEBI (Prohibition of Insider Trading) Regulation, 1992. This Violation was done during the year 2005.

Except above there were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges on any matter related to the capital markets, during the last three years.

**▪ Public issue/Right Issue**

The Company has not come out with any public issue or right issue etc. during the financial year under review.

**▪ MD / CFO Certification**

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The certificate given by Managing Director and the Chief Financial Officer was placed before the board of directors meeting held on 30.05.2018 and the said certificate is annexed and published in this Report.

**▪ Subsidiary Companies**

All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company does not have any material unlisted subsidiary.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

- a) The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.
- b) The minutes of the meetings of the board of directors of the unlisted subsidiary companies are placed at the meetings of the Board of Directors of the Company.
- c) The Management of the unlisted subsidiary have periodically placed before the Board of Directors of your Company regarding a statement of all significant material transactions and arrangements entered into by the Unlisted subsidiary
- d) Your Company formulated a Policy on Material Subsidiary as required under Clause 49(V)(D) SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015 and the policy is hosted on the website of the Company under the web link [https://www.sayajihotels.com/data/Material\\_Subsiidiary\\_Policy.pdf](https://www.sayajihotels.com/data/Material_Subsiidiary_Policy.pdf).

**J. INTERNAL CONTROL AND WHISTLE BLOWER/VIGIL MECHANISM POLICY**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to Mrs. Suchitra Dhanani, Whole-Time Director of the Company under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

**K. MEANS OF COMMUNICATION:**

- **Results :** The Company's quarterly/half yearly/ annual financial results are sent to the Stock Exchanges and published in 'Western Times English and Western Times Gujarati, they are also put up on the Company's website (www.sayajihotels.com)
- **News releases, presentations, among others:** Official news releases and official media releases are sent to Stock Exchange.
- **Presentations to institutional investors / analysts:** Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. These presentations are also uploaded on the Company's website (www.sayajihotels.com).
- **Website:** The Company's website (www.sayajihotels.com) contains a separate dedicated section 'Investor' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.
- **Annual Report :** The Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- **Extensive Business Reporting Language ("XBRL"):** XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs ("MCA") vide its circular No. 8/2012 dated May 10, 2012, (as amended on June 29, 2012), had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.
- **A Greener environment - Now and for future:** The Company's philosophy focuses on making the environment greener for the benefit of posterity. In this regard, Your Company encourages its shareholders to register/update the e-mail ids for communication purpose thereby contributing to the environment.
- **Corporate Filing and Dissemination System (CFDS):** The CFDS portal jointly owned, managed and maintained by BSE is a single source to view information filed by

listed companies. All disclosures and communications to BSE are filed electronically through the CFDS portal.

- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre. In continuation of the Exchange's ongoing endeavour to ensure that critical information / disclosures are available to the investors on real time basis, the Exchange is putting in place a new **Corporate Announcement Filing System (CAFS)**.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**L. SHAREHOLDERS INFORMATIONS**

Financial Year : April 1 to March 31

▪ **Investors Correspondence**

For any queries, investors are requested to get in touch with the Company's Registrar and Transfer Agent i.e. Link In time India Pvt. Ltd., Mumbai. A dedicated e-mail i.d. cs@sayajigroup.com has been set up for investor complaints.

The Link In time India Pvt. Ltd. is registered with SEBI as registrar to an issue/share transfer agent in category I and the registration number is INR000004058.

▪ **Address for Correspondence with the Registrar and Transfer Agent**

Link Intime India Pvt. Ltd.  
C – 101, 247 Park,  
LBS Marg, Vikhroli West,  
Mumbai – 400083  
Email – shweta.poojari@linkintime.co.in  
Phone: 022-25963838  
Fax: 022-25946969

▪ **Address for Correspondence with the Company**

Sayaji Hotels Ltd.,  
H-1, Scheme No. 54, Vijay Nagar,  
Indore – 452010 (M.P.)  
E-mail: cs@sayajigroup.com

**Communication by E-mail:**

To contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors are requested to register their e-mail addresses with Link Intime India Private Limited, if shares are held in physical form or with their DP, if the holding is in electronic form.

Shareholders are requested to intimate their mobile number and changes therein, if any, to Link Intime India Private Limited, if shares are held in physical form or to their DP if the holding is in electronic form, to receive communications on corporate actions and other information of the Company.

For transfer/transmission/subdivision/demat/loss of shares/dividend/general inquiries and investor grievance remaining unattended: cs@sayajigroup.com.

**Stock Market Data-Exchanges in India**

**Listing on Stock Exchanges**

The Company's shares are listed on the following Stock Exchanges:

Name and Address of the Stock Exchanges	Stock/Scrip Code	ISIN for CDSL/NSDL Dematerialized Shares
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Email: corp.comm@bseindia.com	523710	INE318C01014

**Listing Fees to Stock Exchanges:**

The Annual Listing Fees due to the BSE Limited for the financial year 2018-19 has been paid by the Company.

form only. We have established connectivity National Securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) through Link Intime India Private Limited, our Registrar and transfer agent. The International Securities Identification Number (ISIN) allotted to our shares under the depository system is INE318C01014.

As on 31st March, 2018, 91.25% of our shares were held in dematerialized form and the rest in the physical form.

**Custodial Fees to Depositories:**

The Company has paid custodial fees for the year 2017-2018 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**Dematerialization of Shares and Liquidity**

Sayaji Shares are tradable in electronic as well as physical

**Market Price Data:**

**High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2017-18 on BSE-**

Month	BSE Sensex Closed	Equity Share Price			No of Shares Traded during the month	Turnover Rs. In Lakhs
		High	Low	Close		
April-2017	29918.4	230	186	211.7	123	1157178
May-2017	31145.8	314.75	205.5	300	550	19383082
June-2017	30921.61	311.5	256.5	283.05	138	63537665
July-2017	32514.94	303.15	242	274.35	76	1088828
August-2017	31730.49	288	234	234	61	843548
Sept.-2017	31283.72	258	234	251	36	645428
Oct.-2017	33213.13	279.3	239.85	279.15	107	2816638
Nov.-2017	33149.35	270	228	247	92	1113853
Dec.-2017	34056.83	259.8	225	228	128	2452454
Jan.-2018	35965.02	319.5	229	279.5	407	5625639
Feb.-2018	34184.04	293	247	270	71	1004330
March-2018	32968.68	305	262	302.95	133	2514757

**M. SHAREHOLDER REFERENCER**

▪ **Share transfer System**

Share transfers are processed and share certificates duly endorsed are delivered within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, and so on of the Company's securities to the Managing Director and/or Company Secretary. A summary of transfer/transmission of securities of the Company so approved by the Managing Director/ Company Secretary is placed at quarterly Board meeting / Stakeholders' Relationship Committee.

The Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub division, consolidation and renewal as required under Regulation 40(9) of the SEBI(LODR)Regulations,2015 and files a copy of the said certificate with Stock Exchanges

▪ **Service of documents**

The Notice, alongwith Report and Accounts, has been sent in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the other Shareholders. Shareholders who wish to update or register their e-mail addresses with the Company or with the Depositories may request to the Company and Registrar and Transfer Agent.

▪ **Nomination facility**

As per the provisions of section 72 of the Companies act 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13.

Shareholders who hold shares in the certificate form and wish to make any nomination / change nomination made earlier in respect of their shareholding in the Company, should submit to the Registrar and Transfer Agent.

▪ **Permanent Account Number (PAN)**

Attention is drawn that Shareholders holding shares in the certificate form are mandatorily required to furnish copy of PAN Card and Bank Account Details in the following cases:

1. Transferee's and Transferor's PAN Cards for transfer of shares.
2. Legal heirs /Nominee's PAN Cards for transmission of shares.
3. Surviving joint holders' PAN Card for deletion of name of deceased shareholders, and

4. Joint Holders PAN Card for transposition of shares.

In terms of the SEBI Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20 April 2018 the Company has issued notice by the Registered Speed Post to all the shareholders holding shares in the physical form to provide PAN and Bank Account Mandate to the Registrar of Companies Share. The Company shall further give two reminders to the shareholders holding shares in the physical form, and if the notices are return back/compliances not made such shares would be considered for strict compliance/ observation norms by the Share Transfer Agent.

▪ **Shares held in Electronic Form**

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) and Bank Account Details by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN and Bank account details to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and bank account details to Registrar and transfer agent.

▪ **Shares held in Physical Form**

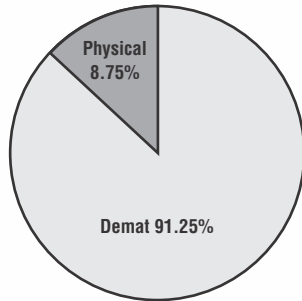
Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agent, Link Intime India Private Limited to provide efficient and better services.

Members holding shares in physical form are requested to intimate such changes to Registrar and transfer agent.

As per BSE Circular dated 6th June, 2018, all the company have issued notice by the Registered Speed Post to all shareholders holding their shares in the physical shall not be transferable in the physical form after 5 December, 2018 except by transmission. The Company shall further issue two reminders by the ordinary post.

Members are requested to get their shares in the physical form to D-mate to avoid hardship for transfer of shares after.5 December, 2018

**Shares held in Demat and Physical Formas on March 31, 2018**



**Unclaimed Dividend**

Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), came into with effect from September 7, 2016, also contain similar provisions for transfer of such amounts to the IEPF. Accordingly, all unclaimed/unpaid dividend, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF.

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account notified by the Authority. The Company shall send individual notices to all the shareholders whose dividend are lying unpaid/unclaimed against their name for seven consecutive years or more and also advertised on the Newspapers seeking action from the shareholders. Shareholders are requested to claim the same as per procedure laid down in the Rules. In case the dividends are not claimed by the due date(s), necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

During the year no dividend had been declared by the Company hence there is no amount of unclaimed dividend lying in the books of the Company which require being transfer into Investor Education & Protection Fund. Further that the Company was also not required to transfer any shares on which the dividend remain unpaid for a consecutive seven years.

**Pending Investors' Grievances**

1. We attended to the most of the investors grievances and postal electronic communications within a period

of 8-10 days from the date of receipt of such grievance  
The Company attends to shareholder /Investor complaints, queries and other correspondence generally within a period of 8-10 working days except where constrained by disputes or legal impediments.

The Company received 4 complaints during the financial year ended on 31.03.2018 and the same were resolved within the reasonable timeline.

The e-mail ID earmarked by the Company for this Purpose: [cs@sayajigroup.com](mailto:cs@sayajigroup.com)

With a view to making the disclosures more accurate and efficient, effective from April, 01 2018, only equity listed entities are required to submit the Investor Complaint Details (Regulation 13 (3)) in the Listing Centre website using the web form provided for that purpose. PDF submission shall not be required to be made by the listed entities, once the companies have successfully filled in the requisite data in the Listing Centre using the web form.

**Investor Servicing And Grievance redressal - External Agencies**

**(a) Ministry of Corporate Affairs (MCA)**

MCA has launched its e-Governance initiative, that is, MCA21, on the MCA portal ([www.mca.gov.in](http://www.mca.gov.in)). One of the key benefits of this initiative is timely redressal of investor grievances. MCA21 system accepts complaints under the e-Form prescribed, which has to be filed online.

The status of complaint can be viewed by quoting the Service Request Number (SRN) provided at the time of filing the complaint.

**(b) Securities and Exchange Board of India (SEBI)**

SEBI, in its endeavour to protect the interest of investors, has provided a platform wherein the investors can lodge their grievances. This facility is known as SEBI Complaints Redress System (SCORES) and is available on the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) and on SCORES' website (<http://scores.gov.in>).

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and Online viewing by investors of actions taken on the complaint and its current status.



All companies against whom complaints are pending on SCORES, have to take necessary steps to resolve the complaint and submit action taken report within thirty days of receipt of complaint and also keep the complainant duly informed of the action taken.

SEBI has issued frequently asked questions SEBI has issued frequently asked questions (FAQs) in respect of SCORES which inter alia lists down the matters which are considered as complaints and handled by SEBI, the matters which are not considered as complaints, how the investor complaints' are handled by SEBI, the arbitration mechanism, etc. These FAQs can be accessed on the link: <http://scores.gov.in/Docs/FAQ-SCORES.pdf>.

**▪ Reconciliation of Share Capital Audit**

A qualified practicing Company Secretary carried out a share capital audit as required under Regulation 55A of Securities and Exchange Board of India (Depositories and Participants) Regulation 1996 to reconcile the total admitted equity share capital with the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

The BSE Limited has been decided that with effect from July 01, 2017 onwards, all listed entities with BSE, would be required to make their filings in respect of Reconciliation of Share Capital Audit Report (Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 in XBRL mode along with the submission of the original Share Capital Audit Report in PDF machine readable mode.

**▪ Secretarial Audit as per Companies Act, 2013:**

Pursuant to the provisions of section 204(1) of the Companies Act, 2013, M/s Ritesh Gupta & Co., Company Secretaries, conducts the secretarial audit of the compliance of applicable statutory provisions of the adherence of good corporate practices by the Company.

In a significant development, Securities and Exchange Board of India’s (SEBI) board, at a meeting held in Mumbai on March 28, 2018, took important decisions on the recommendations of the Committee. The Committee submitted its report detailing several recommendations on October 5, 2017. The regulator’s board decided to accept several recommendations with modifications, which included Secretarial Audit to be mandatory for listed entities and their material unlisted subsidiaries under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**▪ E-voting**

The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard 2 on General Meetings and Reg. 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL)

**Distribution of Shareholding as on March 31, 2018**

No. of Shares (Slab)	No. of Share holders	%	No. of shares	% of share Capital
1-500	3239	94.59	341643	1.95
501-1000	97	2.83	76169	0.43
1001-2000	32	0.93	48145	0.27
2001-3000	14	0.41	34910	0.19
3001-4000	4	0.12	14884	0.85
4001-5000	5	0.14	24105	0.13
5001-10000	7	0.21	46007	0.26
10001 or more	26	0.76	16932137	96.65
<b>TOTAL</b>	<b>3424</b>	<b>100</b>	<b>17518000</b>	<b>100.00</b>

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository

Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.



**Shareholding Pattern as on 31st March, 2018**

	<b>No. of Shares held</b>	<b>%</b>
Promoters	1,31,21,626	74.90
Banks, Financial Institutions, Insurance Companies & Mutual Funds		
i. Banks	0	0.00
ii. Financial Institutions	350	0.00
iii. Insurance Companies	0	0.00
iv. Mutual Funds/UTI	4000	0.02
Central & State Governments	0	0.00
Foreign Institutional Investors	0	0.00
NRIs / Foreign Nationals	3034630	17.32
Directors	0	0
Public and Others	1357394	7.74
<b>TOTAL</b>	<b>17518000</b>	<b>100.00</b>

**Statement showing Shareholding of more than 1% of the Capital as on 31st March, 2018**

<b>S.No.</b>	<b>Name of shareholders</b>	<b>No. of Shares held</b>	<b>% of shareholding</b>
1.	Mr. Raof Razak Dhanani	3898651	22.26%
2.	Mr. Kayum Razak Dhanani	3638079	20.77%
3.	Ahilya Hotels Limited	2455000	14.01%
4.	Late. Mr. Sajid R. Dhanani	2435511	13.90%
5.	Mr. Abdul Gani Sarfaraz Dhanani	748687	4.27%
6.	Ms. Sana yusuf Dhanani	716623	4.09%
7.	Mrs. Nasreen Yusuf Dhanani	715097	4.08%
8.	Mrs. Rohini S. Udar	526000	3.00%
9.	Mrs. Suchitra Dhanani	320829	1.83%
10.	Mrs. Anisha Raoof Dhanani	296578	1.69%
11.	Mr. Ankit Gadiya	278600	1.59%
12.	Mrs. Shraddha Ankit Gadiya	278600	1.59%
13.	Mr. Shashikant Dubey	254850	1.45%

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**N. Particulars of the Last 3 Annual General Meetings/Extra General meeting held-**

i. Last three annual general body meetings were held as per details shown below-

<b>AGM</b>	<b>Date of AGM</b>	<b>Venue of AGM and Time</b>	<b>No of Special Items transacted</b>	<b>Whether Chairman of the Audit Committee has attended the meeting</b>
34th AGM	29.09.2017	Sayaji Hotel, Opposite Rajshree Talkies, Near Kala Ghoda, Sayajiganj, Vadodara – 390005 (Gujarat) at 3.00 P.M.	3	Yes
33rd AGM	26.09.2016	Sayaji Hotel, Opposite Rajshree Talkies, Near Kala Ghoda, Sayajiganj, Vadodara – 390005 (Gujarat) at 3.00 P.M.	1	Yes
32nd AGM	26.09.2015	Sayaji Hotel, Opposite Rajshree Talkies, Near Kala Ghoda, Sayajiganj, Vadodara – 390005 (Gujarat) at 3.00 P.M.	2	Yes

**ii. Extra-ordinary General Meeting**

There was no Extraordinary General Meeting was held during the year 2017-2018.

**Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern-**

During the year, the Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated March 19, 2018 for (a) Shifting of the Registered office from Vadodara in the State of Gujarat to Chennai in the state of the Tamil Nadu (b) Revision of remuneration of Mr. Raof Razak Dhanani (Managing Director) of the Company, the results of which were announced on May 3rd 2018. Mr. Ritesh Gupta (Membership No. 5200 ) of M/s Ritesh Gupta & Company, Practicing Company Secretaries was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Details of Voting Pattern were as under:

**Resolution-1**

Resolution	Shifting of Registered Office from Vadodara in the state of Gujarat to Chennai in the state of Tamil Nadu (within the jurisdiction of the Registrar of Companies, Chennai) and consequential amendment in Memorandum of Association.
Resolution Required: (Ordinary/Special)-	Special
Whether promoter/ promoter are interested in the agenda/resolution-	No

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Category	Mode of Voting	No. of Shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes- in Favour (4)	No. of votes- Against (5)	% of votes in Favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
<b>Promoter &amp; promoter group</b>	<b>E-voting</b>	13,121,626	2,785,029	21.225	2,785,029	0	100	0
	<b>Poll</b>	13,121,626	0	0	0	0	0	0
	<b>Postal ballot (If applicable)</b>	13,121,626	0	0	0	0	0	0
	<b>Total</b>	13,121,626	2,785,029	21.225	2,785,029	0	100	0
<b>Public institution</b>	<b>E-voting</b>	4,350	0	0	0	0	0	0
	<b>Poll</b>	4,350	0	0	0	0	0	0
	<b>Postal ballot (If applicable)</b>	4,350	0	0	0	0	0	0
	<b>Total</b>	4,350	0	0	0	0	0	0
<b>Public non institution</b>	<b>E-voting</b>	4,392,024	76,200	1.735	76,200	0	100	0
	<b>Poll</b>	4,392,024	0	0	0	0	0	0
	<b>Postal ballot (If applicable)</b>	4,392,024	210	0.005	205	5	97.619	2.381
	<b>Total</b>	4,392,024	76,410	1.74	76,405	5	99.993	0.007
<b>Total</b>		<b>17,518,000</b>	<b>2,861,439</b>	<b>16.334</b>	<b>2,861,434</b>	<b>5</b>	<b>100</b>	<b>0</b>

**Resolution-2**

Resolution	Revision in the Remuneration of Mr. Raoof Razak Dhanani (Managing Director) of the Company.
Resolution Required:(Ordinary /Special)-	Special
Whether promoter/promoter are interested in the agenda/resolution-	Yes

Category	Mode of Voting	No. of Shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes- in Favour (4)	No. of votes- Against (5)	% of votes in Favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
<b>Promoter &amp; promoter group</b>	<b>E-voting</b>	13,121,626	2,785,029	21.225	2,785,029	0	100	0
	<b>Poll</b>	13,121,626	0	0	0	0	0	0
	<b>Postal ballot (If applicable)</b>	13,121,626	0	0	0	0	0	0
	<b>Total</b>	13,121,626	2,785,029	21.225	2,785,029	0	100	0
<b>Public institution</b>	<b>E-voting</b>	4,350	0	0	0	0	0	0
	<b>Poll</b>	4,350	0	0	0	0	0	0
	<b>Postal ballot (If applicable)</b>	4,350	0	0	0	0	0	0
	<b>Total</b>	4,350	0	0	0	0	0	0
<b>Public non institution</b>	<b>E-voting</b>	4,392,024	76,200	1.735	76,200	0	100	0
	<b>Poll</b>	4,392,024	0	0	0	0	0	0
	<b>Postal ballot (If applicable)</b>	4,392,024	210	0.005	210	0	100	0
	<b>Total</b>	4,392,024	76,410	1.74	76,405	0	100	0
<b>Total</b>		<b>17,518,000</b>	<b>2,861,439</b>	<b>16.334</b>	<b>2,861,439</b>	<b>0</b>	<b>100</b>	<b>0</b>

▪ **Procedure for postal ballot:**

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 (“Rules”). The Company had completed the dispatch of the Postal Ballot Notice dated March 31, 2018 along with the Explanatory Statement, postal ballot form and self-addressed business reply envelopes on March 31, 2018 to the shareholders who had not registered their e-mail IDs with the Company/Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/Depositories. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed

thereunder.

In compliance with the provisions of Sections 108 and 110 of the Act and rule 20 and 22 of the Rules read with Regulation 44 of the SEBI(LODR) Regulations, 2015 the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from April 1, 2018 (9.00 a.m. IST) to April 30, 2018 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Mr. Ritesh Gupta submitted his report to the Company and the results of the postal ballot were announced by the Company on May 3, 2018. The voting results were sent to the Stock Exchanges and also displayed on the Company’s website [www.sayajihotels.com](http://www.sayajihotels.com)

**0. OTHER INFORMATIONS**

Board Meeting for consideration of Accounts for the financial year ended on March 31, 2018.	30th May, 2018
Date of closing of the financial year	31st March, 2018
Posting of Annual Reports	03.09.2018
Book Closure Dates	11.09.2018 to 12.09.2018
No. of Shares in the Demat & % of the total shares in the Demat	1,59,86,082 Shares (91.25 % of the total paid up capital of the Company)
Total No. of shareholders as at 31.03.2018	3416
Particulars of Shares kept under the suspense A/c as per Regulation 39(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements),2015	N.A./Nil
Details of the outstanding ADR/GDR/ Warrants	Nil
Cutoff date for remote e-voting	21.09.2018
Remote E-Voting period	24.09.2018 to 27.09.2018
Name of the Scrutinizers	M/s Ritesh Gupta & Co., Company Secretaries
Name of the Compliance Officer	Mr. Amit Sarraf
Last date for receipt of Proxy Forms	26.09.2018
Date, Time & Venue of the 35 Annual General Meeting	Date – 28.09.2018 Time – 11.00 am Venue – Re-Gala Party Hall, 113/4, 200 Feet Road, Zamin Pallavaram, Chennai - 600117
Dividend Payment Date	N.A.
Probable date of dispatch of warrants	N.A.

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## MANAGEMENT RESPONSIBILITY STATEMENT

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 the internal controls stated in the guidelines notes on Audit of Internal Financial Controls over the financial reporting issued by the Institute of Chartered Accountants of India(ICAI).These responsibilities include the design ,implementation and maintenance of the adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013.

These financial statements have been audited by M/s K.L. Vyas & Company, Chartered Accountants, the Statutory Auditors of the Company.

**For and on behalf of the Board of Directors**

**Place: Indore**  
**Date: 30.05.2018**

**T.N. Unni**  
**Chairman**  
**DIN-00079237**

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## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

As provided under Regulation 26 and sub- regulation (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2018 as received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**For Sayaji Hotels Limited**

**Place: Indore**  
**Date: 30.05.2018**

**Raof Razak Dhanani**  
**Whole-Time Director**  
**DIN- 00712187**

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## COMPLIANCE CERTIFICATE

[Under Regulation 17(8) of SEBI (LODR) Regulations, 2015]

To,  
**The Board of Directors**  
**Sayaji Hotels Limited**

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Sayaji Hotels Limited (“the Company”) to the best of our knowledge and belief certify that:

- (A) We have reviewed the Financial Statements, Cash Flow Statements, Books of Accounts, detailed trial balance and grouping thereof for the Financial Year 2017-18 and that to the best of our knowledge and belief, we state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  - (3) No transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company’s code of conduct.
- (B) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit committee
- (a) significant changes in internal control over financial reporting during the Financial Year 2017-18
  - (b) significant changes in accounting policies during the period and that the same have been disclosed in the notes of the financial statements; and
  - (c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company’s internal control system over financial reporting.

**For : Sayaji Hotels Limited**

**For : Sayaji Hotels Limited**

**Place: Indore**  
**Date: 30.05.2018**

**Raof Razak Dhanani**  
**Managing Director**  
**DIN-00174654**

**Sandesh Khandelwal**  
**Chief Financial Officer**

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## Auditors Certificate for Corporate Governance Compliance

To  
**The Members,  
Sayaji Hotels Limited**

We have examined the compliance of conditions of corporate governance by Sayaji Hotels Limited, ('the Company'), for the year ended on March, 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our examination in accordance with the Guidance Note on reports or certificates for special purpose (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the code of the ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the standards on quality control (SQC) 1, quality controls for firms that perform Audits and reviews of historical financial information, and other assurance and related service engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place : Indore  
Date : 14.08.2018**

**For K.L. Vyas & Company,  
FRN: 003289C  
Chartered Accountants**

**(K.L.Vyas)  
Partner  
M. No. 72043**

## INDEPENDENT AUDITORS' REPORT

**To,  
The Members,  
Sayaji Hotels Limited,**

### **Report on the Standalone Ind AS Financial Statements**

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, and its cash flows 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 A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Notes 48 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For K.L. Vyas & Company,  
Chartered Accountants,  
FRN: 003289C**

**Place of Signature : Indore  
Date : 30<sup>th</sup> May, 2018**

**(K.L. Vyas)  
Partner  
M. No. 072043**

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**ANNEXURE –A TO THE AUDITORS’ REPORT**

**ANNEXURE REFERRED TO IN CLAUSE 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SAYAJI HOTELS LIMITED ON THE STANDALONE IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018.**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details of fixed assets, however for some fixed assets, situation of the assets is not given and identification numbers are also not been given, which need to be updated. We have been informed by Management that above Work is in progress.
- (b) Physical verification of fixed assets has been carried out by the Management at most of the Units in accordance with a phased programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the conveyance deed provided to us, we report that, the title deeds, comprising of all the immovable properties of land and buildings which are freehold, are in the name of the Company as at the balance sheet date.

In respect of immovable properties been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company, however, there is a notice for cancellation of lease by the Indore Development Authority for cancelling the lease of one leasehold land situated in Indore with carrying value of Rs. 2291.62 Lakhs, which company is contesting.

- (ii) (a) The physical verification of the inventory is being conducted on a monthly basis by the management and no material discrepancies were noticed.

- (iii) (a) Company has not granted any loan to any Company, firm, LLP or any other party required to be covered in register maintained under section 189 of the Companies Act, 2013.

In view of situation explained as above provisions of clause 3 (iii) (b) & (c) of the Order are not applicable to be Company.

- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under, with regard to the deposits accepted from the public. According to information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) Central Government has not prescribed for the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013, for any of the business activity carried by the Company during the year under review.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees’ state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax & cess and other material statutory dues as may be applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, wealth tax, excise duty and cess were in arrears, as at 31.03.2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations



given to us, details of the dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess

which have not been deposited on account of any dispute are given below.

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>	<b>Total Amount (Rs. In Lakhs)</b>
Finance Act, 1994 and Service Tax laws	Service Tax	Mar.'05-Mar.'09	High Court of M.P., Indore Bench, Indore	256.78
	Service Tax	2009-2011	High Court of M.P., Indore Bench, Indore	800.74
	Service Tax	2009-2013	Honourable CESTAT, Mumbai.	39.27
	Service Tax	Apr.'11-Jun.'12	High Court of M.P., Indore Bench, Indore	538.54
	Service Tax	Apr'12 – Mar.15	Honourable CESTAT, Ahmedabad	2.02
	Service Tax	Apr'10 – Mar.15	Honourable CESTAT, Indore	46.05
Income Tax Act, 1961.	Tax deducted at Source	A.Y.09-10	Commissioner of Income Tax (Appeals), Indore. Commissioner of Income Tax (Appeals), Vadodara	2.15
		A.Y.10-11		1.09
		A.Y.14-15		
M.P. Value Added Tax Act, 2002	Value Added Tax	2010-11	Appellate Tribunal, Commercial Taxes, Indore. Commissioner (Appeal), Commercial Taxes, Indore	0.56
		2011-12		10.91
		2011-12		37.72
		2012-13		2.87
		2013-14		0.52
		2014-15		2.94
		2015-16		3.61
M.P. Luxury, Entertainment & Advertisement Tax Act, 2011	Luxury Tax	2012-2013	Commissioner (Appeal), Commercial Taxes, Indore	40.60
		2013-2014		30.85
		2014-2015		26.00
		2015-2016		26.04
M.P. Entry Tax Act, 1976	Entry Tax	2012-2013	Commissioner (Appeal), Commercial Taxes, Indore	0.01
		2014-2015		1.76
		2015-2016		17.00
M.P. Municipal Corporation Act, 1956	Property Tax	2015-16	The Mayor-In-Council, Indore Municipal Corporation, Indore	46.39
			<b>TOTAL</b>	<b>1934.43</b>

- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, Government or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year, however, the Company has raised term loans during the year and were applied for the purposes for which those were raised.
- (x) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For K.L. Vyas & Company,  
Chartered Accountants,  
FRN: 003289C**

**(K.L. Vyas)  
Partner  
M. No. 072043**

**Place of Signature : Indore  
Date : 30<sup>th</sup> May, 2018**

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## **ANNEXURE –B TO THE AUDITORS’ REPORT**

### **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 Sayaji Hotels Limited (“the Company”) as of 31 March 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 (‘ICAI’). 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the 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 31 March 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 K.L. Vyas & Company,  
Chartered Accountants,  
FRN: 003289C**

**Place of Signature : Indore  
Date : 30<sup>th</sup> May, 2018**

**(K.L. Vyas)  
Partner  
M. No. 072043**

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**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2018**

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant & Equipments	2	14,651.16	15,548.26	13,008.64
(b) Capital work-in-progress	3	35.47	7.36	3,318.80
(c) Intangible assets	4	71.88	6.44	9.59
(d) Investment in Subsidiary, Joint Venture & Associate	5	1,953.58	1,953.58	1,953.58
(e) Financial Assets				
(i) Investments	6	0.44	0.44	0.83
(ii) Trade Receivables	-	-	-	-
(iii) Loans	7	523.92	55.27	12.38
(iv) Other Financial Assets	8	94.31	88.37	3.10
(f) Deferred Tax assets (net)	9	1,353.38	1,292.58	1,108.47
(g) Other non-current assets	10	837.45	572.01	375.57
<b>Total Non-Current Assets</b>		<b>19,521.59</b>	<b>19,524.31</b>	<b>19,790.96</b>
<b>2 Current assets</b>				
(a) Inventories	11	1,704.08	1,429.43	1,468.63
(b) Financial Assets				
(i) Investments	-	-	-	-
(ii) Trade Receivables	12	870.03	633.74	906.39
(iii) Cash and Cash Equivalents	13	1,214.95	1,361.15	69.23
(iv) Bank balances other than (iii) above	14	-	25.60	519.46
(v) Loans	15	65.93	115.28	103.38
(vi) Other Financial Assets	16	303.48	194.11	1,438.49
(c) Current Tax Assets (net)	17	-	43.47	-
(d) Other current assets	18	723.18	1,179.38	443.77
<b>Total Current Assets</b>		<b>4,881.65</b>	<b>4,982.16</b>	<b>4,949.35</b>
<b>TOTAL ASSETS</b>		<b>24,403.24</b>	<b>24,506.47</b>	<b>24,740.31</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1 EQUITY</b>				
(a) Equity Share Capital	19	1,751.80	1,751.80	1,751.80
(b) Other Equity	20	5,830.53	6,193.01	6,807.74
<b>Total Equity</b>		<b>7,582.33</b>	<b>7,944.81</b>	<b>8,559.54</b>
<b>2 LIABILITIES</b>				
<b>2.1 Non-current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	21	8,430.70	8,052.67	3,763.91
(ii) Trade Payables	-	-	-	-
(iii) Other Financial Liabilities	22	2,084.41	2,084.33	2,065.86
(b) Provisions	23	570.78	533.96	474.08
(c) Deferred Tax Liabilities (Net)	-	-	-	-
(d) Deferred Revenue	24	579.18	636.04	-
<b>Total Non-Current Liabilities</b>		<b>11,665.07</b>	<b>11,307.00</b>	<b>6,303.85</b>
<b>2.2 Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	25	1,412.24	1,497.45	4,215.15
(ii) Trade Payables	26	1,176.48	779.41	1,131.67
(iii) Other Financial Liabilities	27	1,292.83	1,897.54	3,366.25
(b) Provisions	28	485.86	465.50	399.29
(c) Current Tax Liabilities (Net)	29	38.70	-	275.13
(d) Other Current Liabilities	30	749.73	614.76	489.43
<b>Total Current Liabilities</b>		<b>5,155.84</b>	<b>5,254.66</b>	<b>9,876.92</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,403.24</b>	<b>24,506.47</b>	<b>24,740.31</b>

**Significant Accounting Policies and other Notes**  
 These notes form an integral part of these financial statements  
 In Terms of our Report Attached

1-55

**For K.L.Vyas & Company**  
 Chartered Accountants  
 Firm Regn. No. 003289C

**K.L.Vyas**  
 Partner  
 M.No. 072043

Indore, 30<sup>th</sup> May 2018

**For and on behalf of the Board of Directors**

**T.N Unni**  
 Director  
 DIN-00079237

**Sandesh Khandelwal**  
 Chief Financial Officer

**Raooof Razak Dhanani**  
 Managing Director  
 DIN-00174654

**Amit Sarraf**  
 Company Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

Rs. in Lakhs Except EPS

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	<b>Income</b>			
II	Revenue From Operations	31	19,150.44	15,778.43
III	Other Income	32	246.41	139.36
IV	<b>Total Revenue (II+III)</b>		<b>19,396.85</b>	<b>15,917.79</b>
V	<b>Expenses :</b>			
	Food and Beverages Consumed	33	4,169.33	3,683.60
	Employee Benefits Expenses	34	5,373.42	3,906.67
	Finance Costs	35	1,374.94	1,613.11
	Depreciation and Amortization Expenses	2&4	2,045.36	2,104.85
	Operating Expenses	36	4,678.91	3,926.41
	Other Expenses	37	2,131.34	1,422.88
	<b>Total Expenses</b>		<b>19,773.30</b>	<b>16,657.52</b>
VI	<b>Profit before exceptional items and tax (IV-V)</b>		<b>(376.45)</b>	<b>(739.73)</b>
VII	<b>Exceptional items</b>	38	-	-
VIII	<b>Profit/(Loss) before tax (VI-VII)</b>		<b>(376.45)</b>	<b>(739.73)</b>
IX	Tax Expense :			
	(1) Current Tax		126.44	43.18
	(2) Deferred Tax		(60.99)	(183.92)
	(3) Earlier year taxes		(18.44)	28.96
	<b>Total (IX)</b>		<b>47.01</b>	<b>(111.78)</b>
X	<b>Profit/(Loss) for the year after Tax (VIII-IX)</b>		<b>(423.46)</b>	<b>(627.95)</b>
XI	<b>Other Comprehensive Income</b>			
	A Items that will not be reclassified to profit or loss			
	(i) Actuarial Gain/(Loss) on Defined Benefit Plan		92.69	20.59
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(32.08)	(7.00)
	B Items that will be reclassified to profit or loss			
	(i) Changes in Cash Flow Hedge Reserve		0.56	(0.56)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(0.19)	0.19
	<b>Other Comprehensive Income for the year, net of tax</b>		<b>60.98</b>	<b>13.22</b>
XII	<b>Total Comprehensive Income for the year (X+XI)</b>		<b>(362.48)</b>	<b>(614.73)</b>
XIII	<b>(Comprising Profit/(Loss) and Other Comprehensive Income for the year)</b>			
	Earnings per equity share	39		
	(1) Basic		(3.10)	(4.27)
	(2) Diluted		(3.10)	(4.27)

**Significant Accounting Policies and other Notes**  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**

Chartered Accountants  
Firm Regn. No. 003289C

**K.L.Vyas**

Partner

**M.No. 072043**

**Indore, 30<sup>th</sup> May 2018**

1-55

**For and on behalf of the Board of Directors**

**T.N Unni**

Director  
DIN-00079237

**Raof Razak Dhanani**

Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax from continuing operations</b>	<b>(376.45)</b>	<b>(739.73)</b>
<b>Non-cash/Non-Operating adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation & Amortisation including adjustments	2,045.36	2,104.85
Deferred Income Amortisation	(87.75)	(52.88)
Deferred Expense Amortisation	9.15	4.46
(Profit) /Loss on Sale/Disposal of Property, Plant & Equipment	(0.69)	37.70
Interest Expense	1,374.94	1,613.11
Interest Received	(97.52)	(18.17)
Prepaid Lease charges on Security Deposit	15.77	4.38
Prepaid Lease income on Security Deposit	(4.71)	(4.55)
Foreign Exchange gain/ (loss) on Derivative Liability	(12.78)	(0.71)
<b>Operating profit before Working Capital changes</b>	<b>2,865.32</b>	<b>2,948.46</b>
<b>Adjustments for:</b>		
(Increase)/ Decrease in trade and other receivables	(567.03)	1,016.78
(Increase) / Decrease in Inventory	(274.65)	39.20
Increase/ (Decrease) in trade and other payables	535.19	(389.73)
<b>Cash generated from operations</b>	<b>2,558.83</b>	<b>3,614.71</b>
Income Taxes (Paid)/Refund	(57.91)	(397.74)
<b>Net Cash from Operating Activity (A)</b>	<b>2,500.92</b>	<b>3,216.97</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(1,245.04)	(1,368.71)
Sale/Disposal of Property, Plant & Equipment	3.92	1.13
Govt. Grant Received / Deferred Revenue Received	22.40	774.43
Sale of Investments	-	0.39
Maturity/(Investment) in Non Current Fixed Deposits	(5.94)	(85.27)
Interest Received	91.03	16.60
<b>Net Cash Flow from Investing Activity(B)</b>	<b>(1,133.63)</b>	<b>(661.43)</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Long Term Borrowings	(652.19)	2,889.47
Proceeds/(Repayment) of loans from others	434.19	(2,604.57)
Interest & Other Borrowing Costs Paid	(1,176.08)	(1,435.39)
<b>Net cash used in Financing Activity (C)</b>	<b>(1,394.08)</b>	<b>(1,150.49)</b>
<b>Net increase/decrease in cash and cash equivalents(A+B+C)</b>	<b>(26.79)</b>	<b>1,405.05</b>
Cash and cash equivalents at the beginning of the year	983.61	(421.44)
Cash and cash equivalents at the close of the year	956.81	983.61

**Notes:**

- The above cash flow statement has been prepared under the indirect method set out in Ind AS -7 'Statement of Cash Flows'.
- For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

(Rs. In Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with Banks	1,101.14	1,337.95	36.92
Cash on hand	43.63	23.20	32.31
Investment in Mutual Fund	70.18	-	-
Less: Bank Overdraft	258.14	377.54	490.67
	<b>956.81</b>	<b>983.61</b>	<b>(421.44)</b>

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
**Firm Regn. No. 003289C**  
**K.L.Vyas**  
Partner  
**M.No. 072043**  
**Indore, 30<sup>th</sup> May 2018**

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

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**Significant Accounting Policies for the FY 2017-18:- Separate Financial Statements****A. Reporting entity**

Sayaji Hotels Limited (SHL” or the “Company”), is a company domiciled in India and limited by shares (CIN: L51100GJ1982PLC005131). The shares of the company are publicly traded on Bombay Stock Exchange of India Limited. The address of the Company’s registered office is F1 C2 Sivavel Apartment, 2 Alagappa Nagar, Zamin Pallavaram, Chennai Tamil Nadu - 600117 The Company is primarily engaged in the business of owning, operating & managing hotels.

The Financial Statements for the year ended 31st March, 2018 were approved by Board of Directors and authorized for issue on 30th May, 2018.

**B. Basis of Preparation****1. Statement of Compliance**

These Separate Financial Statements are prepared on accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent applicable), applicable provisions of the Companies Act, 1956. These are Company’s first Ind AS compliant financial statements and Ind AS 101 ‘First Time Adoption of Indian Accounting Standards’ has been applied.

For all period upto and including 31st March 2017, the company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, accounting standards specified under Section 133 of the Companies Act, 2013, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956. The Company followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as on the date of Transition, viz. 1st April 2016. Some of the Company’s Ind AS Accounting policies used in the opening Balance sheet are different from its previous GAAP policies applied as at 31st March 2016, accordingly the adjustment were made to restate the opening balance as per Ind AS. The resulting adjustment arose from events and transaction before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1st April 2016. This is the effect of the general rule of the Ind AS 101 which is to apply Ind AS retrospectively.

An Explanation of how the transition to Ind AS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note.

**2. Basis of measurement/Use of Estimates**

- (i) The Financial Statements are prepared on accrual basis under the historical cost convention except certain financial assets and liabilities (including derivatives instruments) that are measured at fair value. The methods used to measure fair values are discussed in notes to financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

- (ii) The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major Estimates are discussed in Part C.

**3. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company’s functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (upto two decimals), except as stated otherwise.

**C. Significant accounting policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 and Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets at 1 April 2016, the Company’s date of transition to Ind AS, according to the previous GAAP were maintained in transition to Ind AS.

**Significant Accounting Policies for the FY 2017-18:- Separate Financial Statements****1. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

**2. Property Plant & Equipment****2.1. Initial recognition and measurement**

An item of property, plant and equipments recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, borrowing cost, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalized.

**2.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in profit or loss as incurred.

**2.3. Derecognition**

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

**2.4. Depreciation/amortization**

Depreciation of each part of an item of Property, Plant and Equipment is recognized in profit or loss on a Written Down Value Method over the estimated useful lives as prescribed in Schedule II of Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of assets had been re-assessed as under based on technical evaluation, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support of each part of an item of Property, Plant and Equipment.

**Significant Accounting Policies for the FY 2017-18:- Separate Financial Statements**

**Class of Assets**

**Useful Life**

Assets constructed on leased premises. Over the lease period

Leasehold lands are amortized over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Assets constructed on leased premises are depreciated/amortized over the lease period.

Assets costing up to Rs. 5,000/- are fully depreciated in the year of acquisition.

Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

**3. Capital work-in-progress**

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

**4. Intangible assets and intangible assets under development**

**4.1. Initial recognition and measurement**

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

**4.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

**4.3. Derecognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

**4.4. Amortization**

Intangible assets having definite life are amortized on Written Down Value method in their useful lives. Useful life of computer software is estimated at five years. If life of any intangible asset is indefinite then it is not amortized and tested for Impairment at the reporting date.

**5. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

All other borrowing costs are charged to revenue as and when incurred.

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 –

**Significant Accounting Policies for the FY 2017-18:- Separate Financial Statements**

'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 17 – 'Leases' (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and (d) other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

**6. Investment in Subsidiary, Associate & Joint Venture**

These are Company's Separate Financial Statements. Company has opted to show investments in Subsidiary, Associates & Joint Venture at cost. Dividend from these is recognized as and when right to receive is established.

Impairment loss is recognized as per Ind AS 36.

**7. Inventories**

Inventories Stock of Food and Beverages and stores and operating supplies are valued carried at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition, including duties and taxes (other than those refundable). Cost is determined on Weighted Average Basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

**8. Cash and Cash Equivalent**

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

**9. Government Grants**

Government grants that compensate the company for the cost of asset are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant and are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

**10. Provisions and contingent liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.



**Significant Accounting Policies for the FY 2017-18:- Separate Financial Statements****11. Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

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 recognized in profit or loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**12. Revenue**

Revenue is recognised 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 and taking into account contractually defined terms of payment. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company operates loyalty programme, which allows its eligible customers to earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenue allocated to award points is deferred and on redemption of the award points, the revenue is recognised. Membership fees received from the loyalty program is recognised as revenue on time-proportion basis.

**12.1 Rendering of services**

Revenue comprises sale of rooms, food and beverages, allied services relating to Hotel operations, including management fees for the management of the hotels.

Revenue is recognized upon rendering of service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Life Membership fees is amortised over a period of 10 years, taken as an estimate by the management. Life time club membership fees treated as income in the year of receipt.

Sale is exclusive of Luxury tax, Sales tax, Service Tax and other taxes. Sales tax under the composition scheme is also excluded. Revenue from sales of goods or rendering of services is net of indirect taxes, returns and discounts.

Life Membership fees is amortised over a period of 10 years, taken as an estimate by the management.

Management Fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner and is recognised when earned in accordance with the terms of the contract.

**12.2 Interest Income**

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, wherever appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (which inter alia includes for example, prepayment, extension, call and similar options) but does not consider excluding the expected credit losses. Interest income is included in other income in the statement of profit or loss.

**12.3 Dividend**

Dividend Income is recognised when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

**12.4 Other Income**

Other income is recognized in the statement of profit and loss when increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

**13. Employee Benefits****13.1. Short Term Benefit**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Significant Accounting Policies for the FY 2017-18:- Separate Financial Statements****13.2. Post-Employment benefits**

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two type:

**13.2.1. Defined contribution plans**

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities under the plan and will have no legal or constructive obligation to pay further amounts to employee in future under the Plan. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation.

**13.2.2. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

**13.2.3. Long Term Employee Benefit**

Benefits under the Company's leave encashment constitute other long term employee benefits.

Leave Encashment is determined based on the available leave entitlement at the end of the year.

**14. Income Taxes**

Income tax expense comprises current and deferred tax. Current Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is the current and deferred tax are also recognized in OCI or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under 'Income tax payable' net of payments on account, or under 'Tax receivables' where there is a debit balance. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

**Significant Accounting Policies for the FY 2017-18:- Separate Financial Statements****15. Leases As Lessee****Accounting for finance leases**

Leases of Property, Plant and Equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as Property, Plant and Equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

**Accounting for operating leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term charged to the Statement of Profit and Loss on a straight- line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

**16. Impairment of Non-financial Assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of goodwill of that CGU, if any and then the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**17. Operating Segments**

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. For management purpose company is organized into major operating activity of hoteliering in India. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

**18. Dividends**

Dividends and interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

**19. Material Prior Period Errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

**20. Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**Significant Accounting Policies for the FY 2017-18:- Separate Financial Statements****21. Statement of Cash Flows**

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of cash flows.

**22. 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.

**22.1. Financial assets****Initial recognition and measurement**

All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

**Subsequent measurement****Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized 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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTOCI (Fair Value through OCI)**

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 OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL (Fair value through profit or loss)**

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 classify 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'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Equity investments**

All equity investments in entities other than subsidiaries, associates and joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instruments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However the company may transfer cumulative gain or loss within the equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss. Equity investments in subsidiaries, associated and joint ventures are measured at cost.

**Significant Accounting Policies for the FY 2017-18:- Separate Financial Statements****Derecognition**

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

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

**Impairment of financial assets**

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- 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
- The Company follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes 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 recognizing impairment loss allowance based on 12-month ECL.

**22.2 Financial liabilities****Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition**

A financial liability is derecognized 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 recognized in the statement of profit or loss.

**Derivative financial instruments**

The Company uses forwards to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis

## Significant Accounting Policies for the FY 2017-18:- Separate Financial Statements

adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

### Hedges that meet the criteria for hedge accounting are accounted for as follows:

#### a) Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

#### b) Fair Value Hedge

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

23. The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/investments, impairment charges, exchange gain/loss on long term borrowings/ assets and changes in fair value of derivative contracts.

### A. Major Estimates made in preparing Financial Statements

#### 1. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

#### 2. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

#### 3. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

#### 4. Impairment Test of Non-Financial Assets:

The recoverable amount of investment in subsidiary is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee company. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.



**Statement of Changes in Equity for the year ended 31st March, 2018**

<b>A. Equity Share Capital</b>							<b>(Rs. In Lakhs)</b>
<b>Balance as at 1st April, 2017</b>	<b>Changes in equity share capital during the year</b>			<b>Balance as at 31st March, 2018</b>			
1,751.80	-			1,751.80			
<b>B. Other Equity</b>							<b>(Rs. In Lakhs)</b>
<b>Particulars</b>	<b>Equity component of compound financial instruments</b>	<b>Reserve and surplus</b>			<b>Effective portion of Cash Flow Hedges</b>	<b>Total</b>	
		<b>Securities Premium Reserve</b>	<b>General Reserve</b>	<b>Retained Earnings</b>			
<b>Balance as at 1st April, 2017</b>	251.66	5,944.60	641.48	(644.36)	(0.37)	6,193.01	
Profit/(Loss) for the year	-	-	-	(423.46)	-	(423.46)	
Other Comprehensive Income for the year	-	-	-	60.61	0.37	60.98	
<b>Total Comprehensive Income for the Year</b>	-	-	-	<b>(362.85)</b>	<b>0.37</b>	<b>(362.48)</b>	
Cash dividends	-	-	-	-	-	-	
Dividend distribution tax on cash dividend	-	-	-	-	-	-	
Transfer to retained earnings	-	-	-	-	-	-	
Issue of share capital	-	-	-	-	-	-	
<b>Balance as at 31st March, 2018</b>	251.66	5,944.60	641.48	<b>(1,007.21)</b>	<b>(0.37)</b>	<b>5,830.53</b>	

<b>A. Equity Share Capital</b>							<b>(Rs. In Lakhs)</b>
<b>Balance as at 1st April, 2016</b>	<b>Changes in equity share capital during the year</b>			<b>Balance as at 31st March, 2017</b>			
1,751.80	-			1,751.80			
<b>B. Other Equity</b>							<b>(Rs. In Lakhs)</b>
<b>Particulars</b>	<b>Equity component of compound financial instruments</b>	<b>Reserve and surplus</b>			<b>Effective portion of Cash Flow Hedges</b>	<b>Total</b>	
		<b>Securities Premium Reserve</b>	<b>General Reserve</b>	<b>Retained Earnings</b>			
<b>Balance as at 1st April, 2016</b>	251.66	5,944.60	641.48	(30.00)	-	6,807.74	
Profit/(Loss) for the year	-	-	-	(627.95)	-	(627.95)	
Other Comprehensive Income for the year	-	-	-	13.59	(0.37)	13.22	
<b>Total Comprehensive Income for the Year</b>	-	-	-	<b>(614.36)</b>	<b>(0.37)</b>	<b>(614.73)</b>	
Cash dividends	-	-	-	-	-	-	
Dividend distribution tax on cash dividend	-	-	-	-	-	-	
Transfer from retained earnings	-	-	-	-	-	-	
Issue of share capital	-	-	-	-	-	-	
<b>Balance as at 31st March, 2017</b>	251.66	5,944.60	641.48	<b>(644.36)</b>	<b>(0.37)</b>	<b>6,193.01</b>	

Significant Accounting Policies and other Notes 1-55  
 These notes form an integral part of these financial statements in terms of our report attached

**For K.L.Vyas & Company**

Chartered Accountants  
 Firm Regn. No. 003289C

**K.L.Vyas**  
 Partner

**M.No. 072043**

**Indore, 30<sup>th</sup> May 2018**

**For and on behalf of the Board of Directors**

**T.N Unni**  
 Director

DIN-00079237

**Sandesh Khandelwal**  
 Chief Financial Officer

**Raof Razak Dhanani**  
 Managing Director

DIN-00174654

**Amit Sarraf**  
 Company Secretary



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**NOTE 2: PROPERTY PLANT & EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)**
**(Rs. In Lakhs)**

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2017	Additions	Deletions/ Adjustment	As at 31.03.2018	Upto 01.04.2017	For the Year	Deletions/ Adjustment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Freehold Land	2,637.00	-	-	2,637.00	-	-	-	-	2,637.00	2,637.00
Leasehold Land	2,114.11	-	-	2,114.11	30.95	30.98	-	61.93	2,052.18	2,083.16
Buildings	9,398.68	793.11	(5.67)	10,186.12	1,021.41	1,250.65	(4.55)	2,267.51	7,918.61	8,377.27
Plant and Equipments	1,746.81	84.28	(7.34)	1,823.75	271.87	270.27	(6.46)	535.68	1,288.07	1,474.94
Furniture & Fixtures	955.76	58.38	(26.35)	987.79	202.93	342.54	(26.07)	519.40	468.39	752.83
Service Equipment	83.27	144.69	(5.16)	222.80	32.44	53.16	(5.11)	80.49	142.31	50.83
Vehicles	125.87	31.13	(45.47)	111.53	40.54	32.40	(43.20)	29.74	81.79	85.33
Computers	181.52	23.79	-	205.31	94.62	47.88	-	142.50	62.81	86.90
<b>Total</b>	<b>17,243.02</b>	<b>1,135.38</b>	<b>(89.99)</b>	<b>18,288.41</b>	<b>1,694.76</b>	<b>2,027.88</b>	<b>(85.39)</b>	<b>3,637.25</b>	<b>14,651.16</b>	<b>15,548.26</b>

**(Rs. In Lakhs)**

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2016	Additions	Deletions/ Adjustment	As at 31.03.2017	Upto 01.04.2016	For the Year	Deletions/ Adjustment	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Freehold Land	2,637.00	-	-	2,637.00	-	-	-	-	2,637.00	2,637.00
Leasehold Land	2,113.11	1.00	-	2,114.11	-	30.95	-	30.95	2,083.16	2,113.11
Buildings	5,733.31	3,823.49	(158.12)	9,398.68	-	1,143.32	(121.91)	1,021.41	8,377.27	5,733.31
Plant and Equipments	1,180.76	558.05	8.00	1,746.81	-	267.61	4.26	271.87	1,474.94	1,180.76
Furniture & Fixtures	982.54	261.97	(288.75)	955.76	-	485.53	(282.60)	202.93	752.83	982.54
Service Equipment	72.56	10.71	-	83.27	-	32.44	-	32.44	50.83	72.56
Vehicles	122.37	3.50	-	125.87	-	40.54	-	40.54	85.33	122.37
Computers	166.99	14.93	(0.40)	181.52	-	94.66	(0.04)	94.62	86.90	166.99
<b>Total</b>	<b>13,008.64</b>	<b>4,673.65</b>	<b>(439.27)</b>	<b>17,243.02</b>	-	<b>2,095.05</b>	<b>(400.29)</b>	<b>1,694.76</b>	<b>15,548.26</b>	<b>13,008.64</b>

Information regarding gross block of property plant and equipment and accumulated depreciation under previous GAAP is as follows:

**(Rs. in Lakhs)**

Particulars	Gross Block as at 31.03.2016	Accumulated Depreciation As at 31.03.2016	Net Block as at 01.04.2016 (Deemed cost)	Ind as Adjustment	Opening balance as at 01.04.2016
Free Hold Land	2,637.00	-	2,637.00	-	2,637.00
Lease Hold Land	2,294.06	-	2,294.06	(180.95)	2,113.11
Buildings	12,959.99	7,226.68	5,733.31	-	5,733.31
Plant & Equipment	3,886.25	2,705.49	1,180.76	-	1,180.76
Furniture & Fixtures	6,614.41	5,631.87	982.54	-	982.54
Service Equipments	819.71	747.15	72.56	-	72.56
Vehicles	653.99	531.62	122.37	-	122.37
Computers	605.51	438.52	166.99	-	166.99
<b>Total</b>	<b>30,470.92</b>	<b>17,281.33</b>	<b>13,189.59</b>	<b>(180.95)</b>	<b>13,008.64</b>

2.1 Refer Note 21.6 for information on property, plant and equipment pledged as security by the Company.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**NOTE 3 : CAPITAL WORK-IN-PROGRESS**

(Rs. In Lakhs)

Particulars	As at 01.04.2017	Additions	Capitalised during the year	As at 31.03.2018
Capital work in progress	7.36	28.11	-	35.47
<b>Total</b>	<b>7.36</b>	<b>28.11</b>	<b>-</b>	<b>35.47</b>

(Rs. In Lakhs)

Particulars	As at 01.04.2016	Additions	Capitalised during the year	As at 31.03.2017
Capital work in progress	3,318.80	814.90	4,126.34	7.36
<b>Total</b>	<b>3,318.80</b>	<b>814.90</b>	<b>4,126.34</b>	<b>7.36</b>

**The amount of expenditures recognised in CWIP during construction period**

(Rs. In Lakhs)

Particulars	For the year Ended as on 31.03.2018	For the year Ended as on 31.03.2017
<b>(a) Expenses Recognised in P/L</b>		
Employee Benefits Expenses	-	53.45
<b>Total expenses</b>	<b>-</b>	<b>53.45</b>
<b>(b) Capital Inventory and stores</b>	28.11	761.45
<b>Total additions during the year (a) + (b)</b>	<b>28.11</b>	<b>814.90</b>

^carried to Capital Work in Progress (Note 3)

**NOTE 4: INTANGIBLE ASSETS (ACQUIRED)**

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2017	Additions	Deletions/ Adjustment	As at 31.03.2018	Upto 01.04.2017	For the Year	Deletions/ Adjustment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Software & Licences	16.24	82.92	-	99.16	9.80	17.48	-	27.28	71.88	6.44
<b>Total</b>	<b>16.24</b>	<b>82.92</b>	<b>-</b>	<b>99.16</b>	<b>9.80</b>	<b>17.48</b>	<b>-</b>	<b>27.28</b>	<b>71.88</b>	<b>6.44</b>

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2016	Additions	Deletions/ Adjustment	As at 31.03.2017	Upto 01.04.2016	For the Year	Deletions/ Adjustment	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Software & Licences	9.59	6.65	-	16.24	-	9.80	-	9.80	6.44	9.59
<b>Total</b>	<b>9.59</b>	<b>6.65</b>	<b>-</b>	<b>16.24</b>	<b>-</b>	<b>9.80</b>	<b>-</b>	<b>9.80</b>	<b>6.44</b>	<b>9.59</b>

**Information regarding gross block of Intangible Assets and accumulated amortization under previous GAAP is as follows:**

(Rs. In Lakhs)

Particulars	Gross Block As at 31.03.2016	Accumulated Depreciation As at 31.03.2016	Net Block As at 01.04.2016 (Deemed cost)	Opening balance As at 01.04.2016
Software & Licences	141.72	132.13	9.59	9.59
<b>Total</b>	<b>141.72</b>	<b>132.13</b>	<b>9.59</b>	<b>9.59</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**NON CURRENT ASSETS**

**Note 5 : Investment in Subsidiary**

Particulars	Number of shares Current Year / (Previous Year) / [Date of Transition]	Face Value per share Current Year / (Previous Year) / [Date of Transition]	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Subsidiary* (Unquoted at cost)					
Sayaji Housekeeping Services Ltd. (Equity Shares)	63,65,000 (6365000) [6365000]	10 (10) [10]	636.50	636.50	636.50
Sayaji Housekeeping Services Ltd. (Preference Shares)	10,000 (10000) [10000]	10 (10) [10]	1.00	1.00	1.00
Malwa Hospitality Pvt. Ltd. (Equity Shares)	68,93,998 (6893998) [6893998]	10 (10) [10]	689.40	689.40	689.40
Aries Hotels Pvt. Ltd. (Equity Shares)	52,18,000 (5218000) [5218000]	10 (10) [10]	770.20	770.20	770.20
Less: Provision for impairment in value of Investment **			(143.52)	(143.52)	(143.52)
<b>Total</b>			<b>1,953.58</b>	<b>1,953.58</b>	<b>1,953.58</b>
<b>Aggregate value of unquoted investments</b>			<b>1,953.58</b>	<b>1,953.58</b>	<b>1,953.58</b>

\* As per Ind AS 27 (Separate Financial Statements)

\*\* The company has recognised an impairment amounting to Rs.Nil (31st March, 2017 Rs. Nil; 1st April, 2016 Rs. 143.52 Lakhs) on above investment. The impairment is recognised in Statement of Profit and Loss A/c

**Note 6:Non Current Financial Asset: Investments**

Particulars	Number of shares Current Year / (Previous Year) / [Date of Transition]	Face Value per share Current Year / (Previous Year) / [Date of Transition]	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A. Trade Investments (Unquoted At FVTPL)*</b>					
Genex Hotels Pvt. Ltd.	1,100 (1,100) [5,000]	10.00 (10.00) [10.00]	0.11	0.11	0.50
Winner Hotels Pvt. Ltd	2,300 (2,300) [2,300]	10.00 (10.00) [10.00]	0.23	0.23	0.23
<b>Sub-Total (A)</b>			<b>0.34</b>	<b>0.34</b>	<b>0.73</b>
<b>B. Other Investments (Unquoted at FVTPL)*</b>					
Bharat Equity Services Ltd.	1,00,000 (100000) [100000]	10.00 (10.00) [10.00]	0.10	0.10	0.10
<b>Sub-Total (B)</b>			<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
<b>Total (A+B)</b>			<b>0.44</b>	<b>0.44</b>	<b>0.83</b>
<b>Aggregate value of unquoted investments</b>			<b>0.44</b>	<b>0.44</b>	<b>0.83</b>

\* As per Ind AS 27 (Separate Financial Statements)

# FVTPL - Fair Value Through Profit and Loss

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 7 : Non Current Financial Asset: Loans**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits*	523.92	55.27	12.38
<b>Total</b>	<b>523.92</b>	<b>55.27</b>	<b>12.38</b>

\*Security deposit Includes Rs. 462.15 Lakhs (31st March 2017 Rs. Nil; 1st April 2016 Rs. Nil) given to Prinite Hospitality Pvt Ltd and Rs. 46.05 Lakhs (31 March, 2017 Rs. 41.33 Lakhs; 1st April 2016 Rs. Nil) given to M/s Vicon Imperial Private Ltd. an associate company.

**Note 8 : Non-current Financial Assets: Others**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fixed Deposits Against lien & Bank Guarantee*	94.31	88.37	3.10
<b>Total</b>	<b>94.31</b>	<b>88.37</b>	<b>3.10</b>

\*Maturity after 12 months & pledged with bank against margin money.

**Note 9 : Deferred Tax assets (net)**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>On account of Timing Difference in</b>			
Carry Forward losses & Depreciation	-	-	-
Expenses Disallowed under I.T. Act., 1961	206.50	248.77	149.42
Depreciation on fixed assets	1,120.80	1,030.91	902.40
On cash Flow hedge reserve	-	0.19	-
Others	61.39	57.20	56.65
<b>Total Deferred Tax Assets</b>	<b>1,388.69</b>	<b>1,337.07</b>	<b>1,108.47</b>
Other Ind AS Adjustments	5.44	13.62	-
Transaction cost on borrowings	29.87	30.87	-
<b>Total Deferred Tax Liabilities</b>	<b>35.31</b>	<b>44.49</b>	<b>-</b>
<b>Net Deferred Tax(Liability)/Assets*</b>	<b>1,353.38</b>	<b>1,292.58</b>	<b>1,108.47</b>
<b>Amount debited/(Credited) to Profit &amp; Loss Statement</b>	<b>(60.80)</b>	<b>(184.11)</b>	<b>(527.31)</b>

\* Deferred tax liability for the year have been arrived at by taking the tax rate of 34.608% (31 March, 2017 33.99%; 1 April, 2016 34.608%) which is inclusive of education cess.

**Movement in Deferred Tax Asset/Liability For the Year Ended As at 31st March, 2018**

Particulars	Opening Balance as at 01.04.2017	Recognized in profit or loss	Recognized in OCI	Closing Balance as at 31.03.2018
<b>Deferred tax Liabilities:</b>				
Other Ind AS Adjustments	13.62	(8.18)	-	5.44
Transaction cost on borrowings	30.87	(1.00)	-	29.87
<b>Deferred tax assets:</b>				
Expenses Disallowed under I.T. Act., 1961	248.77	(42.27)	-	206.50
Depreciation on fixed assets	1,030.91	89.89	-	1,120.80
On cash Flow hedge reserve	0.19	-	(0.19)	-
Others	57.20	4.19	-	61.39
<b>Net Tax (assets)/liabilities</b>	<b>(1,292.58)</b>	<b>(60.99)</b>	<b>0.19</b>	<b>(1,353.38)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Movement in Deferred Tax Asset/Liability For the Year Ended As at 31st March, 2017**

(Rs. In Lakhs)

Particulars	Opening Balance as at 01.04.2016	Recognized in profit or loss	Recognized in OCI	Closing Balance as at 31.03.2017
<b>Deferred tax Liabilities:</b>				
Other Ind AS Adjustments	-	13.62	-	13.62
Transaction cost on borrowings	-	30.87	-	30.87
<b>Deferred tax assets:</b>				
Expenses Disallowed under I.T. Act., 1961	149.42	99.35	-	248.77
<b>Depreciation on fixed assets</b>	<b>902.40</b>	<b>128.51</b>	-	<b>1,030.91</b>
<b>On cash Flow hedge reserve</b>	-	-	<b>0.19</b>	<b>0.19</b>
<b>Others</b>	<b>56.65</b>	<b>0.55</b>	-	<b>57.20</b>
<b>Net Tax (assets)/liabilities</b>	<b>(1,108.47)</b>	<b>(183.92)</b>	<b>(0.19)</b>	<b>(1,292.58)</b>

**Note 10 : Other non-current assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Advances*	19.42	1.79	24.39
Prepaid lease charges	757.12	504.62	351.18
Raipur Lease- Stamp Duty Payment Unamortised	60.91	65.60	-
<b>Total</b>	<b>837.45</b>	<b>572.01</b>	<b>375.57</b>

\*Given for business purpose.

**CURRENT ASSETS**

**Note 11 : Inventories**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>(Valued at cost or NRV whichever is less &amp; certified by management)</b>			
Operating Supplies	1,579.16	1,247.74	1,286.55
Food & Beverages	124.92	139.15	139.54
Shopping Arcade Stock*	-	42.54	42.54
<b>Total</b>	<b>1,704.08</b>	<b>1,429.43</b>	<b>1,468.63</b>

\*Transferred to fixed assets during the year as per Contra in Note 2.

**Disclosure As per Ind AS 2, Inventories**

**(i) Amount of inventories recognised as expense during the year is as under:**

(Rs. In Lakhs)

Particulars	For the year 2017-18	For the year 2016-17
Operating Supplies	1,207.41	1,154.25
Food & Beverages	4,169.33	3,683.60
Shopping Arcade Stock	-	-
<b>Total</b>	<b>5,376.74</b>	<b>4,837.85</b>

**(ii) Refer Note 25.1 for information on inventory pledged as security by the Company.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 12 : Current Financial Assets: Trade Receivables**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Unsecured</b>			
Considered Good	902.25	633.74	906.39
Less: Provision for Doubtful Trade Receivables	(32.22)	-	-
<b>Total</b>	<b>870.03</b>	<b>633.74</b>	<b>906.39</b>

**Note 13 : Cash and Cash Equivalents**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Cash on Hand</b>	43.63	23.20	32.31
<b>Balances with Bank</b>			
In current Accounts With Scheduled Bank	1,101.14	1,337.95	36.92
Investment in Mutual Fund -	70.18	-	-
<b>Total</b>	<b>1,214.95</b>	<b>1,361.15</b>	<b>69.23</b>

**Note 14 : Bank balances other than above**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fixed Deposits Against lien (with less than 12 months maturity)	-	25.60	519.46
<b>Total</b>	<b>-</b>	<b>25.60</b>	<b>519.46</b>

**Note 15 : Current Financial Assets: Loans**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Staff Advances & Loan	19.17	16.80	15.97
Other loans and advances*	46.76	98.48	87.41
<b>Total</b>	<b>65.93</b>	<b>115.28</b>	<b>103.38</b>

\*Loans and advances have been given for business purposes.

**Note 16 : Current Financial Assets: Other**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Electricity Deposit	97.98	47.36	44.22
Telephone Deposit	0.34	1.86	1.86
Others	206.88	146.61	154.41
Receivable against Sale of Restaurant*	-	-	1,238.00
Less: Provision for doubtful advances	(1.72)	(1.72)	-
<b>Total</b>	<b>303.48</b>	<b>194.11</b>	<b>1,438.49</b>

\*Amount due from Barbeque Nations Hospitality Ltd., an associate company.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 17: Current Tax Assets (net)**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Income Tax	-	43.47	-
<b>Total</b>	<b>-</b>	<b>43.47</b>	<b>-</b>

**Note 18 : Other current assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current portion of Unamortised Stamp Duty Payment of Raipur Lease	4.69	4.69	-
Prepaid Expenses	118.27	66.54	75.55
Prepaid lease charges	35.35	20.23	8.84
Subsidy Receivable from M P Tourism Development Corporation Ltd.	-	729.93	-
Other current assets	0.21	-	-
Advance to suppliers for goods & services*	44.38	77.84	108.72
Balance with Govt. authorities	520.28	280.15	250.66
<b>Total</b>	<b>723.18</b>	<b>1,179.38</b>	<b>443.77</b>

\*Advances to suppliers for goods & services include advances against purchases & services which is receivable in kind in next 12 Months & are for business purpose.

**EQUITY**

**Note 19 : Equity Share Capital**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>AUTHORISED</b>			
30,000,000 Equity Shares of Rs.10/- each (Previous year 30,000,000 Equity Shares of Rs.10/- each)	3,000.00	3,000.00	3,000.00
1,000,000 Preference Shares of Rs. 100/- each (Previous year 1,000,000 Preference Shares of Rs. 100/- each)	1,000.00	1,000.00	1,000.00
<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>	<b>4,000.00</b>
<b>ISSUED</b>			
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>	<b>1,751.80</b>
<b>SUBSCRIBED &amp; PAID-UP</b>			
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>	<b>1,751.80</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Terms/rights attached to equity shares :**

**19.1** The company has only one class of equity shares having a par value of Rs.10/- per share. Each Holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2018, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (31 March 2017, Rs. Nil; 1 April 2016 Rs. Nil)

**19.2** Details of Share holders holding more than 5% of Shares are as under :-

Name	Category	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares	% of Shareholding	No of Shares
Late Shri Sajid R. Dhanani*	Promoter	13.90%	2435511	13.90%	2435511	13.90%	2435511
Raof Razak Dhanani	Promoter	22.26%	3898651	22.26%	3898651	22.26%	3898651
Anisha Raof Dhanani	Promoter	-	-	-	-	15.09%	2643256
Kayum Razak Dhanani	Promoter	20.77%	3638079	14.61%	2559288	-	-
Ahilya Hotels Limited	Promoter	14.01%	2455000	14.01%	2455000	14.01%	2455000

\*(Share transmission is pending in the name of legal heirs)

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**19.3** Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Name	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Outstanding at the beginning of the year	1,75,18,000.00	1,751.80	1,75,18,000	1,751.80	1,75,18,000	1,751.80
Add : Fresh issue during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,75,18,000</b>	<b>1,751.80</b>	<b>1,75,18,000</b>	<b>1,751.80</b>	<b>1,75,18,000</b>	<b>1,751.80</b>

**19.4** Preference Share Capital issued by the company are treated as Compound Financial Instruments in terms of Ind AS 32- Financial Instrument: Presentation. Accordingly same is classified as other equity and borrowings. Necessary disclosures are given in note no. 20 & 21

**Note 20 : Other Equity**

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Equity Component of Cummulative Preference Shares	20.1	251.66	251.66	251.66
Securities Premium Reserve	20.2	5,944.60	5,944.60	5,944.60
General Reserve	20.3	641.48	641.48	641.48
Profit & Loss Account -Surplus/(Deficit)	20.4	(1,007.21)	(644.36)	(30.00)
Cash Flow Hedge Reserve	20.5	-	(0.37)	-
<b>Total</b>		<b>5,830.53</b>	<b>6,193.01</b>	<b>6,807.74</b>

(Rs. In Lakhs)

Particulars		As at 31st March, 2018	As at 31st March, 2017
<b>20.1</b>	<b>Equity Component of Cummulative Preference Shares</b>		
	Opening at beginning	251.66	251.66
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>251.66</b>	<b>251.66</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. In Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>20.2</b>	<b>Securities Premium Reserve</b>		
	Opening at beginning	5,944.60	5,944.60
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>5,944.60</b>	<b>5,944.60</b>
<b>20.3</b>	<b>General Reserve</b>		
	Opening at beginning	641.48	641.48
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>641.48</b>	<b>641.48</b>
<b>20.4</b>	<b>Profit &amp; Loss Account -Surplus/(Deficit)</b>		
	Opening at beginning	(644.36)	(30.00)
	Addition during the year	(423.46)	(627.95)
	Items of OCI directly recognised		
	Net actuarial Gain / (Loss) on defined benefit plan	60.61	13.59
	<b>Closing at end</b>	<b>(1,007.21)</b>	<b>(644.36)</b>
<b>20.5</b>	<b>Cash Flow Hedge Reserve</b>		
	Opening at beginning	(0.37)	-
	Addition during the year	0.37	(0.37)
	Closing at end	-	(0.37)
	<b>Total Other Equity</b>	<b>5,830.53</b>	<b>6,193.01</b>

**Terms/rights attached to preference shares :**

**20.6** That during Financial year 2014-15 company had issued 10,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each at a premium of Rs.50/- each. Out of above, pending 83338 shares were subscribed & paid up during the year 2015-16.

**20.7** That above shares are to be redeemed within five years from the date of issue of same, at the rate of Rs. 220/- per preference share.

**20.8** These shares are in the nature of compound financial instruments. And so they are bifurcated into equity and liability component in accordance with Ind AS 32. Equity component is computed as below:

Particulars	(Rs. in Lakhs)
Preference Share Capital (Subscribed and paid up)	1,000.00
Add: Securities Premium on issue	500.00
Less: Liability component (Present value of Contractual Cash Outflows)	(1,248.34)
<b>Equity Component</b>	<b>251.66</b>

**20.9** That above Preference share holders are having preference over payment of dividend to equity share holders and accordingly arrears of preference dividends is required to be cleared before payment to Equity Share holders. And on the date of Balance Sheet, dividend on preference shares for more than 3 years are in arrears. And accordingly vide Second Proviso to Section 47(2) of the Companies Act, 2013, in case company is unable to pay dividend on preference shares for two years or more then such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**20.10** Details of Share holders holding more than 5% of 10% Cumulative Preference Shares are as under:-

Name	Category	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares	% of Shareholding	No of Shares
Saba Dhanani	Promoter	12.5%	125000	12.5%	125000	12.5%	125000
Azhar Dhanani	Promoter	12.5%	125000	12.5%	125000	12.5%	125000
Zuber Yusuf Dhanani	Promoter	12.5%	125000	12.5%	125000	12.5%	125000
Sadiya Dhanani	Promoter	12.5%	125000	12.5%	125000	12.5%	125000
Kayum Dhanani	Promoter	12.5%	125000	12.5%	125000	12.5%	125000
Sara Dhanani	Promoter	12.5%	125000	12.5%	125000	12.5%	125000
Sanya Dhanani	Promoter	12.5%	125000	12.5%	125000	12.5%	125000
Suchitra Dhanani	Promoter	12.5%	125000	12.5%	125000	12.5%	125000

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**NON-CURRENT LIABILITIES**

**Note 21 : Non Current Financial Liabilities: Borrowings**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A. Secured Borrowings</b>			
<b>Term Loans</b>			
i) From Banks	3,426.78	2,914.40	630.67
ii) From Financial Institutions	700.00	1,200.00	1,700.00
iii) From NBFC	2,106.07	2,333.04	-
<b>Total (A)</b>	<b>6,232.85</b>	<b>6,447.44</b>	<b>2,330.67</b>
<b>B. Unsecured Borrowing</b>			
Liability Component of Cumulative Preference Shares (Refer Note 20.8)	1,797.85	1,605.23	1,433.24
Loans from Related Parties	400.00	-	-
<b>Total (B)</b>	<b>2,197.85</b>	<b>1,605.23</b>	<b>1,433.24</b>
<b>Total (A+B)</b>	<b>8,430.70</b>	<b>8,052.67</b>	<b>3,763.91</b>

**21.1** All Secured loans have been netted from the instalments falling due within twelve months after the reporting date. Breakup of amount due within 12 month and after 12 months and summarized outstanding position is as under:

**(Rs. In Lakhs)**

Name	Category	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
		Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>From Banks</b>							
State Bank of India		204.96	1,301.92	347.92	1,456.52	1,412.10	217.68
Axis Bank Ltd		173.54	2,103.99	396.32	1,453.65	130.00	36.36
State Bank of Mysore		-	-	-	-	490.00	293.36
ICICI Bank		-	-	-	-	500.00	-
HDFC Bank Ltd		5.79	20.87	27.28	4.23	55.18	55.14
ICICI Bank		-	-	36.68	-	52.54	28.13
<b>Sub Total (I)</b>		<b>384.29</b>	<b>3,426.78</b>	<b>808.20</b>	<b>2,914.40</b>	<b>2,639.82</b>	<b>630.67</b>
From Financial Institutions							
TFCI		506.21	700.00	520.32	1,200.00	112.79	1,700.00
<b>Sub Total (ii)</b>		<b>506.21</b>	<b>700.00</b>	<b>520.32</b>	<b>1,200.00</b>	<b>112.79</b>	<b>1,700.00</b>
From NBFC							
Aditya Birla Finance Ltd		251.05	2,106.07	119.29	2,333.04	-	-
<b>Sub Total (iii)</b>		<b>251.05</b>	<b>2,106.07</b>	<b>119.29</b>	<b>2,333.04</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (i)+(ii)+(iii)</b>		<b>1,141.55</b>	<b>6,232.85</b>	<b>1,447.81</b>	<b>6,447.44</b>	<b>2,752.61</b>	<b>2,330.67</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**21.2** Unsecured loans have been netted from the instalments falling due within twelve months after the reporting date. Breakup of amount due within 12 month and after 12 months and summarized outstanding position is as under:

**(Rs. In Lakhs)**

Name	Category	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
		Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>From Banks</b>							
HDFC Bank Ltd		-	-	2.42	-	1.94	
<b>Sub Total (i)</b>		-	-	<b>2.42</b>	-	<b>1.94</b>	-
<b>From NBFC</b>							
Magma Fincorp Limited		-		-		51.90	-
Bajaj Finance Ltd.		-		128.92			
<b>Sub Total (ii)</b>		-	-	<b>128.92</b>	-	<b>51.90</b>	-
<b>GRAND TOTAL (i)+(ii)</b>		-	-	<b>131.34</b>	-	<b>53.84</b>	-

**21.3 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN**

- 21.3.1** Secured Term Loan from bank includes term loans outstanding from State Bank of India, Axis Bank Ltd, State Bank of Mysore, HDFC Bank Ltd & ICICI Bank Ltd.
- 21.3.2** Term loans outstanding of State Bank of India include term loans account and corporate loan. Loan are secured by way of mortgage of land & building at Indore hotel, Amber garden Indore, Vadodara & Pune & hypothecation of movables, present & future except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. offered to the bankers for securing the working capital finance. The terms of repayment of all term loans of State Bank of India is on quarterly basis and corporate loan is monthly basis & interest is payable on monthly basis.
- 21.3.3** Term loans outstanding of Axis Bank Ltd include term loans account and corporate loan. Term loan outstanding is secured by way of first charge on Company's entire fixed assets, present & future, ranking pari passu with other existing term lenders. The term of repayment is on quarterly basis for term loan and monthly basis for corporate loan & interest is payable on monthly basis.
- 21.3.4** Term loan outstanding of State Bank of Mysore was secured by way of mortgage of land & building at Indore, Vadodara & Pune & hypothecation of movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. The term of repayment of the term loan was on quarterly basis & the interest was payable on monthly basis, however same was repaid during the year 2016-17 under review.
- 21.3.5** Term loan outstanding of ICICI Bank Ltd. was secured by way of mortgage of land & building at Indore, Vadodara & Pune & hypothecation of movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis. Further secured by pledge of 30.00 Lakhs Equity Shares of Company held by Promoters. However the said term loan was repaid during the year 2016-17 under review.
- 21.3.6** Vehicle loans outstanding from HDFC Bank and ICICI Bank is secured by way of hypothecation of the specific vehicles financed by bank.
- 21.3.7** Secured term loans from Financial Institutions & others includes term loan outstanding of Tourism Finance Corporation of India Ltd (TFCIL) and Aditya Birla finance Limited.
- 21.3.8** Term loan outstanding from TFCIL is secured on pari-passu basis by way of mortgage of land & building at Indore, Pune & Vadodara & hypothecation of the movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. And by way of Mortgage of lease hold right of Amber Garden, Indore along with building Structure thereon and first charge by way of hypothecation of movables of Bhopal Club project, Bhopal. The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis, This loan is personally guaranteed by Smt Suchitra Dhanani.
- 21.3.9** Corporate loan outstanding from Aditya Birla year is secured by first pari passu Charge with existing term lender by way of mortgage of land and building at Indore, Amber Garden, Pune and Vadodara and Hypothecation of the plant and machinery and other movable fixed assets of company (present and future except vehicles Funded through Vehicle Loan). The term of repayment of principal and interest is on monthly basis.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**21.3.10** Loan outstanding from Magma Fincorp Limited is unsecured loan. Repayment is being made on EMI basis. Post dated cheques has been given for all instalments. However the said term loan was repaid during the year 2016-17 under review.

**21.3.11** Loan outstanding from Bajaj Finance Limited is unsecured loan. However, secured by way of shares owned in other companies by Mr. Raof Razak Dhanani.

**Note 22 : Non Current Financial Liabilities: Other**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deposits From Tenants	66.31	66.69	48.63
Finance lease payable	18.10	17.64	17.23
Others*	2,000.00	2,000.00	2,000.00
<b>Total</b>	<b>2,084.41</b>	<b>2,084.33</b>	<b>2,065.86</b>

\*Payable towards cancellation of agreement for land at Indore hotel. This amount is now payable within 5 years. Interest @ 9% p.a is payable on the outstanding amount.

**Note 23 : Provisions**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits			
Provision for Gratuity	283.10	284.80	234.48
Leave Encashment*	287.68	249.16	239.60
<b>Total</b>	<b>570.78</b>	<b>533.96</b>	<b>474.08</b>

\*The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

**Note 24 : Deferred Revenue**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 1st April, 2017
<b>(a) Subsidy received from M.P. State Tourism Development Corp. Ltd.*</b>		
<b>Balance at the beginning of the year</b>	<b>681.50</b>	-
Add: Received During the Year		729.93
Less: Amortised During the Year	81.06	48.43
	<b>600.44</b>	<b>681.50</b>
Less : Current Portion	70.33	81.06
<b>Non Current Balance at the end of the year</b>	<b>530.11</b>	<b>600.44</b>
<b>(b) Life Membership Fees</b>		
<b>Balance at the beginning of the year</b>	<b>40.05</b>	-
Add: Received During the Year	22.40	44.49
Less: Amortised During the Year	6.69	4.44
	<b>55.76</b>	<b>40.05</b>
Less : Current Portion	6.69	4.45
<b>Non Current Balance at the end of the year</b>	<b>49.07</b>	<b>35.60</b>
<b>Total Balance at the end of the year</b>	<b>579.18</b>	<b>636.04</b>

\* During year 2016-17, company has received Capital Subsidy under M.P. Tourism Policy, 2010 (as amended in 2014) amounting to Rs. 729.93 Lakhs against its "Amber Convention Centre", Indore. As per AS-12 "Accounting for Government Grants", the above subsidy is treated as deferred income and is recognised in profit and loss account on a systematic and rational basis over the useful life of assets. Such allocation has been made over the periods and in proportions in which depreciation on "Amber Convention Centre" is charged.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**CURRENT LIABILITIES**

**Note 25 : Current Financial Liabilities : Borrowings**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A. Secured</b>			
Working capital facilities from Banks	258.14	377.54	490.67
<b>Total (A)</b>	<b>258.14</b>	<b>377.54</b>	<b>490.67</b>
<b>B. Unsecured</b>			
Loans From related parties	901.06	1,005.00	3,419.48
Loans From others	253.04	114.91	305.00
<b>Total (B)</b>	<b>1,154.10</b>	<b>1,119.91</b>	<b>3,724.48</b>
<b>Total (A+B)</b>	<b>1,412.24</b>	<b>1,497.45</b>	<b>4,215.15</b>

**25.1** Working capital facilities include Cash Credit Facilities from State Bank of India outstanding Rs. 8.07 Lakhs (31 March 2017, Rs. 377.54 Lakhs; 1 April 2016 Rs. 411.07 Lakhs) & Axis Bank outstanding Rs.250.07 Lakhs (31 March 2017, Rs. Nil; 1 April 2016 Rs. 79.60 Lakhs), both of which are secured by first charge by way of hypothecation of stocks of food, beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. of the company and also by way of a second charge on the immovable properties of the company at Indore, Baroda and Pune.

**25.2** Loans from related parties & others includes loan from directors & associate companies.

**Note 26 : Current Financial Liabilities: Trade Payables**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Payables*	1,176.48	779.41	1,131.67
<b>Total</b>	<b>1,176.48</b>	<b>779.41</b>	<b>1,131.67</b>

\*Trade payables are for goods purchased and services taken during the normal course of business.

**26.1** Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 The principal amount and the interest due thereon remaining unpaid to any supplier as at the year end:

Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, alongwith the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
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 the MSMED Act, 2006.	-	-
	-	-

**26.2** Trade Payable having scheduled payment beyond 12 months after reporting date Rs. Nil (31 March 2017, Rs. Nil; 1 April 2016 Rs. Nil)

**26.3** Includes amount payable to Barbeque Nation Hospitality Limited, against Royalty Payment Rs. Nil (31 March 2017, Rs. Nil; 1 April 2016 Rs. 42.79 Lakhs)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 27: Current Financial Liabilities: Other**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Current Maturities of Long-Term Loans*</b>			
<b>A. Secured Term Loans</b>			
From Banks	384.29	808.20	2,639.82
From Financial Institutions	506.21	520.32	112.79
From NBFC	251.05	119.29	-
<b>Total (A)</b>	<b>1,141.55</b>	<b>1,447.81</b>	<b>2,752.61</b>
<b>B. Unsecured Term Loans</b>			
From Banks	-	2.42	1.94
From NBFC	-	128.92	51.90
<b>Total (B)</b>	<b>-</b>	<b>131.34</b>	<b>53.84</b>
<b>C. Others</b>			
Creditors for capital Expenditure	135.62	110.62	431.22
Book Overdrafts	-	30.58	73.61
Derivative Liabilities/ (Asset)	(12.78)	144.71	19.69
Finance Lease Payable	1.89	1.89	1.89
Prepaid Lease Income	26.56	30.59	33.39
<b>Total (C)</b>	<b>151.29</b>	<b>318.39</b>	<b>559.80</b>
<b>Total (A+B+C)</b>	<b>1,292.83</b>	<b>1,897.54</b>	<b>3,366.25</b>

\* Refer note no.- 21.1; 21.2 & 21.3 for loanwise current maturities and other terms and conditions.

**Note 28 : Provisions**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits			
Provision for Gratuity	9.39	7.19	3.36
Leave Encashment	12.67	6.20	3.48
Bonus	182.58	165.84	156.83
Provision for Expenses	281.22	286.27	235.62
<b>Total</b>	<b>485.86</b>	<b>465.50</b>	<b>399.29</b>

**Note 29 : Current Tax Liabilities (Net)**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for current year Tax	38.70	-	275.13
<b>Total</b>	<b>38.70</b>	<b>-</b>	<b>275.13</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 30 : Other Current Liabilities**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current portion of deferred revenue	77.02	85.51	-
Advance received from customers	247.61	345.04	180.29
Statutory Dues	405.77	124.55	189.12
Others	19.33	59.66	120.02
<b>Total</b>	<b>749.73</b>	<b>614.76</b>	<b>489.43</b>

30.1 Advances received from customers includes advances against future bookings for functions to be held in next 12 months.

30.2 Statutory dues includes GST, VAT, luxury tax, TDS, service tax & other statutory payables.

30.3 Other current liabilities includes rent payable, interest payable and staff dues.

**Note 31 : Revenue From Operations**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Sale of Products &amp; Services (Gross)</b>		
Rooms	6,379.19	5,014.55
Food and Beverages	11,079.70	9,344.24
Other Services	1,691.55	1,419.64
<b>Total</b>	<b>19,150.44</b>	<b>15,778.43</b>

\*Revenue from others services includes income from club, rental income and income from banquet service etc.

**Note 32: Other Income**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Earned*	97.52	18.17
Other Non –Operating Income	48.75	38.15
Sundry Balances Written back	7.09	11.28
Excess/(Short) Provision of Earlier Year Written Back	11.99	23.33
Deferred Revenue Income (Subsidy)	81.06	48.43
<b>Total</b>	<b>246.41</b>	<b>139.36</b>

\*Includes interest on Bank deposits Rs. 3.27 Lakhs (PY Rs. 4.09Lakhs ) & on loans & advances and other security deposits Rs. 94.25 Lakhs (PY Rs. 14.08 Lakhs)

**Note 33 : Food & Beverages Consumed**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening Stock	139.16	139.54
Add : Purchases*	4,155.10	3,683.22
	<b>4,294.26</b>	<b>3,822.76</b>
Less : Closing Stock	124.93	139.16
<b>Total</b>	<b>4,169.33</b>	<b>3,683.60</b>

\*Includes vegetable & non-vegetable items, grocery items, dairy products, tobacco products, alcoholic & non-alcoholic beverages etc.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 34 : Employee Benefit Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries, Wages and Allowances	4,742.48	3,425.91
Contribution to P.F. and other Funds	343.32	305.67
Workmen and Staff Welfare Expenses	102.28	52.17
Workmen and Staff Uniform Expenses	185.34	122.92
<b>Total</b>	<b>5,373.42</b>	<b>3,906.67</b>

\* Net of Expenses capitalised of Rs Nil (P.Y. Rs.53.45 Lakhs)

**Note 35 : Finance Cost**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest on term Loan	833.72	517.66
Interest on Others	326.63	810.57
Finance cost on lease payable	2.41	2.36
Other expenses	31.76	33.86
Finance cost on Preference Share	192.63	171.99
Other borrowing cost	---	55.03
Foreign Exchange Fluctuation	(12.21)	21.64
<b>Total</b>	<b>1,374.94</b>	<b>1,613.11</b>

Interest expense includes interest paid on term loans & vehicle loans. Interest on others includes interest on unsecured loans credit facilities. Other expenses includes bank charges, processing fees & upfront fees of loans. Other borrowing cost includes forward premium.

**Note 36 : Operating Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Stores & Operating Supplies*	685.93	612.16
Repairs and Maintenance		
Building	269.17	107.11
Plant & Machinery	167.46	143.19
Others	214.64	220.03
Laundry Expenses	241.88	196.44
Guest pick up Expenses	245.70	221.48
Cable TV Expenses	24.72	28.96
Banquet Service expenses	655.22	568.06
Other Operating Expenses**	521.48	542.09
Power and Fuel	1,652.71	1,286.89
<b>Total</b>	<b>4,678.91</b>	<b>3,926.41</b>

\*Stores & operating supplies includes crockery & cutlery, linen & other consumables etc.

\*\*Other Operating Expenses includes house keeping & upkeep expenses, expenses for F&B operations & club.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 37 : Other Expenses**

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Lease Rent	976.44	465.04
Rates & Taxes	164.60	161.97
Insurance	25.40	20.38
Travelling and Conveyance	119.04	90.60
Postage, Telegram and Telephones	73.29	53.18
Advertisement and Publicity	80.75	74.43
Legal & Professional	211.78	204.83
Printing and Stationery	59.19	50.21
Credit Card Commission	93.66	89.86
Other Expenses	284.36	166.93
Auditors' Remuneration		
Statutory audit	8.00	5.50
Certification other matters	2.00	0.53
Provision for doubtful debts	33.52	1.72
Loss On Disposal/Retirement Of Assets	(0.69)	37.70
<b>Total</b>	<b>2,131.34</b>	<b>1,422.88</b>

**Note 38 : Exceptional Items Income/ (Expense)**

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	-	-
	-	-
<b>Total</b>	-	-

**Note 39 : Earnings Per Share**

**(Rs. In Lakhs)**

Particulars	Unit	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a) Amount used as the numerator profit after tax	Rs. In Lakhs	(423.46)	(627.95)
Less: Dividend on Preference Shares & Income Tax Thereon	Rs. In Lakhs	120.36	120.36
Net Profit/(Loss) attributable to equity share holders	Rs. In Lakhs	(543.82)	(748.31)
b) Weighted average number of equity shares used as the denominator in computing basic earning per share.	Nos.	1,75,18,000	1,75,18,000
Add: Potential no. of equity shares that could arise on conversion of warrants into equity shares.	Nos.	-	-
Weighted average number of shares used in computing Diluted Earning per Share	Nos.	1,75,18,000	1,75,18,000
c) Nominal value per share	Rs.	10	10
d) Earnings Per Share:			
- Basic		(3.10)	(4.27)
- Diluted		(3.10)	(4.27)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 40 : Disclosure as per Ind AS-7, Cash Flow Statement**

The Company has accessed the following undrawn facilities at the end of reporting period

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Working capital Loans</b>			
Expiring Within One Year	1291.86	297.46	184.33
<b>Floating Rate Borrowings</b>			
Expiring Within One Year	631.00	-	-

**Note 41 : Disclosure as per Ind AS-8,**

**2 Standards issued but not yet effective :**

**Ind AS 115 'Revenue from Contracts with Customers'**

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

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April 2018. The Company will adopt the standard on 1st April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31st March 2018 will not be retrospectively adjusted. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration :**

On 28 March 2018, 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 1st April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**Note 42 : Disclosure As per Ind AS-12 Income Taxes**

**I) Income Tax recognised in statement of profit & loss account.**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Current Tax Expenses</b>		
Current year	126.44	43.18
Adjustment for earlier year	(18.44)	28.96
<b>Total current Tax expenses</b>	<b>108.00</b>	<b>72.14</b>
Deferred Tax Expenses	(60.99)	(183.92)
<b>Total Income tax expenses</b>	<b>47.01</b>	<b>(111.78)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**ii) Income tax recognised in other comprehensive income**

(Rs. In Lakhs)

Particular	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
	Before tax	Tax expense/ Benefit	Net of tax	Before tax	Tax expense/ Benefit	Net of tax
- Net actuarial gain/loss on defined benefit plan	92.69	(32.08)	60.61	20.59	(7.00)	13.59
- Changes in cash flow hedge reserve	0.56	(0.19)	0.37	(0.56)	0.19	(0.37)

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Profit before tax</b>	<b>(376.45)</b>	<b>(739.73)</b>
<b>Tax using company's domestic tax rate 34.608%(P.Y. 33.99%)</b>	<b>(130.28)</b>	<b>(251.43)</b>
Add: Earlier Year tax	(18.44)	28.96
Add: Expenses not Allowed in Income Tax	31.96	28.97
Less: Others	97.10	23.26
Add: Exempt Income	66.67	58.46
<b>Tax as per Statement of Profit &amp; Loss</b>	<b>47.01</b>	<b>(111.78)</b>

**Note 43 : Disclosure as per Ind AS-17, Leases**

The Company has taken certain hotels on non-cancellable operating lease.

As required under the Ind AS-17 on 'Leases', lease payments recognized for the year and the future minimum lease payments are as follows:

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Lease payment recognized in statement of Profit or Loss	976.44	465.04
Contingent rent recognised in Profit or Loss	-	-
<b>Total</b>	<b>976.44</b>	<b>465.04</b>

**Operating Leases**

**Lease as Lessee**

The Company has taken land on operating lease. The lease of hotel properties are generally long term in nature with varying terms and renewal rights expiring within five years to one hundred & ninety eight years. On renewal, the terms of the leases are renegotiated. The total lease rent paid on the same is included under Lease Rent forming part of Other Expenses (Refer note no Note 36:).

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Minimum Lease payment</b>			
Not later than one year;	600.24	127.64	90.00
Later than one year and not later than five years;	2,911.33	558.90	538.88
Later than five years;	3,949.52	256.86	306.99
<b>Total</b>	<b>7,461.09</b>	<b>943.40</b>	<b>935.87</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**Financial Leases**
**Lease as Lessee**

The company acquires land on leasehold basis for a period generally ranging from 25 years to 99 years from the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non cancellable. These leases are capitalised at the present value of the total minimum lease payments to be paid over the lease term. Future lease rentals are recognised as 'Finance lease obligation' at their present values. The leasehold land is amortised considering the significant accounting policies of the company.

**(Rs. In Lakhs)**

Particular	31st March, 2018		31st March, 2017		31st March, 2016	
	MLP	Present value of MLP	MLP	Present value of MLP	MLP	Present value of MLP
Not Later than one year	1.95	1.89	1.95	1.89	1.95	1.89
Between one and five years	9.76	6.60	9.76	6.60	9.76	6.60
More than five years	219.57	11.50	221.52	11.04	223.47	10.63
<b>Total MLP</b>	<b>231.28</b>	<b>19.99</b>	<b>233.23</b>	<b>19.53</b>	<b>235.18</b>	<b>19.12</b>
Less amount representing finance charges	211.29		213.70		216.06	
<b>Present value of MLP'S</b>	<b>19.99</b>		<b>19.53</b>		<b>19.12</b>	

**Note 44 : Disclosure as per Ind AS-19, Employee benefits**
**(a) Defined benefit plan**

The Company makes annual contributions to the Employee's Group Gratuity scheme of the SBI Life Insurance Co. Ltd., a funded defined benefit plan for the qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the terms of the scheme. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table sets out the status of the funded gratuity plan and the amounts recognized in the company's financial statements as at March 31, 2018:-

**Changes in Present Value of Obligation**
**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017
Present value of obligation as on last valuation	303.68	248.65
Current Service Cost	52.24	56.90
Interest Cost	23.38	18.65
Participant Contribution	-	-
Plan Amendments: Vested portion at end of period(Past Service)	5.56	-
Plan Amendments: Non-Vested portion at end of period(Past Service)	-	-
Actuarial gain/loss on obligations due to Change in Financial Assumption	(73.30)	25.05
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(19.06)	(45.58)
Actuarial gain/loss on obligations due to Other reason	-	-
The effect of change in Foreign exchange rates	-	-
Benefits Paid	-	-
Acquisition Adjustment	-	-
Disposal/Transfer of Obligation	-	-
Curtailment cost	-	-
Settlement Cost	-	-
Other(Unsettled Liability at the end of the valuation date)	-	-
Present value of obligation as on valuation date	292.50	303.68

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**Changes in Fair Value of Plan Assets**
**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017
Fair value of Plan Assets at Beginning of period	11.69	10.82
Interest Income	0.90	0.81
Employer Contributions	5.00	-
Participant Contributions	-	-
Acquisition/Business Combination	-	-
Settlement Cost	-	-
Benefits Paid	-	-
The effect of asset ceiling	-	-
The effect of change in Foreign Exchange Rates	-	-
Administrative Expenses and Insurance Premium	-	-
Return on Plan Assets excluding Interest Income	0.32	0.06
Fair value of Plan Assets at End of measurement period	17.91	11.69

**Table Showing Reconciliation to Balance Sheet**
**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017
Funded Status	(274.59)	(291.99)
Unrecognized Past Service Cost	-	-
Unrecognized Actuarial gain/loss at end of the period	-	-
Post Measurement Date Employer Contribution(Expected)	-	-
Unfunded Accrued/Prepaid Pension cost	-	-
Fund Asset	17.91	11.69
Fund Liability	292.50	303.68

**Table Showing Plan Assumptions**

Particulars	31st March, 2018	31st March, 2017
Discount Rate	7.70%	7.50%
Expected Return on Plan Asset	7.70%	7.50%
Rate of Compensation Increase(Salary Inflation)	6.00%	7.00%
Pension Increase Rate	N/A	N/A
Average expected future service (Remaining working Life)	29	27
Mortality Table	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
Superannuation at age-Male	58	58
Superannuation at age-Female	58	58
Early Retirement & Disablement (All Causes Combined)	18-29 years 32%, 30-45 years 18%	18-29 years 32%, 30-45 years 18%
above age 45	0.05	0.05
Between 29-45	0.18	0.18
below age 29	0.28	0.28
Voluntary Retirement	Ignored	Ignored



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**Expense Recognized in statement of Profit/Loss**
**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017
Current Service Cost	52.25	56.90
Past Service Cost(vested)	5.56	-
Past Service Cost(Non-Vested)	-	-
Net Interest Cost	22.48	17.84
Cost(Loss/(Gain) on settlement	-	-
Cost(Loss/(Gain) on curtailment	-	-
Actuarial Gain loss Applicable only for last year	-	-
Employee Expected Contribution	-	-
Net Effect of changes in Foreign Exchange Rates	-	-
Benefit Cost(Expense Recognized in Statement of Profit/loss)	80.29	74.74

**Expense Recognized in Other Comprehensive Income**
**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017
Actuarial gain/loss on obligations due to Change in Financial Assumption	(73.31)	25.05
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(19.06)	(45.58)
Actuarial gain/loss on obligations due to Other reason	-	-
Total Actuarial (gain)/losses	(92.37)	(20.53)
Return on Plan Asset, Excluding Interest Income	0.32	0.06
The effect of asset ceiling	-	-
Balance at the end of the Period	(92.69)	(20.59)
Net(Income)/Expense for the Period Recognized in OCI	(92.69)	(20.59)

**Sensitivity Analysis**

Particulars	31st March, 2018		31st March, 2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	268.83	319.01	276.94	333.80
%Change Compared to base due to sensitivity	-8.09%	9.07%	-8.81%	9.92%
Salary Growth (-/+ 0.5%)	319.21	268.47	332.29	277.87
%Change Compared to base due to sensitivity	9.13%	-8.21%	9.42%	-8.50%
Attrition Rate (-/+ 0.5%)	292.35	292.65	303.39	303.97
%Change Compared to base due to sensitivity	-0.05%	0.05%	-0.10%	0.10%
Mortality Rate (-/+ 10%)	292.72	292.27	303.72	303.63
%Change Compared to base due to sensitivity	0.08%	-0.08%	0.02%	-0.02%

**Table Showing Cash Flow**
**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017
Next Year Total (Expected)	410.46	432.55
Minimum Funding Requirements	401.29	427.72

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Table Showing Benefit Information Estimated Future payments( Past Service)**

**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017
<b>Maturities</b>		
Less than 1 year	9.75	7.46
Between 1-2 years	5.45	6.44
Between 2-5 years	20.69	14.36
Over 5 years	1,566.20	1,734.89
Total Undiscounted Payments Past and Future Service	-	-
Total Undiscounted Payments related to Past Service	1,602.09	1,763.14
Less Discount For Interest	1,309.60	1,459.46
Projected Benefit Obligation	292.49	303.68

**Table Showing Outlook Next Year Components of Net Periodic benefit Cost Next Year**

**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017
Current service Cost(Employer portion Only) Next period	77.09	82.34
Interest Cost next period	22.15	22.50
Expected Return on Plan Asset	1.38	0.88
Unrecognized past service Cost	-	-
Unrecognized actuarial/gain loss at the end of the period	-	-
Settlement Cost	-	-
Curtailment Cost	-	-
Other Actuarial Gain/(loss)	-	-
Benefit Cost	97.86	103.96

**Bifurcation of Net liability**

**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017
Current liability	9.39	7.19
Non-Current Liability	283.10	296.49
<b>Total Liability</b>	<b>292.49</b>	<b>303.68</b>

**(b) Defined Contribution Plan**

The Company has recognised the following expenses as defined contribution plan under the head "Contribution to Provident Fund and Other Funds"(net of recoveries).

**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017
Contribution towards Provident Fund	243.64	221.55
<b>Total</b>	<b>243.64</b>	<b>221.55</b>

**(c) Other Long Term Employee benefit**

The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

The Company has recognised the following expenses as other long term employee benefit under the head "Contribution to Provident Fund and Other Funds"(net of recoveries).

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Leave Ecashment	63.87	40.75
<b>Total</b>	<b>63.87</b>	<b>40.75</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 45 : Disclosure As per Ind AS-21, The Effects of Changes in Foreign Exchange Rates**

Foreign Currency transactions relating to monetary assets and liabilities as at the year end translated as per accounting policy, resulted in net gain of Rs.12.21 Lakhs (PY Rs. 21.64 Lakhs) which has been accounted under relevant heads in Statement of Profit and loss.

**Note 46 : Disclosure as Per Ind AS-24, Related Party Disclosure**

**List of Related Parties**

**1 Subsidiary Companies**

Aries Hotels Pvt Ltd  
Malwa Hospitality Pvt Ltd  
Sayaji House Keeping Services Ltd

**2 Associate Companies**

Barbeque-Nation Hospitality Limited

**3 Key Management Personnel**

Mr. Raof Razak Dhanani	Managing Director
Mr. Kayum Dhanani	Director
Mrs. Suchitra Sajid Dhanani,	Whole Time Director
Mr. Sandesh Khandelwal	Chief financial officer
Mr. Amit Sarraf	Company Secretary
Mr. T.N. Unni	Independent Director
Mr. Abhay Chintaman Chaudhari	Independent Director
Mr. Pradeep Goyal	Independent Director
Mr. Sanjay Ahuja	Nominee Director, TCFI

**4 Enterprises where Key Management Personnel has control /Interest**

S S Management  
S.N. Travels  
Winner Hotels Pvt Ltd  
Trans Agro India Pvt Ltd  
A.R. Hospitality Pvt .Ltd.  
Vicon Imperial Pvt. Ltd.  
Tungabhadra Fertilizer &Chemical Co. Ltd  
Prinite Hospitality Pvt Ltd

**5 Relatives of KMPs**

Zuber Y Dhanani  
Azher Y Dhanani  
Saba R Dhanani  
Sadiya R Dhanani  
Sara K Dhanani  
Sanya S Dhanani  
Rizwan R Sheikh  
Versha Khandelwal

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Sr.No.	Nature of Transactions	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A</b>	<b>KEY MANAGEMENT PERSONNEL</b>		
	Remuneration/ Salary	62.70	60.23
	Payable At The Year End	1,300.40	905.00
	Payment Of Interest	96.43	330.65
<b>B.</b>	<b>SUBSIDIARY COMPANIES</b>		
	Income From Business Support Services	3.68	3.09
<b>C.</b>	<b>ASSOCIATE COMPANIES/ FIRMS/ RELATIVES</b>		
	Rental Expenses	510.24	-
	Lease deposit	965.00	214.58
	Guest pick up expenses	-	39.00
	Receivable at the year end	45.10	66.94
	Payable at the year end	261.74	214.91
	Reimbursement of expenses received	127.91	128.71
	Payment of royalty & service charge on liquor	118.02	181.54
	Lease rent received	102.00	102.00
	Payment of interest	13.89	85.80
	Investments sold during the year	-	0.39
	Payment of professional fee	9.00	15.20
<b>D.</b>	<b>COMPENSATION TO KMP</b>		
	Short term employee benefits	-	-
	Post employment Benefit	-	-
	Other Long term benefits	-	-
	Termination Benefits	-	-
	Sitting fees	1.40	2.24
	<b>Total</b>	<b>1.40</b>	<b>2.24</b>

**Note 47 : Disclosure as per Ind AS-27, Separate Financial Statement**

**Interest in subsidiary**

Name of Entity	Place of Business/Country Of Incorporation	% Of Ownership		
		31st March, 2018	31st March, 2017	1st April, 2016
Malwa Hospitality Private Limited	India	51.67%	51.67%	51.67%
Sayaji Housekeeping Services Limited	India	100%	100%	100%
Aries Hotels Private Limited	India	52.37%	52.37%	52.37%

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 48 : Movement of provision as per Ind AS-37, Provisions, Contingent Liabilities and Contingent Assets**

**I Contingent Liabilities not provided for**

- (i) Guarantee given on behalf of other companies Rs 6873.60 Lakhs (P.Y Rs 6873.60 Lakhs). This includes Guarantee given to State Bank of India on Behalf of Barbeque-Nation Hospitality Ltd amounting Rs 4,000 Lakhs (P.Y 4000 Lakhs), guarantee given to Axis Bank Ltd on Behalf of Sana Hospitality Services Pvt .Ltd amounting to Rs 421.82 Lakhs (P.Y Rs 421.82 Lakhs), guarantee given to State bank of India on Behalf of Malwa Hospitality Pvt .Ltd amounting to Rs.2400 Lakhs (P.Y. 2400 Lakhs) & HDFC Bank Ltd RS.51.78 Lakhs(P.Y. 51.78 Lakhs) Outstanding balance of loan there against for the year ended 31st March, 2018 from SBI is Rs.1925.33 Lakhs (P.Y 3046.12 Lakhs) ,Axis Bank Ltd is Rs. 44.52 Lakhs (P.Y 123.34 Lakhs) and from HDFC bank Ltd. RS 5.90 Lakhs (P.Y. 20.30 Lakhs)
- (ii) Disputed statutory liabilities in respect of service tax not provided for:**
- (A) In Respect of indore hotel, for the period from 01.03.05 to 31.03.09 the Hon'ble Tribunal has passed the order against the Company after giving the benefit of abatement and waiver of penalty imposed in the order passed by Learned Commissioner.Tax demand of Rs 175.01 Lakhs is pending as per the Tribunal's order Company has challenged said order before Indore bench of Hon'ble High Court of MP and got interim stay of the demand. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs.175.01 Lakhs)
- (B) In Respect of indore hotel, for the period from 01.04.09 to 31.03.11 the Commissioner has passed the order against the Company without even considering the benefit given by the Hon'ble Tribunal in its prior order. Tax demand of Rs. 400.37 Lakhs has been raised alongwith equal amount of penalty. Company has challenged said order before Hon'ble Tribunal & Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. Company has challenged said order before Indore bench of Hon'ble High Court of MP and got interim stay. Had the benefit of abatement & waiver of penalty given by the Hon'ble Tribunal in its prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 139.97 Lakhs. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 400.37 Lakhs)
- (C) In Respect of indore hotel for the period from 01.04.11 to 30.06.12 the Commissioner has passed the order against the Company without even considering the benefit given by the Hon'ble Tribunal in their prior order. Tax demand of Rs 269.27 Lakhs has been raised alongwith equal amount of penalty Company had challenged said order before Hon'ble Tribunal.& Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. Company has challenged said order before Honourable High Court of M.P., Indore and got interim stay. Had the benefit of abatement & waiver of penalty given the Hon'ble Tribunal in their prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 127.98 Lakhs. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs.269.27 Lakhs)
- (D) In Respect of Pune hotel for the period from 01.04.09 to 30.06.12 Commissioner has passed an order against the company and raised a tax demand of Rs.39.27 Lakhs, company had filed an appeal before commissioner (Appeal), which is decided against the Company. Being aggrieved, Company has preferred an Appeal before the Honourable Tribunal, Mumbai. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 39.27 Lakhs).
- (E) In Respect of Varodara hotel for the period from 01.04.12 to 31.03.2015 Commissioner has passed an order against the company and raised a tax demand of Rs.2.02 Lakhs. Company had filed an appeal before Commissioner (Appeal), which is decided against company. Being aggrieved, Company has challenged said order before Hon'ble Tribunal and hearing is awaited. Interest liability will also arise in case of unfavorable decision.
- (F) In Respect of Indore hotel, for the period from 01.04.10 to 31.03.15 the Commissioner has passed the order against the Company and raised a tax demand of Rs.46.05 Lakhs, company had filed an appeal before order against the Company had filed an appeal before commissioner (Appeal), which is decided against the Company. Being aggrieved, Company has preferred an Appeal before the Honourable Tribunal, Interest liability will also arise in case of unfavourable decision.
- (iii) Custom duties saved against imports under EPCG scheme is Rs. 428.09 Lakhs (P.Y Rs 429.39 Lakhs)
- (iv) Disputed liability of Rs 2.15 Lakhs (P.Y. 5.75 Lakhs) not provided for in respect of Income Tax TDS (AY 2009-10 and 2010-11)
- (v) Disputed liability of Rs 1.09 Lakhs not provided for in respect of Income Tax (AY 2014-15) the matters are pending before CIT (Appeal) - Varodara.. and amount paid there against.
- (vi) Disputed liability of Rs 108.72 Lakhs not provided for in respect of Commercial tax (FY 2013-14 & 2014-15, 2015-16). The matters are pending before Commissioner -Appeal Commercial tax ,Indore. (P.Y. Rs. 143.27 Lakhs)
- (vii) Disputed liability of Rs 81.76 Lakhs not provided for in respect of Commercial tax (FY2010-11, 2011-12 & 12-13). The matter is pending before Appellate Tribunal- Commercial tax ,Indore. (P.Y. Rs. 11.47 Lakhs)
- (viii) Disputed liability of Rs 10.91 Lakhs not provided for in respect of Commercial tax demand of FY 2011-12.
- (ix) Disputed liability of Rs 46.39 Lakhs not provided for in respect penalty of Property tax demand (FY 2015-16, 2016-17 & 2017-18). The application is pending before Mayor-In-Council Indore Municipal Corporation Indore. (P.Y. Rs. 32.70)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

- (x) Arrears of Cumulative Dividend on Preference Shares & Income Tax Thereon, not paid during the Year Rs. 359.14 Lakhs (P.Y. Rs. 238.78).
- (xi) In respect of the leasehold land of Indore hotel, Company has received the order on 20th dec. 2017 for cancellation of lease. SHL has challenged the said order dated 20th dec 2017 and filed writ before Indore high court. Stay has been granted by High Court .Matter is currently pending before High court and next date of hearing is 19th June 2018.
- (xii) The company has received a show cause notice for Imposing penalty u/s 23E SCRA,1956 from SEBI and the matter is pending for adjudication with Adjudicating authority SEBI.

**II Commitments**

Estimated capital commitments not provided for Rs. Nil (P.Y. Nil Lakhs )

**Note 49 : Earning in Foreign Currency :**

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Earning in Foreign Currency</b>		
- Sale of Rooms of Food Beverages	757.62	889.95
<b>CIF Value of Imports &amp; Expenditure (on accrual basis)</b>		
- Import Value of Capital Goods	-	-
- Import Value of Non-Capital Goods	40.96	16.18

**Note 50 : First Time Adoption of Ind AS**

These financial statements, for the year ended 31st March, 2018, are the first annual Ind AS financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2018, together with the comparative period data as at and for the year ended 31st March, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2016 and the previously published Indian GAAP financial statements as at and for the year ended 31st March, 2017.

**Exemptions applied :**

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**I. Ind AS Optional Exemptions**

**1 Deemed cost**

As per Ind AS 101, para D7AA, a first-time adopter to Ind ASs may elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**2 Investment in Subsidiaries, Associates and Joint Ventures**

As per Ind AS 101, para D15, the Company has elected the option provided under Ind AS 101 to measure all its investments in Subsidiaries and Associate at previous GAAP carrying value on the date of transition in its separate financial statement and used that carrying value as the deemed cost of such investments.

**3 Borrowings**

Ind AS 101 permits that if it is impracticable for an entity to apply retrospectively the effective interest method in Ind AS 109 'Financial Instruments', the fair value of the financial liability at the date of transition to Ind AS shall be the new amortised cost of that financial liability at the date of transition to Ind AS.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**4 Long Term Foreign Currency Monetary Items**

As per para D13AA, a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

**II. Ind AS Mandatory Exemptions**

**1 Classification and measurement of financial assets**

As per Ind AS 101, para B8, an entity is required to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**2 Derecognition of financial assets and financial liabilities**

As per Ind AS 101, para B2, a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs.

**3 Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2015 and 31st March, 2016 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Company made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

1. Impairment of financial assets based on Expected Credit Loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April, 2016, the date of transition to Ind AS and as of 31st March, 2017.

(Rs. In Lakhs)

PARTICULARS	Note	As at 31st March, 2017			As at 1st April, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
(a) Property, Plant & Equipment		15,760.16	(211.90)	15,548.26	13,189.58	(180.94)	13,008.64
(b) Capital Work-in-Progress		7.36	-	7.36	3,318.80	(0.00)	3,318.80
(c) Intangible Assets		6.44	(0.00)	6.44	9.59	0.00	9.59
(d) Investment in Subsidiary, Joint Venture & Associate		2,097.10	(143.52)	1,953.58	2,097.10	(143.52)	1,953.58
(e) Financial Assets			-	-		-	-
(i) Investments		0.44	-	0.44	0.83	-	0.83
(ii) Trade Receivables		-	-	-	-	-	-
(iii) Loans		747.89	(692.62)	55.27	520.20	(507.82)	12.38
(iv) Others		87.21	1.16	88.37	3.10	0.00	3.10
(f) Deferred Tax assets (net)		1,279.68	12.90	1,292.58	1,051.82	56.65	1,108.47
(g) Other Non-Current Assets		1.79	570.22	572.01	24.39	351.18	375.57
<b>Total Non-Current Assets</b>		<b>19,988.07</b>	<b>(463.76)</b>	<b>19,524.31</b>	<b>20,215.41</b>	<b>(424.45)</b>	<b>19,790.96</b>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**(Rs. In Lakhs)**

PARTICULARS	Note	As at 31st March, 2017			As at 1st April, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>Current Assets</b>							
(a) Inventories		1,429.43	-	1,429.43	1,468.63	-	1,468.63
(b) Financial Assets				-			-
(i) Investments				-			-
(ii) Trade Receivables		633.74	-	633.74	906.39	-	906.39
(iii) Cash and Cash Equivalents		1,361.15	-	1,361.15	69.23	-	69.23
(iv) Bank balances other than (iii) above		25.26	0.34	25.60	518.92	0.53	519.45
(v) Loans		16.80	98.48	115.28	15.97	87.41	103.38
(vi) Others		146.39	47.72	194.11	1,392.96	45.53	1,438.49
(c) Current Tax Assets (net)		43.47	-	43.47		-	-
(d) Other current assets		4,244.00	(3,064.62)	1,179.38	441.28	2.49	443.77
<b>Total Current Assets</b>		<b>7,900.24</b>	<b>(2,918.08)</b>	<b>4,982.16</b>	<b>4,813.38</b>	<b>135.96</b>	<b>4,949.34</b>
<b>Total Assets</b>		<b>27,888.31</b>	<b>(3,381.84)</b>	<b>24,506.47</b>	<b>25,028.79</b>	<b>(288.49)</b>	<b>24,740.31</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
(a) Equity Share Capital		2,751.80	(1,000.00)	1,751.80	2,751.80	(1,000.00)	1,751.80
(b) Other Equity		7,123.41	(930.40)	6,193.01	7,540.38	(732.64)	6,807.74
<b>Total Equity</b>		<b>9,875.21</b>	<b>(1,930.40)</b>	<b>7,944.81</b>	<b>10,292.18</b>	<b>(1,732.64)</b>	<b>8,559.54</b>
<b>LIABILITIES</b>							
<b>Non-Current Liabilities</b>							
(a) Financial Liabilities				-			-
(i) Borrowings		6,516.28	1,536.39	8,052.67	2,356.60	1,407.31	3,763.91
(ii) Trade Payables		-	-	-		-	-
(iii) Other Financial Liabilities		2,100.44	(16.11)	2,084.33	2,083.99	(18.13)	2,065.86
(b) Provisions		533.96	-	533.96	474.08	-	474.08
(c) Deferred Income		681.50	(45.46)	636.04		-	-
<b>Total Non-current Liabilities</b>		<b>9,832.18</b>	<b>1,474.82</b>	<b>11,307.00</b>	<b>4,914.67</b>	<b>1,389.18</b>	<b>6,303.85</b>
<b>Current Liabilities</b>				-			-
(a) Financial Liabilities				-			-
(i) Borrowings		1,497.45	-	1,497.45	4,215.15	-	4,215.15
(ii) Trade Payables		779.41	-	779.41	1,131.67	-	1,131.67
(iii) Other Financial Liabilities		1,742.35	155.19	1,897.54	3,311.28	54.97	3,366.25
(b) Provisions		465.50	-	465.50	399.29	-	399.29
(c) Current Tax Liabilities (Net)		-	-	-	275.13	-	275.13
(d) Other Current Liabilities		3,696.21	(3,081.45)	614.76	489.43	-	489.43
<b>Total Current Liabilities</b>		<b>8,180.92</b>	<b>(2,926.26)</b>	<b>5,254.66</b>	<b>9,821.95</b>	<b>54.97</b>	<b>9,876.92</b>
<b>Total Equity and Liabilities</b>		<b>27,888.31</b>	<b>(3,381.84)</b>	<b>24,506.47</b>	<b>25,028.80</b>	<b>(288.49)</b>	<b>24,740.31</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**II Reconciliation of total comprehensive Income for the year ending 31st March, 2017**

(Rs. In Lakhs)

PARTICULARS	Note	For the ended year 31st March, 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>Income</b>				
I. Revenue From Operations		15,818.47	(40.04)	15,778.43
II. Other Income	a	139.23	0.13	139.36
<b>III. Total Revenue</b>		<b>15,957.70</b>	<b>(39.91)</b>	<b>15,917.79</b>
<b>IV. Expenses :</b>				
Food and Beverages Consumed		3,683.60	-	3,683.60
Employee Benefits Expenses	g	3,886.08	20.59	3,906.67
Finance Costs	f, c, b	1,526.94	86.17	1,613.11
Depreciation And Amortization Expenses	e	2,073.90	30.95	2,104.85
Operating Expenses		3,926.41	-	3,926.41
Other Expenses	e	1426.45	(3.57)	1,422.88
<b>Total Expenses</b>		<b>16,523.38</b>	<b>134.14</b>	<b>16,657.52</b>
<b>V. Profit before tax (III-IV)</b>		<b>(565.68)</b>	<b>(174.05)</b>	<b>(739.73)</b>
<b>VI. Tax Expense :</b>				
(1) Current tax	g	50.18	(7.00)	43.18
(2) Deferred Tax	h	(227.86)	43.94	(183.92)
(3) Earlier Year Taxes		28.96	-	28.96
		<b>(148.72)</b>	<b>36.94</b>	<b>(111.78)</b>
<b>VII. Profit After Tax (V-VI)</b>		<b>(416.96)</b>	<b>(210.99)</b>	<b>(627.95)</b>
<b>VIII. Other Comprehensive Income</b>				
A. Item that will not be reclassified to profit or loss				
(i) Remeasurment of defined benefit plan	g	-	20.59	20.59
(ii) Tax relating Remeasurment of defined benefit plan	g	-	(7.00)	(7.00)
B. Item that will be reclassified to profit or loss				
(i) Changes in Cash Flow Hedge Reserve		-	(0.56)	(0.56)
(ii) Tax relating Changes in Cash Flow Hedge Reserve		-	0.19	0.19
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>13.22</b>	<b>13.22</b>
<b>IX. Total Comprehensive Income for the Period (VII+VIII)</b>		<b>(416.96)</b>	<b>(197.77)</b>	<b>(614.73)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**III Reconciliation of Total Equity as at 31st March 2017 and 1st April, 2016**
**(Rs. In Lakhs)**

PARTICULARS	Note	31st March, 2017	31st March, 2018
<b>Total Equity as per Previous GAAP</b>		<b>9,875.21</b>	<b>10,292.17</b>
<b>Add/(Less): Adjustment of</b>			
Amortisation of Life Membership fees		(40.04)	
Impairment loss on investment in subsidiary		(143.52)	(143.52)
Lease rent recognised over period of lease	e	(20.06)	(15.68)
Interest Income recognised on EIR Basis		3.46	1.89
Lease income recognised on Security Deposit	a	6.53	1.97
Interest Expense recognised on EIR Basis	b	(3.37)	
Amortization of transaction cost on borrowings based on EIR	c	90.83	-
Amortization of Leasehold Land	e	(228.68)	(197.73)
Finance cost on Preference share	f	(356.89)	(184.90)
Finance Lease Adjustment	e	(3.23)	(2.82)
Liability Portion of preference share transferred to Borrowings	f	(1,248.34)	(1,248.34)
Fair Valuation of Derivatives	d	0.56	(0.15)
Changes in cash flow hedge reserve		(0.37)	-
Deferred Tax Impact on above	h	12.72	56.65
<b>Total Equity as per Ind AS</b>		<b>7,944.81</b>	<b>8,559.54</b>

**2 Reconciliation of Total Comprehensive Income for the period ending 31st March 2017**
**(Rs. In Lakhs)**

PARTICULARS	Note	31st March, 2017
<b>Profit/(Loss) after tax as per Previous GAAP</b>		<b>(416.96)</b>
<b>Add/(Less): Adjustment of</b>		
Amortisation of Life Membership fees		(40.04)
Interest income on security deposit	a	1.57
Interest expense on security deposit	b	(3.37)
Lease income on security deposit	e	4.55
Amortization of land	e	(30.95)
Lease adjustment	e	(4.78)
Transaction cost adjustment	c	90.83
Fair Valuation gain on Derivative	d	0.71
Remeasurment of defined benefit plan	g	(20.59)
Tax relating Remeasurment of defined benefit plan	g	7.00
Deferred tax expense	h	(43.94)
Finance cost on preference share	f	(171.99)
<b>Profit/(Loss) after tax as per Ind AS</b>		<b>(627.96)</b>
Remeasurment of defined benefit plan	g	20.60
Tax relating Remeasurment of defined benefit plan	g	(7.00)
Changes in cash flow hedge reserve		(0.56)
Income tax on above		0.19
<b>Total Comprehensive Income as per Ind AS</b>		<b>(614.73)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**3 Reconciliation of Statement of Cash Flows as at 31st March 2017**

**(Rs. In Lakhs)**

PARTICULARS	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	2,800.83	416.14	3,216.97
Net cash flow from investing activities	(704.78)	43.35	(661.43)
Net cash flow from financing activities	(1,297.79)	147.30	(1,150.49)
<b>Cash and cash equivalents as at 31st March 2016</b>	<b>798.26</b>	<b>606.79</b>	<b>1,405.05</b>
Net increase/(decrease) in the cash and cash equivalents		-	
<b>Cash and cash equivalents as at 31st March 2017</b>	<b>798.26</b>	<b>606.79</b>	<b>1,405.05</b>

Items requiring different treatment under Ind AS as compared to Indian GAAP

**(a) Refundable Interest Free Security Deposit (Asset)**

Under the previous GAAP, interest free lease security deposits (those are refundable on completion for the lease term) and other deposits were recorded at transactional values. Under Ind AS, these security deposits are recognised initially at the fair value. The difference between the fair value and the transaction value of these security deposits has been recognised as prepaid rent. Subsequently, these lease security deposits are measured at amortised cost using the effective interest rate ('EIR'). Accordingly, Prepaid Lease Charges of Rs. 123.69 Lakhs has been recognised in other Non-Current Assets and Rs.4.38 Lakhs been recognised in Current Assets and Security Deposit has been shown at amount of Rs.12.36 Lakhs as on 1st April, 2016. Lease charges of Rs. 4.38 Lakhs has been charged to Statement of Profit & Loss and Rs.1.57 Lakhs has been credited to Statement of Profit & Loss as interest income in year 2016-17.

**(b) Refundable Interest Free Security Deposit (Liability)**

Under the previous GAAP, interest free lease security deposits (those are refundable on completion for the lease term) and other deposits were recorded at transactional values. Under Ind AS, these security deposits are recognised initially at the fair value. The difference between the fair value and the transaction value of these security deposits has been recognised as prepaid rent. Subsequently, these lease security deposits are measured at amortised cost using the effective interest rate ('EIR'). Accordingly, Prepaid Lease Income of Rs. 22.01 Lakhs has been recognised in other Non-Current Liability and Rs.4.55 Lakhs been recognised in Current Liability and Security Deposit has been shown at amount of Rs.48.63 Lakhs as on 1st April, 2016. Lease income of Rs. 4.55 Lakhs has been credited to Statement of Profit & Loss and Rs.3.37 Lakhs has been charged to Statement of Profit & Loss as interest expense in year 2016-17.

**(c) Transaction Cost on Borrowings**

Under Indian GAAP, transaction costs incurred in connection with borrowings are charged upfront to Statement of Profit and Loss for the period/year. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to Statement of Profit and Loss using effective interest method. This has resulted in decrease in borrowings with Rs. 94.90 Lakhs as on 31st March, 2017 and Finance cost for the year 2016-17 has increased by amount Rs. 4.07 Lakhs.

**(d) Fair Valuation of Derivative Contract**

The fair value of foreign exchange forward contracts is recognised under Ind AS which was not recognised under the previous GAAP. Under the previous GAAP forward contracts were accounted under AS 11 whereby the premium was recognised to profit and loss over the period of the forward contract. This has resulted in decrease in borrowing by Rs. 25.93 Lakhs and Prepaid expenses by Rs.6.39 Lakhs as on 1st April, 2016 and Other Current Assets Other Current Liability has decreased by Rs. 3022.23 Lakhs and Rs. 3166.95 Lakhs, respectively as on 31st March, 2017. Accordingly, Derivative liabilities has been recognised at Rs. 19.69 Lakhs and Rs.144.71 Lakhs as on 1st April, 2016 and 31st March, 2017, respectively and retained earnings as on 1st April, 2016 has decreased by Rs.0.15 Lakhs and Finance Cost for the year 2016-17 has decreased by Rs. 0.71 Lakhs.

**(e) Land Lease - Finance Lease**

Under previous GAAP, leasehold land was capitalised at an amount equal to the upfront payments made at the time of lease. However, under Ind AS, such leases are capitalised at the present value of the total minimum lease payments to be paid over the lease term. Accordingly, total lease payments are now being recognized as "Finance Lease Obligation" at their present value. The effect of the adjustment has resulted in increase in non current financial liabilities by Rs. 17.23 Lakhs, current financial liabilities by Rs. 1.89 Lakhs towards finance lease obligations, PPE by Rs. 16.78 lakhs, Accumulated Ammortisation by Rs. 197.73 lakhs and net reduction in retained earnings by Rs. 200.56 Lakhs as at 1st April 2016. During FY 2016-17, there was reduction in non current financial liabilities by Rs. 1.95 Lakhs towards finance lease obligations and decrease of Rs. 30.96 lakhs in PPE towards ammortisation.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****(f) Preference Shares**

Under Previous GAAP, preference shares were classified as Equity and were shown under shareholders' fund. As per Ind AS 32-Financial Instruments: Presentation, every financial instrument is required to be classified as equity or liability or compound financial instrument, if it has both liability or equity component, characteristic of every instrument. The company has classified these preference shares as compound financial instrument as they are with uncertainty of payment of dividend. Equity Component has been shown in Other Equity and Liability portion has been shown in Non-current Borrowing and is measured at amortised cost. Finance cost is charged on the liability component on the basis of Effective Interest Rate ('EIR'). This has resulted in recognition of 'Equity Component of Compound Financial Instrument' in other Equity by Rs. 251.66 lakhs and Rs. 1433.24 lakhs been recognised has been recognised as Liability. The liability component is increased by finance cost which is charged as per (EIR) and accordingly retained earning as on 1st April, 2016 has decreased by Rs.184.90 lakhs and Finance cost for the year 2016-17 has increased by Rs.171.99 lakhs.

**(g) Actuarial Gain or Loss on Defined Benefit Plan**

Both under Indian GAAP and Ind AS, the Company recognized costs related to post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire costs, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising of actuarial gains or 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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income. Thus, the employee benefit cost is increased by Rs. 13.59 lakhs and remeasurement gain or loss on defined benefit plan has been recognized in the other comprehensive income, net of tax.

**(h) Deferred Tax**

"Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12-Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of asset or liability in the balance sheet and its corresponding tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity. Accordingly, deferred tax assets as on 31st march, 2017 has decreased by Rs. 30.87 lakhs with corresponding increase in deferred tax expense for the year then ended."

**(i) Going Concern Assumption**

As at the year end, the company's current liabilities have exceeded its current assets by Rs.274.19 Lakhs primarily on account borrowings aggregating to Rs. 1412.24 Lakhs which fall due within 12 months following the balance sheet date. Management is confident of its ability to generate cash inflows from operations and raise cash from financing activities so that it would be able to meet its obligations on due dates as it has demonstrated in earlier years. On these considerations, these financial statements are prepared on a going concern basis.

**(j) Other Equity**

"Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments. Refer 'Reconciliation of total equity as at 31 March 2017 and 1 April 2016' as given above for details."

**(k) Other Comprehensive Income**

Under previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans and fair value gain/loss on FVTOCI equity instruments. Hence, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

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**Note 51 : Disclosure as per Ind AS-108, Operating Segment**

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS 108 - 'Operating Segment' (Ind AS-108) notified by the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

**Information about major customers**

No single customer contributes more than 10% or more of the Company's total revenue for the years ended March 31, 2018 and March 31, 2017.

**Note 52 : Disclosure as per Ind AS-107, Financial Instruments****A) Financial Risk Management**

The Company's principal financial liabilities comprise Borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade & other receivables, loan given, cash & cash Equivalent, Investment, deposits and derivative that derive directly from its operations.

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board.

**Company is exposed to following risk from the use of its financial instrument :**

- Credit Risk
- Liquidity Risk
- Market Risk

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

**Trade Receivable**

"Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 7 days to 45 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. 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 calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low. The requirement of impairment is analysed as each reporting date."

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Other Financial Instruments and Cash & Cash Equivalents**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31st, 2018, March 31st, 2017 & April 1st, 2016 is the carrying amount as disclosed in Note 51 (i) except for financial guarantees. The Company's maximum exposure for financial guarantee is given in Note 48.

**(i) Carrying amount of maximum credit risk as on reporting date**

**(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL)</b>			
Non-current Investment	0.44	0.44	0.83
Non-current Loans	523.92	55.27	12.38
Other Non-Current Financial Assets	94.31	88.37	3.10
Cash & Cash Equivalent	1,214.95	1,361.15	69.23
Bank balances other than cash and cash equivalents	-	25.60	519.46
Current Loans	65.93	115.28	103.38
Other Current Financial Assets	303.48	194.11	1,438.49
<b>Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)</b>			
Investment in Subsidiaries	1,953.58	1,953.58	1,953.58
Trade Receivables	870.03	633.74	906.39
<b>Total</b>	<b>870.03</b>	<b>633.74</b>	<b>906.39</b>

**(ii) Ageing of trade receivables**

The Ageing of trade receivables is as below :

**(Rs. In Lakhs)**

Ageing	Not Due	0-180 days past due	181-365 days past due	1-2 years past due	2-5 years past due	Total
Gross Carrying amount as on 31.03.2018	267.68	506.17	49.95	20.35	58.10	902.25
Impairment loss recognised on above	-	-	-	-	32.22	(32.22)
Gross Carrying amount as on 31.03.2017	226.10	253.06	83.57	13.93	57.08	633.74
Impairment loss recognised on above	-	-	-	-	-	-
Gross Carrying amount as on 01.04.2016	480.53	342.88	16.19	15.17	51.62	906.39
Impairment loss recognised on above	-	-	-	-	-	-

**(iii) Provision for Expected Credit or Loss**

**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses.**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

**(b) Financial assets for which loss allowance is measured using life time expected credit losses**

The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

**(iv) Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the year was as follows:



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. In Lakhs)

Particulars	Trade Receivables	Investment in subsidiaries	Advances	Total
Balance as at April 1,2016	-	143.52	-	<b>143.52</b>
Impairment loss recognised	-	-	1.72	<b>1.72</b>
Amounts written off	-	-	-	-
Balance as at March 31, 2017	-	143.52	1.72	<b>145.24</b>
Impairment loss recognised	32.24	-	-	<b>32.24</b>
Amounts written off	0.02	-	-	<b>0.02</b>
Balance as at March 31, 2018	32.22	143.52	1.72	<b>177.46</b>

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

(Rs. In Lakhs)

Particulars	On Demand	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Year ended March 31st, 2018</b>						
Term Loans*		1,594.74	1,487.00	3,436.85	855.81	7,374.40
Trade Payables	1,176.48	-	-	-	-	1,176.48
Cash credit	258.14					258.14
Other Pyables		1,154.10	400.00	2,000.00	1,797.85	5,351.95
Finance Lease Payable		1.95	1.95	5.86	10.23	19.99
Other Financial Liabilities#		149.39				149.39
<b>Total</b>	<b>1,434.62</b>	<b>2,900.18</b>	<b>1,888.95</b>	<b>5,442.71</b>	<b>2,663.89</b>	<b>14,330.35</b>

(Rs. In Lakhs)

Particulars	On Demand	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Year ended March 31st, 2017</b>						
Term Loans*		1,452.06	1193.61	3521.47	1,859.46	8,026.54
Trade Payables	779.41	-	-	-	-	779.41
Cash credit	377.54					377.54
Other Pyables		1,119.91		2,000.00	1,605.23	4,725.14
Finance Lease Payable		1.95	1.95	5.86	9.77	19.53
Other Financial Liabilities#		316.50				316.50
<b>Total</b>	<b>1,156.95</b>	<b>2,890.42</b>	<b>1,195.56</b>	<b>5,527.33</b>	<b>3,474.46</b>	<b>14,244.66</b>
<b>Year ended April 1st, 2016</b>						
Term Loans*		2,812.88	825.37	424.80	1,074.06	5,137.11
Trade Payables	1,131.67	-	-	-	-	1,131.67
Cash credit	490.67					490.67
Other Pyables		3,724.48		2,000.00	1,433.24	7,157.72
Finance Lease Payable		1.95	1.95	5.86	9.36	19.12
Other Financial Liabilities#		557.91				557.91
<b>Total</b>	<b>1,622.34</b>	<b>7,097.22</b>	<b>827.32</b>	<b>2,430.66</b>	<b>2,516.66</b>	<b>14,494.20</b>

\* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenure of the borrowings.

# Current maturities of long-term borrowings is included in interest bearing borrowing part in above note.

Overdraft or other on demand loan facility, if any available with the Company is disclosed, to the extent undrawn in note no. Note 40:

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the risk management committee.

**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 is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The company uses forward contracts to hedge its exposure from foreign currency fluctuations.

The currency profile of financial assets and financial liabilities are as below :

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
	USD	USD	USD
<b>Financial Liabilities</b>			
Borrowings	1555.79	2948.60	1590.66
Derivative Liability	(12.78)	144.71	19.69

**Foreign Currency sensitivity**

The Company's exposure to foreign currency changes for all other currencies is not material. Hence there is no major impact on company's profit before tax due to change in the fair value of monetary assets and liabilities.

**Interest Risk**

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows :

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>Financial Assets</b>			
Fixed Rate			
Security Deposit	523.92	55.27	12.38
Bank Deposit	94.31	113.97	522.56
<b>Total</b>	<b>618.23</b>	<b>169.24</b>	<b>534.94</b>
<b>Financial Liabilities</b>			
<b>Fixed Rate</b>			
Working capital loans	258.14	377.54	490.67
Unsecured Loans	3,351.95	2,856.48	5,211.56
<b>Sub-Total (i)</b>	<b>3,610.09</b>	<b>3,234.02</b>	<b>5,702.23</b>
<b>Variable Rate Instruments</b>			
Term Loans	7,374.40	7,895.25	5,083.28
<b>Sub-Total (ii)</b>	<b>7,374.40</b>	<b>7,895.25</b>	<b>5,083.28</b>
<b>Total (i) + (ii)</b>	<b>10,984.49</b>	<b>11,129.27</b>	<b>10,785.51</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**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. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows : **(Rs. In Lakhs)**

Particulars	Effect of Profit or Loss	
	50 bp increase	50 bp decrease
<b>31st March 2018</b>		
Financial Liabilities	(3.69)	3.69
	<b>(3.69)</b>	<b>3.69</b>
<b>31st March 2017</b>		
Financial Liabilities	(3.95)	3.95
	<b>(3.95)</b>	<b>3.95</b>

**Note 53 : Capital Risk Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. 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 equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Gross Debt	10,984.49	11,129.27	10,785.51
Less : Cash and cash equivalents	(1,214.95)	(1,361.15)	(69.23)
<b>Net Debt (A)</b>	<b>9,769.54</b>	<b>9,768.12</b>	<b>10,716.28</b>
Total Equity (B)	7,582.33	7,944.81	8,559.54
<b>Gearing Ratio (A/B)</b>	<b>1.29</b>	<b>1.23</b>	<b>1.25</b>

**(Rs. In Lakhs)**

Particulars	As At March 31, 2018		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets :</b>			
Investment			
- Equity Instrument (unquoted)	0.44		
Loans	-	-	589.85
Trade Receivables	-	-	870.03
Cash and Cash Equivalents	-	-	1,214.95
Other Bank Balance	-	-	-
Other financial assets			397.79
<b>Total Financial Assets</b>	<b>0.44</b>	<b>-</b>	<b>3,072.62</b>
<b>Financial Liability:</b>			
Borrowings	-	-	9,842.94
Derivative Liability	(12.78)	-	-
Trade Payable	-	-	1,176.48
Other Financial Liabilities	-	-	3,390.02
<b>Total Financial Liability</b>	<b>(12.78)</b>	<b>-</b>	<b>14,409.44</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. In Lakhs)

Particulars	As At March 31, 2017		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets:</b>			
Investment			
- Equity Instrument (unquoted)	0.44	-	-
Loans	-	-	170.55
Trade Receivables	-	-	633.74
Cash and Cash Equivalents	-	-	1,361.15
Other Bank Balance	-	-	25.60
Other financial assets	-	-	282.48
<b>Total Financial Assets</b>	<b>0.44</b>	<b>-</b>	<b>2,473.52</b>
<b>Financial Liability:</b>			
Borrowings	-	-	9,550.12
Derivative Liability	144.71	-	-
Trade Payable	-	-	779.41
Other Financial Liabilities	-	-	3,837.16
<b>Total Financial Liability</b>	<b>144.71</b>	<b>-</b>	<b>14,166.69</b>

(Rs. In Lakhs)

Particulars	As At April 01, 2016		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets:</b>			
Investment			
- Equity Instrument (unquoted)	0.83	-	-
Loans	-	-	115.76
Trade Receivables	-	-	906.39
Cash and Cash Equivalents	-	-	69.23
Other Bank Balance	-	-	519.46
Other financial assets	-	-	1,441.59
<b>Total Financial Assets</b>	<b>0.83</b>	<b>-</b>	<b>3,052.43</b>
<b>Financial Liability:</b>			
Borrowings	-	-	7,979.06
Derivative Liability	19.69	-	-
Trade Payable	-	-	1,131.67
Other Financial Liabilities	-	-	5,287.40
<b>Total Financial Liability</b>	<b>19.69</b>	<b>-</b>	<b>14,398.13</b>

\*The above excludes investments in subsidiaries and associates amounting to 1953.58 Lakhs

**Note 54 : Disclosure as per Ind AS-113, Fair Value Measurement**

**Fair Value Hierarchy**

“This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table :”

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**As at 31st March 2018**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

**(Rs. In Lakhs)**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	0.44	0.44
<b>Financial Liabilities</b>				
Derivatives	-	(12.78)	-	(12.78)
<b>Total</b>	-	<b>(12.78)</b>	<b>0.44</b>	<b>(12.34)</b>

**As at 31st March 2017**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

**(Rs. In Lakhs)**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	0.44	0.44
<b>Financial Liabilities</b>				
Derivatives	-	144.71	-	144.71
<b>Total</b>	-	<b>144.71</b>	<b>0.44</b>	<b>145.15</b>

**As at 31st March 2016**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

**(Rs. In Lakhs)**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	0.83	0.83
<b>Financial Liabilities</b>				
Derivatives	-	19.69	-	19.69
<b>Total</b>	-	<b>19.69</b>	<b>0.83</b>	<b>20.52</b>

**(A) Specific valuation technique is used to determine the fair value of the financial instruments which include :**

- i) For Investments in Equity Investments- Quoted Market prices are used and for unquoted Equity Instruments best possible inputs are taken to identify the fair value.
- ii) For financial liabilities (vendor liabilities, domestic currency loans) :- appropriate market borrowing rate of the entity as of each balance sheet date used.
- iii) For financial assets (employee loans) : appropriate market rate of the entity as of each balance sheet date used.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**(B) The financial instruments are categorized into different levels based on the inputs used to arrive at fair value measurements as described below :**

<b>Level 1</b>	Includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
<b>Level 2</b>	Includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
<b>Level 3</b>	If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

**(C) Inter level transfers:**

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

**(D) Fair value of financial assets and liabilities measured at amortised cost**

**(Rs. In Lakhs)**

Particulars	As at 31 March 2018		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	870.03	870.03
Cash and Cash Equivalents	3	1,214.95	1,214.95
Bank balances other than cash and cash equivalents	3	-	-
Loan to Employees	3	19.17	19.17
Security deposit	3	523.92	523.92
Other Financial Assets	3	397.79	397.79
<b>Financial Liabilities</b>			
Borrowings	3	9,842.94	9,842.94
Trade Payables	3	1,176.48	1,176.48
Other Financial Liabilities	3	3,377.24	3,377.24

**(Rs. In Lakhs)**

Particulars	As at 31 March 2017		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	633.74	633.74
Cash and Cash Equivalents	3	1,361.15	1,361.15
Bank balances other than cash and cash equivalents	3	25.60	25.60
Loan to Employees	3	16.80	16.80
Security deposit	3	55.27	55.27
Other Financial Assets	3	282.48	282.48
<b>Financial Liabilities</b>			
Borrowings	3	9,550.12	9,550.12
Trade Payables	3	779.41	779.41
Other Financial Liabilities	3	3,981.87	3,981.87

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. In Lakhs)

Particulars	As at 1st April 2016		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	633.74	633.74
Cash and Cash Equivalents	3	1,361.15	1,361.15
Bank balances other than cash and cash equivalents	3	25.60	25.60
Loan to Employees	3	15.97	15.97
Security deposit	3	12.38	12.38
Other Financial Assets	3	1,441.59	1,441.59
<b>Financial Liabilities</b>			
Borrowings	3	9,550.12	9,550.12
Trade Payables	3	779.41	779.41
Other Financial Liabilities	3	3,981.87	3,981.87

**Note 55 :** The company has reclassified previous year figures to conform to this year classification.

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
**Firm Regn. No. 003289C**  
**K.L.Vyas**  
Partner  
**M.No. 072043**  
**Indore, 30<sup>th</sup> May 2018**

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

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## INDEPENDENT AUDITORS' REPORT

To,  
The Members,  
Sayaji Hotels Limited,

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Sayaji Hotels Limited (the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "the Group") and its associate, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated 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 ("the consolidated financial statements").

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

The Holding 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 consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates, in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

We believe that the audit evidence obtained by us and by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of One subsidiary, whose financial statement reflect total assets of Rs. 1230.15 Lakhs as at 31st March, 2018; total revenue of Rs. Nil and net

cash flows of Rs. (-) 2.80 Lakhs for the year ended on that date. The Ind AS Consolidated financial statements also include the Group's Share of profit of Rs. 161.61 Lakhs for the year ended 31st March, 2018, as considered in the Ind AS consolidated financial statements in respect of One Associate, whose financial statements/ financial information has not been audited by us. These financial statements / financial information have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on the other Legal and Regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of

Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associates, none of the directors of the Group Companies and its associate is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditors reports of the Holding Company, subsidiary companies and associate company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's/ subsidiary company's/ associate company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate – Refer Note 46 I to the Ind AS consolidated financial statements;
  - ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company.

**For K.L. Vyas & Company,**  
**Chartered Accountants,**  
**FRN: 003289C**

**(K.L. Vyas)**  
**Partner**  
**M. No. 072043**

**Place of Signature : Indore**  
**Date : 30th May, 2018**

## **ANNEXURE –A TO THE AUDITORS’ REPORT**

### **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 Sayaji Hotels Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the “the Group”) and its associate, as of 31 March 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, are 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 (‘ICAI’). 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 judgment, 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 and the audit evidence obtained by the other auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, 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 31 March 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.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates standalone financial statements of 1 subsidiary and 1 associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

**For K.L. Vyas & Company,**  
**Chartered Accountants,**  
**FRN: 003289C**

**(K.L. Vyas)**  
**Partner**  
**M. No. 072043**

**Place of Signature : Indore**  
**Date : 30th May, 2018**

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**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2018**

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant & Equipment	2	16,029.37	17,232.90	15,146.03
(b) Capital work-in-progress	3	35.47	7.56	3,318.80
(c) Intangible assets	4	71.90	6.66	10.80
(d) Investment in Subsidiary, Joint Venture & Associate	5	8,779.27	7,021.81	6,064.58
(e) Financial Assets				
(i) Investments	6	110.92	110.92	111.31
(ii) Loans	7	905.45	436.95	394.03
(iii) Other Financial Assets	8	98.60	91.89	6.26
(f) Deferred Tax assets (net)	9	868.13	1,035.11	896.56
(g) Other non-current assets	10	1,315.04	1,058.53	871.00
<b>Total Non-Current Assets</b>		<b>28,214.15</b>	<b>27,002.33</b>	<b>26,819.37</b>
<b>2 Current assets</b>				
(a) Inventories	11	1,839.48	1,568.88	1,609.43
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables	12	984.51	681.42	950.40
(iii) Cash and Cash Equivalents	13	1,359.42	1,466.74	95.27
(iv) Bank balances other than (iii) above	14	3.52	28.83	522.63
(v) Loans	15	301.48	212.95	103.84
(vi) Other Financial Assets	16	319.16	210.82	1,464.17
(c) Current Tax Assets (net)	17	-	57.61	10.81
(d) Other current assets	18	788.87	1,269.31	487.02
<b>Total Current Assets</b>		<b>5,596.44</b>	<b>5,496.56</b>	<b>5,243.57</b>
<b>TOTAL ASSETS</b>		<b>33,810.59</b>	<b>32,498.89</b>	<b>32,062.94</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1 EQUITY</b>				
(a) Equity Share Capital	19	1,751.80	1,751.80	1,751.80
(b) Other Equity	20	12,584.59	11,214.92	10,928.47
<b>Total Equity attributable to owners of the parent</b>		<b>14,336.39</b>	<b>12,966.72</b>	<b>12,680.27</b>
(c) Non-controlling interest		466.51	453.48	510.45
<b>Total Equity</b>		<b>14,802.90</b>	<b>13,420.20</b>	<b>13,190.72</b>
<b>2 LIABILITIES</b>				
<b>2.1 Non-current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	21	10,058.14	9,941.54	5,963.51
(ii) Trade Payables		-	-	-
(iii) Other Financial Liabilities	22	2,084.41	2,084.32	2,079.59
(b) Provisions	23	622.55	565.84	499.22
(c) Deferred Tax Liabilities (Net)		-	-	-
(d) Deferred Revenue	24	579.18	636.04	-
<b>Total Non-Current Liabilities</b>		<b>13,344.28</b>	<b>13,227.74</b>	<b>8,542.32</b>
<b>2.2 Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	25	1,434.24	1,544.45	4,317.15
(ii) Trade Payables	26	1,247.56	865.86	1,200.88
(iii) Other Financial Liabilities	27	1,640.75	2,298.12	3,582.57
(b) Other Current Liabilities	28	782.13	629.82	512.66
(c) Provisions	29	509.40	510.83	441.51
(d) Current Tax Liabilities (Net)	30	49.33	1.87	275.13
<b>Total Current Liabilities</b>		<b>5,663.41</b>	<b>5,850.95</b>	<b>10,329.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,810.59</b>	<b>32,498.89</b>	<b>32,062.94</b>

**Significant Accounting Policies and other Notes**  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

1-54

**For K.L.Vyas & Company**

Chartered Accountants

Firm Regn. No. 003289C

**K.L.Vyas**

Partner

M.No. 072043

Indore, 30<sup>th</sup> May 2018

**For and on behalf of the Board of Directors**

**T.N Unni**

Director

DIN-00079237

**Sandesh Khandelwal**

Chief Financial Officer

**Raouf Razak Dhanani**

Managing Director

DIN-00174654

**Amit Sarraf**

Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

Amount in Rs. Lakhs

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	<b>Income</b>			
II	Revenue From Operations	31	21,581.97	17,891.36
III	Other Income	32	287.28	154.31
IV	<b>Total Revenue (II+III)</b>		<b>21,869.25</b>	<b>18,045.67</b>
V	<b>Expenses :</b>			
	Food and Beverages Consumed	33	4,542.73	3,987.94
	Employee Benefits Expenses	34	5,965.64	4,448.37
	Finance Costs	35	1,628.23	1,920.12
	Depreciation And Amortization Expenses	2 & 4	2,374.53	2,559.91
	Operating Expenses	36	5,043.19	4,230.91
	Other Expenses	37	2,572.71	1,798.44
	<b>Total Expenses</b>		<b>22,127.03</b>	<b>18,945.69</b>
VI	<b>Profit before share of profit/(loss) of associate and tax (IV-V)</b>		<b>(257.78)</b>	<b>(900.02)</b>
	Share of Profit/ (Loss) of associate		<b>193.94</b>	<b>549.15</b>
VII	<b>Profit Before Tax</b>		<b>(63.84)</b>	<b>(350.87)</b>
VIII	<b>Tax Expense :</b>			
	(1) Current Tax		176.85	64.33
	(2) Deferred Tax		166.79	(138.36)
	(3) Tax Adjustment of Earlier Year		(18.38)	28.96
			<b>325.26</b>	<b>(45.07)</b>
IX	<b>Profit (Loss) for the year (VII-VIII)</b>		<b>(389.11)</b>	<b>(305.80)</b>
X	<b>Other Comprehensive Income</b>			
	A. Items that will not be reclassified to profit or loss			
	(i) Actuarial Gain/(Loss) on Defined Benefit Plan		86.56	20.60
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(30.83)	(7.00)
	B. Items that will be reclassified to profit or loss			
	(i) Changes in Cash Flow Hedge Reserve		0.56	(0.56)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(0.19)	0.19



**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

Amount in Rs. Lakhs

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
XI	<b>Total Comprehensive Income for the year (IX+X)(Comprising Profit /(Loss) and Other Comprehensive Income for the year) before share of associate</b>		<b>(333.00)</b>	<b>(292.58)</b>
	Share of Profit/ (Loss) of associate		<b>(32.33)</b>	<b>(7.19)</b>
	<b>Total Comprehensive Income for the year (IX+X)(Comprising Profit /(Loss) and Other Comprehensive Income for the year)</b>		<b>(365.33)</b>	<b>(299.77)</b>
	Net profit attributable to			
	Owners of the parent		(404.53)	(248.81)
	Non controlling interests		15.41	(56.98)
	<b>Other Comprehensive Income attributable to</b>			
	Owners of the parent		26.13	6.03
	Non controlling interests		(2.36)	0.01
	<b>Total Comprehensive Income attributable to</b>			
	Owners of the parent		(378.40)	(242.78)
	Non controlling interests		13.05	(56.97)
XII	Earnings per equity share			
	(1) Basic	38	(2.91)	(2.43)
	(2) Diluted		(2.91)	(2.43)

**Significant Accounting Policies and other Notes**  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C

**K.L.Vyas**  
Partner  
M.No. 072043

Indore, 30<sup>th</sup> May 2018

1-54

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raooif Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax from continuing operations</b>	<b>(257.22)</b>	<b>(900.58)</b>
<b>Non-cash/Non-Operating adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation & Amortisation including adjustments	2,374.53	2,559.91
Deferred Income Amortisation	(81.99)	(47.12)
Deferred Expense Amortisation	9.15	4.46
(Profit) /Loss on Sale/Disposal of Property, Plant & Equipment	0.48	38.39
Prepaid Lease charges on Security Deposit	15.77	4.38
Prepaid Lease income on Security Deposit	(4.71)	(4.55)
Foreign Exchange gain/ (loss) on Derivative Liability	(94.27)	114.47
Interest Expense	1,628.23	1,920.12
Amortisation of sd	3.16	3.16
Interest Received	(131.22)	(29.05)
<b>Operating profit before Working Capital changes</b>	<b>3,461.90</b>	<b>3,663.59</b>
<b>Adjustments for:</b>		
(Increase)/ Decrease in trade and other receivables	(746.56)	864.39
(Increase) / Decrease in Inventory	(270.60)	40.55
Increase/ (Decrease) in trade and other payables	515.63	-371.02
<b>Cash generated from operations</b>	<b>2,960.37</b>	<b>4,197.51</b>
Taxes (Paid)/Refund	(58.54)	(401.07)
<b>Net Cash from Operating Activity (A)</b>	<b>2,901.83</b>	<b>3,796.44</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(1,268.54)	(1,371.01)
Sale/Disposal of Property, Plant & Equipment	3.93	1.21
Govt. Grant Received	22.39	774.43
Sale of Investments	-	0.39
Maturity/(Investment) in Non Current Fixed Deposits	(6.71)	(85.63)
Dividend Received	126.21	94.66
Interest Received	124.73	27.48
<b>Net Cash Flow from Investing Activity (B)</b>	<b>(997.99)</b>	<b>(558.47)</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Long Term Borrowings	(878.62)	2,636.70
Proceeds/(Repayment) of loans from others	409.19	(2,659.57)
Interest Paid	(1,425.13)	(1,738.16)
<b>Net cash used in Financing Activity (C)</b>	<b>(1,894.56)</b>	<b>(1,761.03)</b>
<b>Net increase/decrease in cash and cash equivalents(A+B+C)</b>	<b>9.28</b>	<b>1,476.94</b>
Cash and cash equivalents at the beginning of the year	1,078.40	(398.54)
Cash and cash equivalents at the close of the year	1,087.68	1,078.40

This is the Cash Flow Statement referred to in our Report of even date

**Notes:**

1. The above cash flow statement has been prepared under the indirect method set out in Ind AS -7 'Statement of Cash Flows'.
2. For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with Banks	1,239.05	1,441.15	60.01
Cash on hand	50.19	25.59	35.26
Investment in Mutual Fund	70.18	-	-
Less: Bank Overdraft	(271.74)	(388.34)	(493.81)
	<b>1,087.68</b>	<b>1,078.40</b>	<b>(398.54)</b>

**Significant Accounting Policies and other Notes**  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

1-54

**For K.L.Vyas & Company**  
Chartered Accountants  
Firm Regn. No. 003289C  
**K.L.Vyas**  
Partner  
M.No. 072043  
Indore, 30<sup>th</sup> May 2018

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

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**Consolidated Statement of Changes in Equity for the year ended 31st March, 2018**

	(Rs. In Lakhs)	
<b>A. Equity Share Capital</b>		
Balance as at 1st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
1,751.80	-	1,751.80

Particulars	Attributable to owners of parent							Total	
	Reserve and surplus								
	Equity component of compound financial instruments	Securities Premium Reserve	General Reserve	Retained Earnings	Share in of Equity Component Directly credited to Equity	Effective portion of Cash Flow Hedges	Share of OCI of Joint ventures Accounted for using Equity Method		
									Total Equity attributable to owners of parent
<b>Balance as at 1st April, 2017</b>	251.66	5,944.60	641.48	3,880.48	490.67	(7.19)	11,214.91	453.48	11,668.40
Profit/(Loss) for the year	-	-	(402.16)	-	-	(32.33)	(402.16)	13.05	(389.12)
Other Comprehensive Income for the year	-	-	-	-	-	-	23.77	-	23.77
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	-	(378.39)	13.04	(365.35)
Equity Component Others	-	-	-	1,696.36	-	-	1,696.36	-	1,696.36
<b>Balance as at 31st March, 2018</b>	251.66	5,944.60	641.48	3,530.02	2,187.03	(39.52)	12,584.59	466.52	13,051.11

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**Consolidated Statement of Changes in Equity for the year ended 31st March, 2018**

A. Equity Share Capital		(Rs. In Lakhs)	
Particulars	Balance as at 1st April, 2016	Changes in equity share capital during the year	Balance as at 31st March, 2017
	1,751.80	-	1,751.80

B. Other Equity		(Rs. In Lakhs)								
Particulars	Balance as at 1st April, 2016	Attributable to owners of parent						Non-Controlling Interest	Total	
		Reserve and surplus			Share of OCI of Joint ventures Accounted for using Equity Method	Effective portion of Cash Flow Hedges	Share in of Equity Component Directly credited to Equity			Retained Earnings
		Equity component of compound financial instruments	Securities Premium Reserve	General Reserve						
Balance as at 1st April, 2016	251.66	5,944.60	641.48	4,090.74				10,928.48	11,438.93	
Profit/(Loss) for the year	-	-	-	(248.83)	-	-	-	(248.83)	(305.79)	
Other Comprehensive Income for the year	-	-	-	-	13.23	-	(7.19)	6.03	6.03	
<b>Total Comprehensive Income for the Year</b>	-	-	-	(248.83)	13.23	-	(7.19)	(242.79)	(299.75)	
Equity Component	-	-	-	490.67	-	-	-	490.67	490.67	
Others	-	-	-	38.56	-	-	-	38.57	38.57	
<b>Balance as at 31st March, 2017</b>	251.66	5,944.60	641.48	3,880.48	13.23	490.67	(7.19)	11,214.93	11,668.42	

1-54

**Significant Accounting Policies and other Notes**  
These notes form an integral part of these financial statements

**For K.L.Vyas & Company**  
Chartered Accountants  
**Firm Regn. No. 003289C**

**K.L.Vyas**  
Partner  
**M.No. 072043**  
**Indore, 30<sup>th</sup> May 2018**

**For and on behalf of the Board of Directors**

<b>T.N Unni</b> Director DIN-00079237	<b>Raouf Razak Dhanani</b> Managing Director DIN-00174654
<b>Sandesh Khandelwal</b> Chief Financial Officer	<b>Amit Sarraf</b> Company Secretary

## **Significant Accounting Policies for the FY 2017-18:- Consolidated Financial Statements**

### **Notes to Financial Statements**

#### **A. Group Information**

Sayaji Hotels Limited (SHL” or the “Company”), is a company domiciled in India and limited by shares (CIN: L51100GJ1982PLC005131).The shares of the company are publicly traded on Bombay Stock Exchange of India Limited. The address of the Company's registered office is F1,C2 Sirval Apartment 2, Algappa Nagar Zamin Pallovaram Chennai, Tamil Nadu - 600117. The Company and its subsidiaries (jointly referred to as the 'Group' herein under) are considered in the consolidated financial statements. The group is primarily engaged in the business of owning, operating & managing hotels.

#### **B. Basis of Preparation**

##### **1. Statement of Compliance**

These Consolidated Financial Statements are prepared on accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent applicable), applicable provisions of the Companies Act, 1956. These are Group's first Ind AS compliant financial statements and Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied.

For all period upto and including 31st March 2017, the group prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, accounting standards specified under Section 133 of the Companies Act, 2013, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956. The Group followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as on the date of Transition, viz. 1st April 2016. Some of the Ind AS Accounting policies used in the opening Balance sheet are different from its previous GAAP policies applied as at 31st March 2016, accordingly the adjustment were made to restate the opening balance as per Ind AS. The resulting adjustment arose from events and transaction before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1st April 2016. This is the effect of the general rule of the Ind AS 101 which is to apply Ind AS retrospectively.

An Explanation of how the transition to Ind AS 101 has affected the reported financial position, financial performance and cash flows of the Group is provided in note.

##### **2. Basis of measurement/Use of Estimates**

a. The Financial Statements are prepared on accrual basis under the historical cost convention except certain financial assets and liabilities (including derivatives instruments) that are measured at fair value at the end of each reporting period. The methods used to measure fair values are discussed in notes to financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

b. The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major Estimates are discussed in Part C.

##### **3. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Group's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (upto two decimals), except as stated otherwise.

#### **C. Significant accounting policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

### **Significant Accounting Policies for the FY 2017-18:- Consolidated Financial Statements**

The Group has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 and Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets at 1 April 2016, the Group's date of transition to Ind AS, according to the previous GAAP were maintained in transition to Ind AS.

#### **1. Basis of consolidation**

##### **i. Subsidiaries**

- a. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group and has the ability to affect those returns through its power over the group. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- b. The Group entities combines the financial statements of parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expense. Intercompany balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset.
- c. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non- controlling interests.
- d. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

Where company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non Controlling Interest and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date of control is lost. Any resulting gain or loss is recognised in Profit and loss.

##### **ii. Associate**

- a. Under the equity method of accounting, the investment in an associate is initially recognised at cost. The Carrying amount of the investment is adjusted to recognise changes in the group's share of the net assets of the associate is included in the carrying amount of the investment and is not tested for impairment individually.
- b. The Statement of profit and loss reflects the Group's share of the resultsof operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the Equity of the associate, the group recognizes its share of any changes, when applicable, in the statement of changes in Equity. Unrealized gains and losses resulting from transactions between the group and the associate are eliminate to the extent of the interest in the associate.
- c. Upon loss of significant influence over associate, the group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence in associate and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

#### **2. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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.

**Significant Accounting Policies for the FY 2017-18:- Consolidated Financial Statements**

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 settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

**3. Property Plant & Equipment**

**3.1. Initial recognition and measurement**

An item of property, plant and equipments recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, borrowing cost, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalized.

**3.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in profit or loss as incurred.

**3.3. Derecognition**

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

**3.4. Depreciation/amortization**

Depreciation of each part of an item of Property, Plant and Equipment is recognized in profit or loss on a Written Down Value Method over the estimated useful lives as prescribed in Schedule II of Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of assets had been re-assessed as under based on technical evaluation, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support.

**Class of Assets**

**Useful Life**

Assets constructed on leased premises.

Over the lease period

Leasehold lands are amortized over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.



### **Significant Accounting Policies for the FY 2017-18:- Consolidated Financial Statements**

Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

#### **4. Capital work-in-progress**

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

#### **5. Intangible assets and intangible assets under development**

##### **5.1. Initial recognition and measurement**

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

##### **5.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

##### **5.3. Derecognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

##### **5.4. Amortization**

Intangible assets having definite life are amortized on Written Down Value method in their useful lives. Useful life of computer software is estimated at five years. If life of any intangible asset is indefinite then it is not amortized and tested for Impairment at the reporting date

#### **6. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended uses are complete.

All other borrowing costs are charged to revenue as and when incurred.

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 17 – 'Leases' (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and (d) other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

## **Significant Accounting Policies for the FY 2017-18:- Consolidated Financial Statements**

### **7. Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

### **8. Cash and Cash Equivalent**

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

### **9. Government Grants**

Government grants that compensate the company for the cost of asset are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant and are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

### **10. Provisions and contingent liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

### **11. Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

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 recognized in profit or loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

## **Significant Accounting Policies for the FY 2017-18:- Consolidated Financial Statements**

### **12. Revenue**

Revenue is recognised 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 and taking into account contractually defined terms of payment. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company operates loyalty programme, which allows its eligible customers to earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenue allocated to award points is deferred and on redemption of the award points, the revenue is recognised.

#### **Rendering of services**

Revenue comprises sale of rooms, food and beverages, allied services relating to Hotel operations. Revenue is recognized upon rendering of service. Life Membership fees is amortised over a period of 10 years, taken as an estimate by the management

Sale is exclusive of Luxury tax, Sales tax, Service Tax and other taxes. Sales tax under the composition scheme is also excluded.

#### **Interest Income**

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

#### **Dividend**

Dividend Income is recognised when the Group's right to receive is established which generally occurs when the shareholders approve the dividend.

#### **Other Income**

Other income is recognized in the statement of profit and loss when increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

### **13. Employee Benefits**

#### **13.1. Short Term Benefit**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **13.2. Post-Employment benefits**

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two type:

##### **13.2.1. Defined contribution plans**

Defined contribution plans are those plans in which an group pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance are Defined Contribution Plans in which company pays a fixed contribution and will have no further obligation.

##### **13.2.2. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

### **Significant Accounting Policies for the FY 2017-18:- Consolidated Financial Statements**

Company pays Gratuity as per provisions of the Gratuity Act, 1972. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

#### **13.2.3. Long Term Employee Benefit**

Benefits under the Group's leave encashment constitute other long term employee benefits.

Leave Encashment is determined based on the available leave entitlement at the end of the year.

#### **14. Income Taxes**

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under 'Income tax payable' net of payments on account, or under 'Tax receivables' where there is a debit balance.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable group, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

#### **15. Leases As Lessee**

##### **Accounting for finance leases**

Leases of Property, Plant and Equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as Property, Plant and Equipment and the related liability is recognized in the balance sheet as Finance Lease Obligation. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

##### **Accounting for operating leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

## **Significant Accounting Policies for the FY 2017-18:- Consolidated Financial Statements**

### **16. Impairment of Non-financial Assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of goodwill of that CGU, if any and then the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **17. Operating Segments**

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. For management purpose company is organized into major operating activity of hoteliering in India. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

### **18. Dividends**

Dividends and interim dividends payable to a Group's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

### **19. Material Prior Period Errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

### **20. Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### **21. Statement of Cash Flows**

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of cash flows.

### **22. Financial instruments**

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

#### **22.1. Financial assets**

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

All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

## **Significant Accounting Policies for the FY 2017-18:- Consolidated Financial Statements**

### **Subsequent measurement**

#### **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized 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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at fair value through other comprehensive income

A 'debt instrument' is classified as at the fair value through other comprehensive income 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 fair value through other comprehensive income category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at fair value through profit and loss**

Fair value through profit and loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income, is classified as at fair value through profit and loss.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit and loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the fair value through profit and loss category are measured at fair value with all changes recognized in the profit and loss.

#### **Equity investments**

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income or fair value through profit and loss. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at fair value through other comprehensive income, then all fair value changes on the instruments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However the company may transfer cumulative gain or loss within the equity.

Equity instruments included within the fair value through profit and loss category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in subsidiaries and joint ventures are measured at cost.

#### **Derecognition**

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

- The rights to receive cash flows from the asset have expired, or

### **Significant Accounting Policies for the FY 2017-18:- Consolidated Financial Statements**

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

#### **Impairment of financial assets**

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

- Lease Receivables under Ind AS 17

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 18

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

Trade receivables or contract assets resulting from transactions within the scope of Ind AS 18, if they do not contain a significant financing component

- Trade receivables or contract assets resulting from transactions within the scope of and Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes 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 group reverts to recognizing impairment loss allowance based on 12-month ECL.

#### **Financial liabilities**

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

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

##### **Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### **Derecognition**

A financial liability is derecognized 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 recognized in the statement of profit or loss.

##### **Derivative financial instruments**

The Company uses forwards to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to



### **Significant Accounting Policies for the FY 2017-18:- Consolidated Financial Statements**

Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

#### **Hedges that meet the criteria for hedge accounting are accounted for as follows:**

##### **a) Cash flow hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

##### **b) Fair Value Hedge**

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

### **23. Major Estimates made in preparing Financial Statements**

#### **23.1. Useful life of property, plant and equipment**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

#### **23.2. Post-employment benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

#### **23.3 Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

#### **23.4. Impairment Test of Non-Financial Assets:**

The recoverable amount of investment in subsidiary is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee company. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**NOTE 2: PROPERTY PLANT & EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)**

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2017	Additions	Deletions/ Adjustment	As at 31.03.2018	Upto 01.04.2017	For the Year	Deletions/ Adjustment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Freehold Land	2,668.79	-	-	2,668.79	-	-	-	-	2,668.79	2,668.79
Leasehold Land	2,114.11	-	-	2,114.11	30.95	30.98	-	61.63	2,052.18	2,083.16
Buildings	10,521.62	795.94	(6.67)	11,310.89	1,181.20	1,387.78	(4.76)	2,564.22	8,746.67	9,340.42
Plant and Equipments	2,271.81	100.88	(7.35)	2,365.34	366.77	350.07	(6.46)	710.38	1,654.96	1,905.05
Furniture & Fixtures	1,358.63	61.11	(27.12)	1,392.62	379.01	442.49	(26.45)	795.05	597.57	979.62
Service Equipment	96.94	144.69	(5.16)	236.47	38.42	56.52	(5.11)	89.83	146.64	58.52
Vehicles	154.20	31.14	(45.47)	139.86	49.39	38.48	(43.20)	44.67	95.19	104.81
Computers	195.30	25.37	-	220.67	102.76	50.54	-	153.30	67.37	92.54
<b>Total</b>	<b>19,381.40</b>	<b>1,159.12</b>	<b>(91.77)</b>	<b>20,448.75</b>	<b>2,148.50</b>	<b>2,356.86</b>	<b>(85.98)</b>	<b>4,419.38</b>	<b>16,029.37</b>	<b>17,232.90</b>

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2016	Additions	Deletions/ Adjustment	As at 31.03.2017	Upto 01.04.2016	For the Year	Deletions/ Adjustment	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Freehold Land	2,668.79	-	-	2,668.79	-	-	-	-	2,668.79	2,668.79
Leasehold Land	2,113.11	1.00	-	2,114.11	-	30.95	-	30.95	2,083.16	2,113.11
Buildings	6,856.25	3,823.49	(158.12)	10,521.62	-	1,303.11	(121.91)	1,181.20	9,340.42	6,856.25
Plant and Equipments	1,705.50	558.99	7.32	2,271.81	-	362.60	4.17	366.77	1,905.04	1,705.50
Furniture & Fixtures	1,385.06	262.57	(289.00)	1,358.63	-	661.84	(282.69)	379.01	979.62	1,385.06
Service Equipment	86.24	10.71	(0.01)	96.94	-	38.42	(0.00)	38.42	58.52	86.24
Vehicles	150.70	3.50	-	154.20	-	49.39	-	49.39	104.81	150.70
Computers	180.38	15.32	(0.40)	195.30	-	102.80	(0.04)	102.76	92.54	180.38
<b>Total</b>	<b>15,146.03</b>	<b>4,675.58</b>	<b>(440.21)</b>	<b>19,381.40</b>	-	<b>2,548.97</b>	<b>(400.47)</b>	<b>2,148.50</b>	<b>17,232.90</b>	<b>15,146.03</b>

Information regarding gross block of property plant and equipment and accumulated depreciation under previous GAAP is as follows:

(Rs. in Lakhs)

Particulars	Gross Block as at 31.03.2016	Accumulated Depreciation As at 31.03.2016	Net Block as at 01.04.2016 (Deemed cost)	Ind as Adjustment	Opening balance as at 01.04.2016
Free Hold Land	2,668.79	-	2,668.79	-	2,668.79
Lease Hold Land	2,294.06	-	2,294.06	(180.95)	2,113.11
Buildings	14,359.34	7,503.09	6,856.25	-	6,856.25
Plant & Equipment	4,626.45	2,920.95	1,705.50	-	1,705.50
Furniture & Fixtures	7,509.06	6,124.00	1,385.06	-	1,385.06
Service Equipments	854.81	768.57	86.24	-	86.24
Vehicles	706.69	555.99	150.70	-	150.70
Computers	656.85	476.47	180.38	-	180.38
<b>Total</b>	<b>33,676.05</b>	<b>18,349.07</b>	<b>15,326.98</b>	<b>(180.95)</b>	<b>15,146.03</b>

2.1 Refer Note 21.6 for information on property, plant and equipment pledged as security by the Company.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**NOTE 3 : CAPITAL WORK-IN-PROGRESS**

(Rs. In Lakhs)

Particulars	As at 01.04.2017	Additions	Capitalised during the year	As at 31.03.2018
Capital work in progress	7.56	28.11	0.20	35.47
<b>Total</b>	<b>7.56</b>	<b>28.11</b>	<b>0.20</b>	<b>35.47</b>

(Rs. In Lakhs)

Particulars	As at 01.04.2016	Additions	Capitalised during the year	As at 31.03.2017
Capital work in progress	3,318.80	815.10	4,126.34	7.56
<b>Total</b>	<b>3,318.80</b>	<b>815.10</b>	<b>4,126.34</b>	<b>7.56</b>

**NOTE 4: INTANGIBLE ASSETS**

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2017	Additions	Deletions/Adjustment	As at 31.03.2018	Upto 01.04.2017	For the Year	Deletions/Adjustment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Software & Licences	17.60	82.91	-	100.51	10.94	17.67	-	28.61	71.90	6.66
<b>Total</b>	<b>17.60</b>	<b>82.91</b>	<b>-</b>	<b>100.51</b>	<b>10.94</b>	<b>17.67</b>	<b>-</b>	<b>28.61</b>	<b>71.90</b>	<b>6.66</b>

(Rs. In Lakhs)

Particulars	Gross block				Depreciation/Amortization				Net book value	
	As at 01.04.2016	Additions	Deletions/Adjustment	As at 31.03.2017	Upto 01.04.2016	For the Year	Deletions/Adjustment	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Software & Licences	10.80	6.80	-	17.60	-	10.94	-	10.94	6.66	10.80
<b>Total</b>	<b>10.80</b>	<b>6.80</b>	<b>-</b>	<b>17.60</b>	<b>-</b>	<b>10.94</b>	<b>-</b>	<b>10.94</b>	<b>6.66</b>	<b>10.80</b>

Information regarding gross block of Intangible Assets and accumulated amortization under previous GAAP is as follows: (Rs. In Lakhs)

Particulars	Gross Block As at 31.03.2016	Accumulated Depreciation As at 31.03.2016	Net Block As at 01.04.2016 (Deemed cost)	Opening balance As at 01.04.2016
Software & Licences	156.80	146.00	10.80	10.80
<b>Total</b>	<b>156.80</b>	<b>146.00</b>	<b>10.80</b>	<b>10.80</b>

**NON CURRENT ASSETS**

**Note 5 : Investment in Associate**

(Rs. In Lakhs)

Particulars	Number of shares Current Year / (Previous Year) / [Date of Transition]	Face Value per share Current Year / (Previous Year) / [Date of Transition]	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Investment in Associate (Accounted for using equity method)</b>					
Barbeque-Nation Hospitality Ltd.	1,26,21,116 (6,310,558) [6,310,558]	5.00 (10.00) [10.00]	8,779.27	7,021.81	6,064.58
<b>Total</b>			<b>8,779.27</b>	<b>7,021.81</b>	<b>6,064.58</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 6 : Non Current Financial Asset: Investments**

(Rs. In Lakhs)

Particulars	Number of shares Current Year / (Previous Year) / [Date of Transition]	Face Value per share Current Year / (Previous Year) / [Date of Transition]	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A. Trade Investment (Unquoted At FVTPL)</b>					
Genex Hotels Pvt. Ltd.	1,100 (1,100) [5,000]	10.00 (10.00) [10.00]	0.11	0.11	0.50
Winner Hotels Pvt. Ltd	2,300 (2,300) [2,300]	10.00 (10.00) [10.00]	0.23	0.23	0.23
Exellent Estate Dev. P. Ltd.	65,000 (65,000) [65,000]	10.00 (10.00) [10.00]	0.01	0.01	0.01
Ahilya Hotels Ltd.	2,76,185 (276185) [276185]	10.00 (10.00) [10.00]	110.47	110.47	110.47
<b>Sub-Total (A)</b>			<b>110.82</b>	<b>110.82</b>	<b>111.21</b>
<b>B. Other Investments (Unquoted At FVTPL)</b>					
Bharat Equity Services Ltd.	1,00,000 (100000) [100000]	10.00 (10.00) [10.00]	0.10	0.10	0.10
<b>Sub-Total (B)</b>			<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
<b>Total (A+B)</b>			<b>110.92</b>	<b>110.92</b>	<b>111.31</b>

**Note 7 : Non Current Financial Asset: Loans**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Unsecured</b>			
Security Deposits*	526.44	57.94	15.02
Other Loans & Advances	430.46	430.46	430.46
<b>Less: Allowance for bad &amp; Doubtful advances</b>	<b>51.45</b>	<b>51.45</b>	<b>51.45</b>
<b>Total</b>	<b>905.45</b>	<b>436.95</b>	<b>394.03</b>

\*Security deposit Includes Rs. 462.15 Lakhs (31st March 2017 Rs. Nil; 1st April 2016 Rs. Nil) given to Prinite Hospitality Pvt Ltd and Rs. 46.05 Lakhs (31 March, 2017 Rs. 41.33 Lakhs; 1st April 2016 Rs. Nil) given to M/s Vicon Imperial Private Ltd. an associate company.

**Note 8 : Other Non Current Financial Assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fixed Deposits Against lien & Bank Guarantee*	98.60	91.89	6.26
<b>Total</b>	<b>98.60</b>	<b>91.89</b>	<b>6.26</b>

\*Maturity after 12 months pledged with bank against margin money.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 9 : Deferred Tax assets (net)**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Deferred Tax assets</b>			
<b>On account of Timing Difference in</b>			
Carry Forward losses & Depreciation	106.51	183.19	165.37
Expenses Disallowed under I.T. Act., 1961	1,338.54	257.64	179.00
Depreciation on fixed assets	188.17	1,219.31	1,040.02
On cash Flow hedge reserve	-	0.19	-
MAT Credit entitlement	20.60	-	-
Other Ind AS Adjustments	64.44	58.35	55.52
<b>Total Deferred Tax Assets</b>	<b>1,718.26</b>	<b>1,718.68</b>	<b>1,439.91</b>
Other Ind AS Adjustments	820.26	652.69	543.35
Transaction cost on borrowings	29.87	30.87	-
<b>Total Deferred Tax Liabilities</b>	<b>850.13</b>	<b>683.57</b>	<b>543.35</b>
<b>Net Deferred Tax(Liability)/Assets*</b>	<b>868.13</b>	<b>1,035.11</b>	<b>896.56</b>
<b>Amount debited/(Credited) to Profit &amp; Loss Statement</b>	<b>(166.98)</b>	<b>138.55</b>	<b>896.56</b>

\* Deferred tax liability for the year have been arrived at by taking the tax rate of 34.608% (31st March, 2017 33.99%, 1st April, 2016 34.608%) which is inclusive of education cess.

**Movement in Deferred Tax Asset/Liability For the Year Ended As on 31.03.2018**

(Rs. In Lakhs)

Particulars	Opening Balance as at 01.04.2017	Recognized in profit or loss	Recognized in OCI	Closing Balance as at 31.03.2018
<b>Deferred tax Liabilities :</b>				
Other Ind AS Adjustments	652.70	167.56		820.26
Transaction cost on borrowings	30.87	(1.00)		29.87
<b>Less: Deferred tax assets:</b>				
Carry Forward losses & Depreciation	183.19	(76.68)		106.51
Expenses Disallowed under I.T. Act., 1961	257.64	1,080.90		1,338.54
Depreciation on fixed assets	1,219.31	(1,031.14)		188.17
On cash Flow hedge reserve	0.19		(0.19)	-
MAT Credit entitlement	-	20.60		20.60
Other Ind AS Adjustments	58.35	6.09		64.44
<b>Net Tax (assets)/liabilities</b>	<b>(1,035.11)</b>	<b>166.79</b>	<b>0.19</b>	<b>(868.13)</b>

**Movement in Deferred Tax Asset/Liability For the Year Ended As on 31.03.2017**

(Rs. In Lakhs)

Particulars	Opening Balance as at 01.04.2016	Recognized in profit or loss	Recognized in OCI	Closing Balance as at 31.03.2017
<b>Deferred tax Liabilities :</b>				
Other Ind AS Adjustments	543.35	109.35		652.70
Transaction cost on borrowings	-	30.87		30.87
<b>Less: Deferred tax assets:</b>				
Carry Forward losses & Depreciation	165.37	17.82		183.19
Expenses Disallowed under I.T. Act., 1961	179.00	78.64		257.64
Depreciation on fixed assets	1,040.02	179.29		1,219.31
On cash Flow hedge reserve	-		0.19	0.19
MAT Credit entitlement	-	-		-
Other Ind AS Adjustments	55.52	2.83		58.35
<b>Net Tax (assets)/liabilities</b>	<b>(896.56)</b>	<b>(138.36)</b>	<b>(0.19)</b>	<b>(1,035.11)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 10 : Other non-current assets**

(Amount Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Capital Advances*</b>			
Unsecured	19.42	1.79	24.39
<b>Advances Other Than Capital Advances</b>			
Prepaid Lease Charges	1,234.71	991.14	846.61
Raipur Lease- Stamp Duty payment Unamortised	60.91	65.60	-
<b>Total</b>	<b>1,315.04</b>	<b>1,058.53</b>	<b>871.00</b>

\*Given for business purpose.

**Note 11 : Inventories**

(Amount Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>(Valued at cost or NRV whichever is less &amp; certified by management)</b>			
Operating Supplies	1,700.49	1,372.79	1,413.06
Food & Beverages	138.99	153.55	153.83
Shopping Arcade Stock* -	-	42.54	42.54
<b>Total</b>	<b>1,839.48</b>	<b>1,568.88</b>	<b>1,609.43</b>

\*Transferred to fixed assets during the year as per contra in Note 2

**Disclosure As per Ind AS 2, Inventories**

**(i) Amount of inventories recognised as expense during the year is as under :**

(Amount Rs. In Lakhs)

Particulars	For the year 2017-18	For the year 2016-17
Operating Supplies	753.14	676.38
Food & Beverages	4,542.73	3,987.94
Shopping Arcade Stock	-	-
<b>Total</b>	<b>5,295.87</b>	<b>4,664.32</b>

**(ii) Refer Note 25.1 for information on inventory pledged as security by the Company.**

**Note 12 : Current Financial Assets: Trade Receivables**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, Considered Good	913.06	633.99	906.46
Others- Considered good	103.67	47.43	43.94
Considered doubtful	0.21	-	-
Less: Provision for doubtful trade receivables	(32.43)	-	-
<b>Total</b>	<b>984.51</b>	<b>681.42</b>	<b>950.40</b>

**Note 13 : Cash and Cash Equivalents**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Cash on Hand</b>	<b>50.19</b>	<b>25.59</b>	<b>35.26</b>
<b>Balances with Bank</b>	<b>-</b>	<b>-</b>	<b>-</b>
In current Accounts With Scheduled Bank	1,239.05	1,441.15	60.01
Investment in Liquid Funds	70.18	-	-
<b>Total</b>	<b>1,359.42</b>	<b>1,466.74</b>	<b>95.27</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 14 : Bank Balances Other than Cash and cash equivalents**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fixed Deposits Against lien	3.52	28.83	522.63
<b>Total</b>	<b>3.52</b>	<b>28.83</b>	<b>522.63</b>

**Note 15 : Current Financial Assets: Loans**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Staff Advances & Loan	254.72	114.47	16.43
Other Loans & Advances*	46.76	98.48	87.41
<b>Total</b>	<b>301.48</b>	<b>212.95</b>	<b>103.84</b>

\*Loans and advances have been given for business purposes.

**Note 16 : Other Current Financial Assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Others	206.88	146.61	168.14
Telephone Deposit	0.34	1.86	1.86
Electricity Deposit	113.42	63.83	55.86
Other Deposits	0.24	0.24	0.31
Receivable against Sale of Restaurant *	-	-	1,238.00
Less: Provision for doubtful advances	(1.72)	(1.72)	-
<b>Total</b>	<b>319.16</b>	<b>210.82</b>	<b>1,464.17</b>

**Note 17: Current Tax Assets (net)**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Income Tax	-	57.61	10.81
<b>Total</b>	<b>-</b>	<b>57.61</b>	<b>10.81</b>

**Note 18 : Other current assets**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Prepaid Expenses	146.99	92.28	98.62
Prepaid lease charges	44.27	29.15	17.76
Subsidy Receivable from M P Tourism Development Corporation Ltd.	-	729.93	-
Other current assets	1.68	26.21	1.15
Advance to suppliers for goods & services*	45.74	83.54	112.40
Balance with Govt. authorities	545.50	303.51	257.09
Current portion of Unamortised Stamp Duty Payment of Raipur Lease	4.69	4.69	-
<b>Total</b>	<b>788.87</b>	<b>1,269.31</b>	<b>487.02</b>

\*Advances to suppliers for goods & services include advances against purchases & services which is receivable in kind in next 12 Months & are for business purpose.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**EQUITY**

**Note 19 : Equity Share Capital**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>AUTHORISED</b>			
30,000,000 Equity Shares of Rs.10/- each (Previous year 30,000,000 Equity Shares of Rs.10/- each)	3,000.00	3,000.00	3,000.00
1,000,000 Preference Shares of Rs. 100/- each (Previous year 1,000,000 Preference Shares of Rs. 100/- each)	1,000.00	1,000.00	1,000.00
<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>	<b>4,000.00</b>
<b>ISSUED</b>			
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>	<b>1,751.80</b>
<b>SUBSCRIBED &amp; PAID-UP</b>			
1,75,18,000 Equity Shares of Rs. 10/- each (Previous year 1,75,18,000 Equity Shares of Rs. 10/- each)	1,751.80	1,751.80	1,751.80
<b>Total</b>	<b>1,751.80</b>	<b>1,751.80</b>	<b>1,751.80</b>

**Terms/rights attached to equity shares :**

**19.1** The company has only one class of equity shares having a par value of Rs.10/- per share. Each Holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2018, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (Previous Year Rs.Nil)

**19.2** Details of Share holders holding more than 5% of Shares are as under:-

(Rs. In Lakhs)

Name	Category	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares	% of Shareholding	No of Shares
Late Shri Sajid R. Dhanani*	Promoter	13.90%	2435511	13.90%	2435511	13.90%	2435511
Raof Razak Dhanani	Promoter	22.26%	3898651	22.26%	3898651	22.26%	3898651
Anisha Raof Dhanani	Promoter	-	-	-	-	15.09%	2643256
Kayum Razak Dhanani	Promoter	20.77%	3638079	14.61%	2559288	-	-
Ahilya Hotels Limited	Promoter	14.01%	2455000	14.01%	2455000	14.01%	2455000

\*(Share transmission is pending in the name of legal heirs)

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**19.3** Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :- (Rs. In Lakhs)

Name	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Outstanding at the beginning of the year	1,75,18,000	1,751.80	1,75,18,000	1,751.80	1,75,18,000	1,751.80
Add : Fresh issue during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,75,18,000</b>	<b>1,751.80</b>	<b>1,75,18,000</b>	<b>1,751.80</b>	<b>1,75,18,000</b>	<b>1,751.80</b>

**Note 20 : Other Equity** (Rs. In Lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Equity Component of Cumulative Preference Shares	20.1	251.66	251.66	251.66
Securities Premium Reserve	20.2	5,944.60	5,944.60	5,944.60
General Reserve	20.3	641.48	641.48	641.48
Profit & Loss Account -Surplus/(Deficit)	20.4	5,760.49	4,378.34	4,090.73
Cash Flow Hedge Reserve	20.5	-	(0.37)	-
Other comprehensive share	20.6	(13.63)	(0.79)	-
<b>Total</b>		<b>12,584.59</b>	<b>11,214.92</b>	<b>10,928.47</b>

**OTHER EQUITY**

Particulars		As at 31st March, 2018	As at 31st March, 2017
<b>20.1</b>	<b>Equity Component of Compound financial instrument</b>		
	Opening at beginning	251.66	251.66
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>251.66</b>	<b>251.66</b>
<b>20.2</b>	<b>Securities Premium Reserve</b>		
	Opening at beginning	5,944.60	5,944.60
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>5,944.60</b>	<b>5,944.60</b>
<b>20.3</b>	<b>General Reserve</b>		
	Opening at beginning	641.48	641.48
	Addition during the year	-	-
	Utilised during the year	-	-
	<b>Closing at end</b>	<b>641.48</b>	<b>641.48</b>
<b>20.4</b>	<b>Profit &amp; Loss Account -Surplus/(Deficit)</b>		
	Opening at beginning	4,378.34	4,090.73
	Adjustments relating to Fixed Assets	-	-
	Addition during the year	1,497.55	369.75
	Ind AS Adjustment in JV	(0.28)	(0.01)
	Deferred Tax Impact	(175.73)	(95.73)
	Net actuarial Gain / (Loss) on defined benefit plan	60.61	13.59
	<b>Closing at end</b>	<b>5,760.49</b>	<b>4,378.34</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. In Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>20.5</b>	<b>Cash Flow Hedge Reserve</b>		
	Opening at beginning	(0.37)	-
	Addition during the year	0.37	(0.37)
	<b>Closing at end</b>	<b>-</b>	<b>(0.37)</b>
<b>20.6</b>	<b>Other comprehensive Income</b>		
	Opening at beginning	(0.79)	-
	Addition during the year	(13.12)	(0.79)
	Transfers to profit and loss	0.28	-
	<b>Closing at end</b>	<b>(13.63)</b>	<b>(0.79)</b>
	<b>Total Other Equity</b>	<b>12,584.59</b>	<b>11,214.92</b>

**Non Controlling Interest**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Non Controlling Interest</b>			
Opening at beginning	453.47	510.45	-
Addition during the year	13.04	(56.98)	510.45
<b>Closing at end</b>	<b>466.51</b>	<b>453.47</b>	<b>510.45</b>

**Note 21 : Current Financial Liabilities: Borrowings**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A. Secured Term Loans</b>			
i) From Banks	5,054.22	4,803.27	2,830.27
ii) From Financial Institutions	700.00	1,200.00	1,700.00
iii) From NBFC	2,106.07	2,333.04	-
<b>Total (A)</b>	<b>7,860.29</b>	<b>8,336.31</b>	<b>4,530.27</b>
<b>B. Unsecured Borrowing</b>			
i) Preference shares 1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous year 1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 100/- each)	1,797.85	1,605.23	1,433.24
ii) <b>Related Parties</b>	<b>400.00</b>	<b>-</b>	<b>-</b>
<b>Total (B)</b>	<b>2,197.85</b>	<b>1,605.23</b>	<b>1,433.24</b>
<b>Total (A+B)</b>	<b>10,058.14</b>	<b>9,941.54</b>	<b>5,963.51</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**(a) Terms/rights attached to preference shares :**

- 21.1** That during Financial year 2014-15 company had issued 10,00,000, 10% Cumulative Redeemable Preference Shares of Rs. 100/- each at a premium of Rs.50/- each. Out of above, pending 83338 shares were subscribed & paid up during the year 2015-16.
- 21.2** That above shares are to be redeemed within five years from the date of issue of same, at the rate of Rs. 220/- per preference share.
- 21.3** These shares are in the nature of compound financial instruments. And so they are bifurcated into equity and liability component in accordance with Ind AS 32. Equity component is computed as below :

Particulars	(Rs. in Lakhs)
Preference Share Capital (Subscribed and paid up)	1,000.00
Add : Securities Premium on issue	500.00
Less : Liability component (Present value of Contractual Cash Outflows)	(1,248.34)
<b>Equity Component</b>	<b>251.66</b>

- 21.4** That above Preference share holders are having preference over payment of dividend to equity share holders and accordingly arrears of preference dividends is required to be cleared before payment to Equity Share holders. And on the date of Balance Sheet, dividend on preference shares for more than 3 years are in arrears. And accordingly vide Second Proviso to Section 47(2) of the Companies Act, 2013, in case company is unable to pay dividend on preference shares for two years or more then such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

- 21.5** Details of Share holders holding more than 5% of 10% Cumulative Preference Shares are as under:-

Name	Category	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares	% of Shareholding	No of Shares
Saba Dhanani	Promoter	12.50%	125000	12.50%	125000	12.50%	125000
Azhar Dhanani	Promoter	12.50%	125000	12.50%	125000	12.50%	125000
Zuber Yusuf Dhanani	Promoter	12.50%	125000	12.50%	125000	12.50%	125000
Sadiya Dhanani	Promoter	12.50%	125000	12.50%	125000	12.50%	125000
Kayum Dhanani	Promoter	12.50%	125000	12.50%	125000	12.50%	125000
Sara Dhanani	Promoter	12.50%	125000	12.50%	125000	12.50%	125000
Sanya Dhanani	Promoter	12.50%	125000	12.50%	125000	12.50%	125000
Suchitra Dhanani	Promoter	12.50%	125000	12.50%	125000	12.50%	125000

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**21.6 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-**

Name	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Outstanding at the beginning of the year	10,00,000.00	1,000.00	10,00,000.00	1,000.00	10,00,000.00	1,000.00
Add : Fresh issue during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>10,00,000.00</b>	<b>1,000.00</b>	<b>10,00,000.00</b>	<b>1,000.00</b>	<b>10,00,000.00</b>	<b>1,000.00</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**21.7 NATURE OF SECURITIES AND TERMS OF REPAYMENT OF EACH LOAN**

**21.7.1** All Secured loans have been netted from the instalments falling due within twelve months after the reporting date. Breakup of amount due within 12 month and after 12 months and summarized outstanding position is as under :

Name	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
State Bank of India	499.56	2,929.36	594.80	3,339.49	1,598.16	2,396.99
Axis Bank Ltd.	173.54	2,103.99	396.32	1,453.65	130.00	36.36
State Bank of Mysore	-	-	-	-	490.00	293.36
ICICI Bank	-	-	-	-	500.00	-
HDFC Bank Ltd.	11.69	20.87	41.68	10.13	68.20	75.43
ICICI Bank	-	-	36.68	-	52.54	28.13
<b>Sub Total (i)</b>	<b>684.79</b>	<b>5,054.22</b>	<b>1,069.48</b>	<b>4,803.27</b>	<b>2,838.90</b>	<b>2,830.27</b>
<b>From Financial Institutions</b>						
TFCI	506.21	700.00	520.32	1,200.00	112.79	1,700.00
<b>Sub Total (ii)</b>	<b>506.21</b>	<b>700.00</b>	<b>520.32</b>	<b>1,200.00</b>	<b>112.79</b>	<b>1,700.00</b>
<b>From NBFC</b>						
Aditya Birla Finance Ltd.	251.05	2,106.07	119.29	2,333.04	-	-
<b>Sub Total (iii)</b>	<b>251.05</b>	<b>2,106.07</b>	<b>119.29</b>	<b>2,333.04</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (i) + (ii) + (iii)</b>	<b>1,442.05</b>	<b>7,860.29</b>	<b>1,709.09</b>	<b>8,336.31</b>	<b>2,951.68</b>	<b>4,530.27</b>

**21.7.2** Unsecured loans here been netted from the instalments falling due within twelve months after the reporting date. Breakup of amount due within 12 month and after 12 months.

Name	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
<b>From Bank</b>						
HDFC Bank Ltd.	-	-	2.42	-	1.94	-
<b>Sub Total (i)</b>	<b>-</b>	<b>-</b>	<b>2.42</b>	<b>-</b>	<b>1.94</b>	<b>-</b>
<b>From NBFC</b>						
Magma Fincorp Limited	-	-	-	-	51.90	-
Bajaja Finance Ltd.	-	-	128.92	-	-	-
<b>Sub Total (ii)</b>	<b>-</b>	<b>-</b>	<b>128.92</b>	<b>-</b>	<b>51.90</b>	<b>-</b>
<b>GRAND TOTAL (i) + (ii)</b>	<b>-</b>	<b>-</b>	<b>131.34</b>	<b>-</b>	<b>53.84</b>	<b>-</b>

**21.7.3** Secured Term Loan from bank includes term loans outstanding from State Bank of India, Axis Bank Ltd, State Bank of Mysore, HDFC Bank Ltd & ICICI Bank Ltd.

**21.7.4** Term loans outstanding of State Bank of India include term loans account and corporate loan. Loan is secured by way of mortgage of land & building at Indore hotel, Amber garden Indore, Vadodara & Pune & hypothecation of movables, present & future except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. offered to the bankers for securing the working capital finance.

**21.7.5** Term loans outstanding of Axis Bank Ltd include term loans account and corporate loan. Term loan outstanding is secured by way of first charge on Company's entire fixed assets, present & future, ranking parri passu with other existing term lenders. The term of repayment is on quarterly basis for term loan and monthly basis for corporate loan & interest is payable on monthly basis.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

- 21.7.6** Term loan outstanding of State Bank of Mysore was secured by way of mortgage of land & building at Indore, Vadodara & Pune & hypothecation of movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. The term of repayment of the term loan was on quarterly basis & the interest was payable on monthly basis, however same was repaid during the year 2016-17 under review.
- 21.7.7** Term loan outstanding of ICICI Bank Ltd. was secured by way of mortgage of land & building at Indore, Vadodara & Pune & hypothecation of movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis. Further secured by pledge of 30.00 Lakhs Equity Shares of Company held by Promoters. However the said term loan was repaid during the year 2016-17 under review.
- 21.7.8** Vehicle loans outstanding from HDFC Bank and ICICI Bank is secured by way of hypothecation of the specific vehicles financed by bank.
- 21.7.9** Secured term loans from Financial Institutions & others includes term loan outstanding of Tourism Finance Corporation of India Ltd(TFCIL) and Aditya Birla finance Limited.
- 21.7.10** Term loan outstanding from TFCI is secured on pari-passu basis by way of mortgage of land & building at Indore, Pune & Vadodara & hypothecation of the movables, present & future, except stocks of food beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. And by way of Mortgage of lease hold right of Amber Garden, Indore along with building Structure thereon and first charge by way of hypothecation of movables of Bhopal Club project, Bhopal. The term of repayment of the term loan is on quarterly basis & the interest is payable on monthly basis, This loan is personally guaranteed by Smt Suchitra Dhanani.
- 21.7.11** Corporate loan outstanding from Aditya Birla Finance Limited year is secured by first pari passu Charge with existing term lender by way of mortgage of land and building at Indore, Amber Garden, Pune and Vadodara and Hypothecation of the plant and machinery and other movable fixed assets of company (present and future except vehicles Funded through Vehicle Loan). The term of repayment of principal and interest is on monthly basis.
- 21.7.12** Loan outstanding from Magma Fincorp Limited is unsecured loan. Repayment is being made on EMI basis. Post dated cheques has been given for all instalments. However same was repaid during the year 2016-17 under review.
- 21.7.13** Loan outstanding from Bajaj Finance Limited is unsecured loan. However, secured by way of shares owned in other companies by Mr Raouf Razak Dhanani.
- 21.7.14** Term loans of Malwa Hospitality Pvt. Ltd. outstanding of State Bank of India include term loans account. Loan are secured by way hypothecation of entire fixed assets of company.
- 21.7.15** Vehicle loans of Malwa Hospitality Pvt. Ltd. outstanding from HDFC Bank is secured by way of hypothecation of the specific vehicles financed by bank.

**NOTE 22 Other Non Current Financial Liabilities**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deposits From Tenants	66.32	66.69	48.63
Finance lease payable	18.09	17.63	17.23
Others*	2,000.00	2,000.00	2,013.73
<b>Total</b>	<b>2,084.41</b>	<b>2,084.32</b>	<b>2,079.59</b>

\*Payable towards cancellation of agreement for land at Indore hotel. This amount is now payable within 5 years. Interest @ 9% p.a is payable on the outstanding amount.

**NOTE 23 Provisions**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Provisions for</b>			
Employee Benefits			
Gratuity	321.09	295.32	239.72
Leave Encashment	301.46	270.52	259.50
<b>Total</b>	<b>622.55</b>	<b>565.84</b>	<b>499.22</b>

- 23.1** The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 24 : Deferred Revenue**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 1st April, 2017
<b>(a) Subsidy received from M.P. State Tourism Development Corp. Ltd.</b>		
<b>Opening Balance</b>	<b>681.50</b>	-
Received During the Year	-	729.93
Amortised During the Year	81.06	48.43
<b>Closing Balance</b>	<b>600.44</b>	<b>681.50</b>
Less : Current Portion	70.33	81.06
<b>Non Current Balance at the end of the year</b>	<b>530.11</b>	<b>600.44</b>
<b>(b) Life Membership Fees</b>	-	-
<b>Opening Balance</b>	<b>40.05</b>	-
Add: Received During the Year	22.40	44.49
Less: Amortised During the Year	6.69	4.45
<b>Closing Balance</b>	<b>55.76</b>	<b>40.04</b>
Less : Current Portion	6.69	4.44
<b>Non Current Balance at the end of the year</b>	<b>49.07</b>	<b>35.60</b>
<b>Closing at end</b>	<b>579.18</b>	<b>636.04</b>

\* During year 2016-17, company has received Capital Subsidy under M.P. Tourism Policy, 2010 (as ammnded in 2014) amounting to R. 729.93 Lakhs against is "Amber Convention Centre", Indore As per AS-12 "Accounting for Government Grants", the above subsidy is treated as deferred income and is recognised in profit and loss account on a systmatic and rational basis over the useful life of assets. Such allocation has been made over the peiods and in proportions in which depreciation on "Amber Convention Centre" is charged.

**Note 25 Current Financial Liabilities: Borrowings**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A. Secured</b>			
Working capital facilities from Banks	258.14	377.54	490.67
<b>Total (A)</b>	<b>258.14</b>	<b>377.54</b>	<b>490.67</b>
<b>B. Unsecured</b>			
Loans From related parties	923.06	1,027.00	3,521.48
Loans From others	253.04	139.91	305.00
<b>Total (B)</b>	<b>1,176.10</b>	<b>1,166.91</b>	<b>3,826.48</b>
<b>Total (A+B)</b>	<b>1,434.24</b>	<b>1,544.45</b>	<b>4,317.15</b>

**25.1** Working capital facilities include Cash Credit Facilities from State Bank of India outstanding Rs. 8.07 Lakhs (31 March 2017, Rs. 377.54 Lacks; 1 April 2016 Rs. 411.07 Lakhs) & Axis Bank outstanding Rs. 250.07 Lakhs (31 March 2017, Rs. Nil; 1 April 2016 Rs. 79.60 Lakhs), both of which are secured by first charge by way of hypothecation of stocks of food, beverages, operating supplies, stores, spares, book-debts (excluding credit card receivables), bills etc. of the company and also by way of a second charge on the immovable properties of the company at Indore, Baroda and Pune.

**25.2** Loans from related parties & others includes loan from directors & associate companies.

**Note 26 Current Financial Liabilities: Trade Payables**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Payables*	1,247.56	865.86	1,200.88
<b>Total</b>	<b>1,247.56</b>	<b>865.86</b>	<b>1,200.88</b>

\*Trade payables are for goods purchased and services taken during the normal course of business.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

- 26.1** Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 The principal amount and the interest due thereon remaining unpaid to any supplier as at the year end:

Principal amount due to micro and small enterprises	-	-
Interest due on above		- -
	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, alongwith the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
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 the MSMED Act, 2006.	-	-
	-	-

- 26.2** Trade Payable having scheduled payment beyond 12 months after reporting date Rs. Nil (31 March 2017, Rs. Nil; 1 April 2016 Rs. Nil)

- 26.3** Includes amount payable to Barbeque Nation Hospitality Limited, against Royalty Payment Rs. Nil (31 March 2017, Rs. Nil; 1 April 2016 Rs. 42.79 Lakhs)

**Note 27 : Other Current Financial Liabilities**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Current Maturities of Long-Term Loans</b>			
<b>A. Secured Term Loans</b>			
From Banks	684.79	1,069.48	2,838.90
From Financial Institutions	506.21	520.32	112.79
From NBFC	251.05	119.29	-
<b>Total (A)</b>	<b>1,442.05</b>	<b>1,709.09</b>	<b>2,951.69</b>
<b>B. Unsecured Term Loans</b>			
From Banks	-	2.42	1.94
From NBFC	-	128.92	51.90
<b>Total (B)</b>	<b>-</b>	<b>131.34</b>	<b>53.84</b>
<b>C. Others</b>			
Creditors for capital Expenditure	135.61	110.62	431.22
Book Overdrafts	13.60	41.39	76.75
Derivative Liabilities	20.91	259.89	19.69
Outstanding Liabilities	-	12.51	-
Finance lease payable	1.89	1.89	1.89
Prepaid Lease Finance	26.56	30.59	33.39
Others	0.13	0.80	14.10
<b>Total (C)</b>	<b>198.70</b>	<b>457.69</b>	<b>577.04</b>
<b>Total (A+B+C)</b>	<b>1,640.75</b>	<b>2,298.12</b>	<b>3,582.57</b>

\* Refer note no. - 21.6.1 and 21.6.2 for loan wise current maturities and other terms of conditions.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 28 : Other Current Liabilities**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current portion of deferred revenue	77.01	85.50	-
Advance received from customers	261.56	351.97	191.91
Statutory Dues	423.68	132.24	200.73
Others	19.88	60.11	120.02
<b>Total</b>	<b>782.13</b>	<b>629.82</b>	<b>512.66</b>

**Note 29 : Provisions**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for			
Gratuity	0.15	7.21	3.38
Leave Encashment	22.23	6.25	3.54
Bonus	199.53	182.35	174.81
Audit Fess	0.45	0.28	0.18
Expenses	284.49	312.19	257.03
Previous Income Tax	2.55	2.55	2.57
<b>Total</b>	<b>509.40</b>	<b>510.83</b>	<b>441.51</b>

**Note 30 : Current Tax Liabilities (Net)**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for current year Tax	49.33	1.87	275.13
<b>Total</b>	<b>49.33</b>	<b>1.87</b>	<b>275.13</b>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 31 : Revenue From Operations**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Sales of Products &amp; Services (Gross)</b>		
Rooms	7,911.32	6,325.93
Food & Beverages	11,969.24	10,142.67
Other Services	1,701.41	1,422.76
<b>Total</b>	<b>21,581.97</b>	<b>17,891.36</b>

Revenue from others services includes income from club, rental income and income from banquet service etc.

**Note 32 : Other Income**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Earned*	131.22	29.05
Other Non –Operating Income	52.26	42.59
Sundry Balances W/off	7.08	11.27
Prior Period Income	11.99	23.33
Excess/(Short) Provision of Earlier Year Written Back	(0.33)	(2.07)
Management Fees	1.21	-
Deferred Revenue Income (Subsidy)	81.06	49.97
Profit on Redemption of Mutual Funds	2.76	1.54
Foreign Exchange Difference	-	0.14
Finance income on security deposit	0.03	0.03
<b>Total</b>	<b>287.28</b>	<b>154.31</b>

\*Includes interest on Bank deposits Rs. 4.61 Lakhs (PY 7.89 Lakhs ) & on loans & advances and other security deposits Rs. 126.61 Lakhs (PY Rs. 14.97 Lakhs)

**Note 33 : Food & Beverages Consumed**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening Stock	153.56	153.83
Add : Purchases*	4,528.17	3,987.67
	<b>4,681.73</b>	<b>4,141.50</b>
Less : Closing Stock	139.00	153.56
<b>Total</b>	<b>4,542.73</b>	<b>3,987.94</b>

\*Includes vegetable & non-vegetable items, grocery items, dairy products, tobacco products, alcoholic & non-alcoholic beverages etc.

\*\*Stores & operating supplies includes crockery & cutlery, linen & other consumables etc.

\*\*\*Other Operating Expenses includes house keeping & upkeeping expenses, expenses for F&B operations & club.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 34 : Employee Benefit Expenses\***

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries, Wages and Allowances	5,284.24	3,914.70
Contribution to P.F. and other Funds	375.44	344.81
Workmen and Staff Welfare Expenses	103.33	53.90
Workmen and Staff Uniform Expenses	202.63	134.96
<b>Total</b>	<b>5,965.64</b>	<b>4,448.37</b>

\* Net of Expenses capitalised of Rs Nil Lakhs (P.Y. Rs. 53.45 Lakhs)

**Note 35 : Finance Cost**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest on term Loan	1,076.99	813.50
Interest on Others	327.69	817.70
Finance cost on lease payable	2.41	2.36
Other expenses	40.71	37.89
Finance cost on Preference Share	192.64	172.00
Other borrowing cost	-	55.03
Foreign Exchange Fluctuation	(12.21)	21.64
<b>Total</b>	<b>1,628.23</b>	<b>1,920.12</b>

Interest on term loan includes interest paid on term loans & vehicle loans. Interest on others includes interest on credit facilities & interest on others. Other expenses includes bank charges. Other borrowing cost includes processing fees & upfront fees of loans and forward premium.

**Note 36 : Operating Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Stores & Operating Supplies*	753.14	676.38
Repairs and Maintenance		
Building	287.00	115.56
Plant & Machinery	191.75	166.23
Others	232.59	231.53
Laundry Expenses	282.42	230.35
Guest pick up Expenses	259.34	238.26
Cable TV Expenses	31.85	38.96
Banquet Service expenses	655.22	560.56
Other Operating Expenses **	536.84	552.62
Power and Fuel	1,813.04	1,420.46
<b>Total</b>	<b>5,043.19</b>	<b>4,230.91</b>

\* Stores & operating supplied includes crockery & cutlery, linen & other consumables etc.

\*\* Other Operating Expenses includes house keeping & upkeep expenses, expenses for F&B operations & club.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 37 : Other Expenses**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Lease Rent	1,244.48	704.52
Amortisation of lease deposit	8.92	8.92
Brand Royalty	18.12	14.19
Rates & Taxes	198.34	191.17
Insurance	28.58	23.56
Travelling and Conveyance	122.30	92.79
Postage, Telegram and Telephones	80.03	61.32
Advertisement and Publicity	90.25	84.09
Legal & Professional	233.89	224.66
Printing and Stationery	66.62	57.81
Credit Card Commission	110.62	104.49
Commission & Discount	35.18	11.08
Other Expenses	288.80	171.56
Auditors' Remuneration	- -	
Statutory audit	9.60	7.12
Certification other matters	2.50	1.04
Provision for doubtful debts	33.72	1.72
Loss on account of change in ownership in associate	0.28	0.01
Loss On Disposal/Retirement Of Assets	0.48	38.39
<b>Total</b>	<b>2,572.71</b>	<b>1,798.44</b>

\* Net of Expenses capitalised of Rs. NIL Lakhs (P.Y. Rs. 135.26)

**Note 38 : Earnings Per Share**

Particulars	Unit	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a) Amount used as the numerator profit after tax	Rs. In Lakhs	(389.11)	(305.80)
Less : Dividend on Preference Shares & Income Tax Thereon		120.36	120.36
Net Profit/(Loss) attributable to equity share holders		(509.47)	(426.16)
b) Weighted average number of equity shares used as the denominator in computing basic earning per share.	Nos.	175,18,000	175,18,000
Add : Potential no. of equity shares that could arise on conversion of warrants into equity shares.	Nos.	-	-
Weighted average number of shares used in computing Diluted Earning per Share	Nos.	175,18,000	175,18,000
c) Nominal value per share	Rs.	10	10
d) Earnings Per Share:			
- Basic	Rs.	(2.91)	(2.43)
- Diluted	Rs.	(2.91)	(2.43)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 39 : Disclosure as per Ind AS-7, Cash Flow Statement**

The Company has accessed the following undrawn facilities at the end of reporting period

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Working capital Loans</b>			
Expiring Within One Year	1291.86	297.46	184.33
<b>Floating Rate Borrowings</b>			
Expiring Within One Year	631.00	-	-

**Note 40 : Disclosure as per Ind AS-8**

**Standards issued but not yet effective:**

**Ind AS 115 'Revenue from Contracts with Customers'**

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

**The standard permits two possible methods of transition:**

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April 2018. The Company will adopt the standard on 1st April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31st March 2018 will not be retrospectively adjusted. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On 28 March 2018, 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 1st April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**Note 41 : Disclosure As per Ind AS-12 Income Taxes**

**i) Income Tax recognised in statement of profit & loss account**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Current Tax Expenses</b>		
Current year	176.85	64.33
Adjustment for earlier year	(18.38)	28.96
<b>Total current Tax expenses</b>	<b>158.47</b>	<b>93.29</b>
Deferred Tax Expenses	166.79	(138.36)
<b>Total Income tax expenses</b>	<b>325.26</b>	<b>(45.07)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**ii) Income tax recognised in other comprehensive income**

(Rs. In Lakhs)

Particular	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
	Before tax	Tax expense/ Benefit	Net of tax	Before tax	Tax expense/ Benefit	Net of tax
- Net actuarial gain/loss on defined benefit plan	86.56	(30.83)	55.73	20.60	(7.00)	13.60
- Changes in cash flow hedge reserve	0.56	(0.19)	0.37	(0.56)	0.19	(0.37)

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Profit before tax</b>	<b>(63.84)</b>	<b>(350.87)</b>
<b>Tax using company's domestic tax rate 34.608%(P.Y. 33.99%)</b>	<b>(22.09)</b>	<b>(119.26)</b>
Add: Earlier Year tax	(18.38)	28.96
Add: MAT Adjustment	1.25	-
Add: Expenses not Allowed in Income Tax	31.96	29.73
Less: Others	140.05	23.78
Add: Exempt Income	66.67	58.46
Profit or Loss charged at different tax rate	125.82	(66.75)
<b>Tax as per Statement of Profit &amp; Loss</b>	<b>325.28</b>	<b>(45.08)</b>

**42 : Disclosure as per Ind AS-17, Leases**

(Rs. In Lakhs)

The Company has taken certain hotels on non-cancellable operating lease.

As required under the Ind AS-17 on 'Leases', lease payments recognized for the period and the future minimum lease payments are as follows:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Lease payment recognized in statement of Profit or Loss	1,244.48	704.52
Contingent rent recognised in Profit or Loss	-	-
<b>Total</b>	<b>1,244.48</b>	<b>704.52</b>

**Operating Leases**

**Lease as Lessee**

The Company has taken land on operating lease. The lease of hotel properties are generally long term in nature with varying terms and renewal rights expiring within five years to one hundred & ninety eight years. On renewal, the terms of the leases are renegotiated. The total lease rent paid on the same is included under Lease Rent forming part of Other Expenses (Refer note no 36).

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Minimum Lease payment</b>			
Not later than one year;	872.57	364.44	90.00
Later than one year and not later than five years;	4,082.34	1,689.07	538.88
Later than five years;	55,671.72	52,292.23	52,655.54
<b>Total</b>	<b>60,626.63</b>	<b>54,345.74</b>	<b>53,284.42</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Financial Leases**

**Lease as Lessee**

The company acquires land on leasehold basis for a period generally ranging from 25 years to 99 years from the government authorities which can be renewed further based on mutually agreed terms and conditions. The leases are non cancellable. These leases are capitalised at the present value of the total minimum lease payments to be paid over the lease term. Future lease rentals are recognised as 'Finance lease obligation' at their present values. The leasehold land is amortised considering the significant accounting policies of the company.

(Rs. In Lakhs)

Particular	31st March, 2018		31st March, 2017		31st March, 2016	
	MLP	Present value of MLP	MLP	Present value of MLP	MLP	Present value of MLP
Not Later than one year	1.95	1.89	1.95	1.89	1.95	1.89
Between one and five years	9.76		9.76	6.60	9.76	6.60
More than five years	219.57	11.50	221.52	11.04	223.47	10.63
<b>Total MLP</b>	<b>231.28</b>	<b>13.39</b>	<b>233.23</b>	<b>19.53</b>	<b>235.18</b>	<b>19.12</b>
Less amount representing finance charges	217.89		213.70		216.06	
<b>Present value of MLP'S</b>	<b>13.39</b>		<b>19.53</b>		<b>19.12</b>	

**Note 43 : Disclosure as per Ind AS-19, Employee benefits**

**(a) Defined benefit plan**

The Company makes annual contributions to the Employee's Group Gratuity scheme of the SBI Life Insurance Co. Ltd., a funded defined benefit plan for the qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the terms of the scheme. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The following table sets out the status of the funded gratuity plan and the amounts recognized in the company's financial statements as at March 31, 2018:-

**Changes in Present Value of Obligation**

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Present value of obligation as on last valuation	314.22	253.91
Current Service Cost	59.97	61.78
Interest Cost	24.17	19.06
Participant Contribution	-	-
Plan Amendments: Vested portion at end of period(Past Service)	5.56	-
Plan Amendments: Non-Vested portion at end of period(Past Service)	-	-
Actuarial gain/loss on obligations due to Change in Financial Assumption	(75.93)	25.31
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(10.30)	(45.85)
Actuarial gain/loss on obligations due to Other reason	-	-
The effect of change in Foreign exchange rates	-	-
Benefits Paid	-	-
Acquisition Adjustment	-	-
Disposal/Transfer of Obligation	-	-
Curtailment cost	-	-
Settlement Cost	-	-
Other(Unsettled Liability at the end of the valuation date)	-	-
Present value of obligation as on valuation date	317.69	314.22

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Changes in Fair Value of Plan Assets**

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Fair value of Plan Assets at Beginning of period	11.69	10.82
Interest Income	0.90	0.81
Employer Contributions	5.00	-
Participant Contributions	-	-
Acquisition/Business Combination	-	-
Settlement Cost	-	-
Benefits Paid	-	-
The effect of asset ceiling	-	-
The effect of change in Foreign Exchange Rates	-	-
Administrative Expenses and Insurance Premium	-	-
Return on Plan Assets excluding Interest Income	0.32	0.06
Fair value of Plan Assets at End of measurement period	17.91	11.69

**Table Showing Reconciliation to Balance Sheet**

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Funded Status	(299.78)	(302.53)
Unrecognized Past Service Cost	-	-
Unrecognized Actuarial gain/loss at end of the period	-	-
Post Measurement Date Employer Contribution(Expected)	-	-
Unfunded Accrued/Prepaid Pension cost	-	-
Fund Asset	17.91	11.69
Fund Liability	317.69	314.22

**Table Showing Plan Assumptions**

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Discount Rate	7.70%	7.50%
Expected Return on Plan Asset	7.70%	7.50%
Rate of Compensation Increase(Salary Inflation)	6.00%	7.00%
Pension Increase Rate	N/A	N/A
Average expected future service (Remaining working Life)	29	27
Mortality Table	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
Superannuation at age-Male	58	58
Superannuation at age-Female	58	58
Early Retirement & Disablement (All Causes Combined)	18-29 years 32%, 30-45 years 18%	18-29 years 32%, 30-45 years 18%
above age 45	0.05	0.05
Between 29-45	0.18	0.18
below age 29	0.28	0.28
Voluntary Retirement	Ignored	Ignored

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Expense Recognized in statement of Profit/Loss** (Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Current Service Cost	59.97	61.78
Past Service Cost(vested)	5.56	-
Net Interest Cost	23.27	18.25
Benefit Cost(Expense Recognized in Statement of Profit/loss)	88.81	80.03

**Expense Recognized in Other Comprehensive Income** (Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Actuarial gain/loss on obligations due to Change in Financial Assumption	(75.94)	25.05
Actuarial gain/loss on obligations due to Change in Demographic assumption	-	-
Actuarial gain/loss on obligations due to Unexpected Experience	(10.31)	(45.58)
Actuarial gain/loss on obligations due to Other reason	-	-
<b>Total Actuarial (gain)/losses</b>	<b>(86.24)</b>	<b>(20.53)</b>
Return on Plan Asset, Excluding Interest Income	0.32	0.06
The effect of asset ceiling	-	-
Balance at the end of the Period	(86.56)	(20.59)
Net(Income)/Expense for the Period Recognized in OCI	(92.69)	(20.59)

**Sensitivity Analysis** (Rs. In Lakhs)

Particulars	31st March, 2018		31st March, 2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	289.62	349.80	286.77	345.14
Salary Growth (-/+ 0.5%)	350.12	289.11	343.67	287.64
Attrition Rate (-/+ 0.5%)	317.86	317.40	313.63	314.81

**Table Showing Cash Flow Information** (Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Next Year Total (Expected)	423.05	437.83
Minimum Funding Requirements	401.29	427.72

**Table Showing Benefit Information Estimated Future payments( Past Service)** (Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
<b>Maturities</b>		
Less than 1 year	9.91	7.48
Between 1-2 years	5.76	6.96
Between 2-5 years	21.99	19.55
Over 5 years	1,570.89	1,740.66

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Bifurcation of Net liability**

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Current liability	9.56	7.22
Non-Current Liability	308.13	307.00
<b>Total Liability</b>	<b>317.68</b>	<b>314.22</b>

**(b) Defined Contribution Plan**

The Company has recognised the following expenses as defined contribution plan under the head "Contribution to Provident Fund and Other Funds" (net of recoveries).

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Contribution towards Provident Fund	270.62	249.91
<b>Total</b>	<b>270.62</b>	<b>249.91</b>

**(c) Other Long Term Employee benefit**

The provision of leave encashment have been made on outstanding privilege leave of employees at the end of year and calculated on the basis of basic pay of employees. Attrition rate taken same as Actuarial valuation report of gratuity liability.

The Company has recognised the following expenses as other long term employee benefit under the head "Contribution to Provident Fund and Other Funds" (net of recoveries).

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Leave Ecashment	73.05	47.55
<b>Total</b>	<b>73.05</b>	<b>47.55</b>

**Note 44 : Disclosure As per Ind AS-21, The Effects of Changes in Foreign Exchange Rates**

Foreign Currency transactions relating to monetary assets and liabilities as at the year end translated as per accounting policy no. --, resulted in net gain of Rs.12.21 Lakhs (PY Rs. 21.64 Lakhs) which has been accounted under relevant heads in Statement of Profit and loss.

**Note 45 : Disclosure as Per Ind AS-24, Related Party Disclosure**

**List of Related Parties**

**1 Associate Companies**

Barbeque-Nation Hospitality Limited

**2 Key Management Personnel**

**Parent Company**

Mr. Raof Razak Dhanani	Managing Director
Mr. Kayum Dhanani	Director
Mrs. Suchitra Sajid Dhanani,	Whole Time Director
Mr. Sandesh Khandelwal	Chief Financial Officer
Mr. Amit Sarraf	Company Secretary
Mr. T.N. Unni	Independent Director
Mr. Abhay Chintaman Chaudhari	Independent Director
Mr. Pradeep Goyal	Independent Director
Mr. Sanjay Ahuja	Nominee Director, TFCI

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Subsidiary Company**

**Aries Hotels Pvt Ltd**

- Kayum Razak Dhanani	Director
- Suchitra Dhanani.	Director
- T Narayanan Unni	Director
- Maqsood Yusuf Merchant	Director

**Malwa Hospitality Pvt Ltd**

Mrs Suchitra Sajid Dhanani	Director
Mr. Raof Razak Dhanani	Director
Mr. Kayum Dhanani	Director
Mr. T.N. Unni	Director
Mr. Amit Sinha	Director
Mr. Kunal Katoch	Manager
Mr. Manish Kushwaha	Manager
Mr. Ajay Gupta	CFO

**Sayaji House Keeping Services Ltd**

- Kayum Razak Dhanani	Director
- Raof Razak Dhanani	Director
- Suchitra Dhanani	Director

**3 Enterprises where Key Management Personnel has control /interest**

**Parent Companies**

S S Management  
S.N. Travels  
Winner Hotels Pvt Ltd  
Trans Agro India Pvt Ltd  
A.R. Hospitality Pvt .Ltd.  
Vicon Imperial Pvt. Ltd.  
Tungabhadra Fertilizer & Chemical Co. Ltd  
Prinite Hospitality Pvt. Ltd.

**Subsidiary Company**

**Aries Hotels Pvt Ltd**

- Ahilya Hotels Pvt. Ltd.
- Taurus Qurium Impex (P) Ltd.
- Excellent Estate Dev. (P) Ltd.
- Late Sajid R Dhanani

**Malwa Hospitality Pvt Ltd**

- M/s Tungabhadra fertilizer & chemical Ltd
- M/s Sayaji Housekeeping Services Limited
- M/s Liberty Restaurent Pvt Ltd

**4 Relatives of KMPs**

Zuber Y Dhanani  
Azher Y Dhanani  
Saba R Dhanani  
Sadiya R Dhanani  
Sara K Dhanani  
Sanya S Dhanani  
Rizwan R Sheikh  
Versha Khandelwal

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Sr.No.	Nature of Transactions	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A</b>	<b>KEY MANAGEMENT PERSONNEL</b>		
	Remuneration/ Salary	85.64	79.41
	Payable At The Year End	1,300.40	905.00
	Payment Of Interest	96.43	336.28
<b>B</b>	<b>ASSOCIATE COMPANIES/ FIRMS/ RELATIVES</b>		
	Lease Rent Expenses	510.24	-
	Lease deposit	965.00	214.58
	Guest pick up expenses	-	39.00
	Receivable at the year end	475.56	497.40
	Payable at the year end	288.37	237.71
	Reimbursement of expenses received	127.91	128.71
	Payment of royalty & service charge on liquor	136.14	197.56
	Lease rent received	102.00	102.00
	Payment of interest	15.39	85.80
	Investments sold during the year	-	0.39
	Payment of professional fee	9.00	15.20
<b>C</b>	<b>COMPENSATION TO KMP</b>		
	Short term employee benefits	-	-
	Post employment Benefit	-	-
	Other Long term benefits	-	-
	Termination Benefits	-	-
	Sitting fees	1.40	2.24
	<b>Total</b>	<b>1.40</b>	<b>2.24</b>

**Note 46 : Movement of provision as per Ind AS-37, Provisions, Contingent Liabilities and Contingent Assets**

**Parent Company**

**I Contingent Liabilities not provided for**

(i) Guarantee given on behalf of other companies Rs 6873.60 Lakhs (P.Y Rs 6873.60 Lakhs). This includes Guarantee given to State Bank of India on Behalf of Barbeque-Nation Hospitality Ltd amounting Rs 4,000 Lakhs (P.Y 4000 Lakhs), guarantee given to Axis Bank Ltd on Behalf of Sana Hospitality Services Pvt .Ltd amounting to Rs 421.82 Lakhs (P.Y Rs 421.82 Lakhs), guarantee given to State bank of India on Behalf of Malwa Hospitality Pvt .Ltd amounting to Rs.2400 Lakhs (P.Y. 2400 Lakhs) & HDFC Bank Ltd Rs.51.78 Lakhs(P.Y. 51.78 Lakhs) Outstanding balance of loan there against for the year ended 31st March, 2018 from SBI is Rs.1925.33 Lakhs (P.Y 3046.12 Lakhs) ,Axis Bank Ltd is Rs. 44.52 Lakhs (P.Y 123.34 Lakhs) and from HDFC bank Ltd. RS 5.90 Lakhs (P.Y. 20.30 Lakhs)

**(ii) Disputed statutory liabilities in respect of service tax not provided for:**

(A) In Respect of Indore hotel, for the period from 01.03.05 to 31.03.09 the Hon'ble Tribunal has passed the order against the Company after giving the benefit of abatement and waiver of penalty imposed in the order passed by Learned Commissioner. Tax demand of Rs 175.01 Lakhs is pending as per the Tribunal's order Company has challenged said order before Indore bench of Hon'ble High Court of MP and got interim stay of the demand. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs.175.01 Lakhs)

(B) In Respect of Indore hotel, for the period from 01.04.09 to 31.03.11 the Commissioner has passed the order against the Company without even considering the benefit given by the Hon'ble Tribunal in its prior order. Tax demand of Rs. 400.37 Lakhs has been raised alongwith equal amount of penalty. Company has challenged said order before Hon'ble Tribunal & Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. Company has challenged said order before Indore bench of Hon'ble High Court of MP and got interim stay. Had the benefit of abatement & waiver of penalty given by the Hon'ble Tribunal in its prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 139.97 Lakhs. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 400.37 Lakhs)

(C) In Respect of Indore hotel for the period from 01.04.11 to 30.06.12 the Commissioner has passed the order against the Company without even considering the benefit given by the Hon'ble Tribunal in their prior order. Tax demand of Rs 269.27 Lakhs has been raised along with equal

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

amount of penalty Company had challenged said order before Hon'ble Tribunal. & Hon'ble Tribunal has disposed the appeal without giving any relief vide order dated 15.02.2017. Company has challenged said order before Honourable High Court of M.P., Indore and got interim stay. Had the benefit of abatement & waiver of penalty given the Hon'ble Tribunal in their prior order been considered by the Learned Commissioner, the demand would have been reduced to Rs. 127.98 Lakhs. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 269.27 Lakhs)

- (D) In Respect of Pune hotel for the period from 01.04.09 to 30.06.12 Commissioner has passed an order against the company and raised a tax demand of Rs.39.27 Lakhs, company had filed an appeal before commissioner (Appeal), which is decided against the Company. Being aggrieved, Company has preferred an Appeal before the Honourable Tribunal, Mumbai. Interest liability will also arise in case of unfavorable decision. (P.Y. Rs. 39.27 Lakhs)
- (E) In Respect of Vadodara hotel for the period from 01.04.12 to 31.03.2015 Commissioner has passed an order against the company and raised a tax demand of Rs.2.02 Lakhs. Company had filed an appeal before Commissioner (Appeal), which is decided against company. Being aggrieved, Company has challenged said order before Hon'ble Tribunal and hearing is awaited. Interest liability will also arise in case of unfavorable decision.
- (F) In Respect of Indore hotel, for the period from 01.04.10 to 31.03.15 the Commissioner has passed the order against the Company and raised a tax demand of Rs.46.05 Lakhs, company had filed an appeal before order against the Company and raised a tax demand of Rs.46.05 Lakhs, company had filed an appeal before commissioner (Appeal), which is decided against the Company. Being aggrieved, Company has preferred an Appeal before the Honourable Tribunal, Interest liability will also arise in case of unfavourable decision.
- (iii) Custom duties saved against imports under EPCG scheme is Rs. 428.09 Lakhs (P.Y Rs 429.39 Lakhs)
- (iv) Disputed liability of Rs 2.15 Lakhs (P.Y. 5.75 Lakhs) not provided for in respect of Income Tax TDS (AY 2009-10 and 2010-11)
- (v) Disputed liability of Rs 1.09 Lakhs not provided for in respect of Income Tax (AY 2014-15) the matters are pending before CIT (Appeal) - Vadodara and amount paid there against.
- (vi) Disputed liability of Rs 108.72 Lakhs not provided for in respect of Commercial tax (FY 2013-14 & 2014-15, 2015-16). The matters are pending before Commissioner -Appeal Commercial tax, Indore. (P.Y. Rs. 143.27 Lakhs)
- (vii) Disputed liability of Rs 81.76 Lakhs not provided for in respect of Commercial tax (FY2010-11, 2011-12 & 12-13). The matter is pending before Appealed Tribunal- Commercial tax, Indore. (P.Y. Rs. 11.47 Lakhs)
- (viii) Disputed liability of Rs. 10.91 Lakhs not provided for in respect of Commercial tax demand of FY 2011-12.
- (ix) Disputed liability of Rs 46.39 Lakhs not provided for in respect penalty of Property tax demand (FY2015-16, 2016-17, 2017-18). The application is pending before Mayor-In-Council Indore Municipal Corporation Indore. (P.Y. Rs. 32.70)
- (x) Arrears of Commutative Dividend on Preference Shares & Income Tax Thereon, not paid during the Year Rs. 359.14 Lakhs (P.Y. Rs. 238.78).
- (xi) In respect of the leasehold land of Indore hotel, Company has received the order on 20th Dec. 2017 for cancellation of lease. SHL has challenged the said order dated 20th Dec. 2017 and filed writ before Indore high court. Stay has been granted by High Court .Matter is currently pending before High court and next date of hearing is 19th June 2018.
- (xii) The company has received a show cause notice for Imposing penalty u/s 23E SCRA,1956 from SEBI and the matter is pending for adjudication with Adjudicating authority SEBI.

**II Commitments**

Estimated capital commitments not provided for Rs. Nil (P.Y. Nil Lakhs )

**Subsidiary Company**

Aries Hotels Pvt Ltd

**I Contingent Liability**

Contingent liabilities not provided for a disputed liability of Rs 32.23 lakhs not provided for in respect of income Tax. The matter is pending before CIT, Baroda. (P.Y. Rs. 32.23 Lakhs)

**Note 47 : Earning in Foreign Currency :**

**(Rs. In Lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Earning in Foreign Currency</b>		
- Sale of Rooms of Food Beverages	779.36	918.99
<b>CIF Value of Imports &amp; Expenditure (on accrual basis)</b>		
- Import Value of Capital Goods	-	-
- Import Value of Non-Capital Goods	40.96	16.18



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### **Note 48 : First Time Adoption of Ind AS**

These financial statements, for the year ended March 31, 2018, are the first annual Ind AS financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the previously published Indian GAAP financial statements as at and for the year ended March 31, 2017.

### **Exemptions applied :**

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

#### **Ind AS Optional Exemptions**

##### **1 Deemed cost**

As per Ind AS 101, para D5, a first-time adopter to Ind ASs may elect to measure an item of property, plant and equipment at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their fair values as on the date of transition.

#### **Ind AS Mandatory Exemptions**

##### **1 Classification and measurement of financial assets**

As per Ind AS 101, para B8, a group is required to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

##### **2 Derecognition of financial assets and financial liabilities**

As per Ind AS 101, para B2, a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs.

##### **3 Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 and March 31, 2017 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Company made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

###### **1. Impairment of financial assets based on Expected Credit Loss model**

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2017 and 1st April, 2016

(Rs. In Lakhs)

PARTICULARS	Note	As at 31st March, 2017			As at 1st April, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>							
Non-Current Assets							
Property, Plant & Equipment	e	17,444.80	(211.90)	17,232.90	15,326.97	(180.94)	15,146.03
Capital work-in-progress	l	854.26	(846.70)	7.56	4,163.09	(844.29)	3,318.80
Intangible assets		6.65	0.01	6.66	10.79	(0.01)	10.80
Goodwill on consolidation		28.44	(28.44)	-	28.44	(28.44)	-
Investment in Associate		2,342.27	4,679.54	7,021.81	1,849.74	4,214.84	6,064.58
Financial Assets		-	-	-	-	-	-
(i) Investments	j	117.41	(6.49)	110.92	117.80	(6.49)	111.31
(ii) Trade Receivables		-	-	-	-	-	-
(iii) Loans	a, k	1,715.06	(1,278.11)	436.95	1,512.73	(1,118.70)	394.03
(iv) Other Financial Assets		90.73	1.16	91.89	6.26	0.00	6.26
Deferred Tax assets (net)	h	1,660.43	(625.32)	1,035.11	1,382.32	(485.76)	896.56
Other non-current assets		1.79	1,056.74	1,058.53	871.00	-	871.00
<b>Total Non-Current Assets</b>		<b>24,261.84</b>	<b>2,740.49</b>	<b>27,002.33</b>	<b>24,398.14</b>	<b>2,421.23</b>	<b>26,819.37</b>
<b>Current Assets</b>							
Inventories		1,568.88	-	1,568.88	1,609.43	-	1,609.43
Financial Assets		-	-	-	-	-	-
(i) Investments		-	-	-	-	-	-
(ii) Trade Receivables		681.42	-	681.42	950.40	-	950.40
(iii) Cash and Cash Equivalents		1,466.74	-	1,466.74	617.37	(522.10)	95.27
(iv) Bank balances other than (iii) above		28.49	0.34	28.83	-	522.63	522.63
(v) Loans		114.47	98.48	212.95		103.84	103.84
(vi) Other Financial Assets		177.44	33.37	210.82	643.55	820.61	1,464.16
Current Tax Assets (net)		57.61	-	57.61		10.81	10.81
Other current assets	a, d	6,488.83	(5,219.52)	1,269.31	1,238.54	(751.52)	487.02
<b>Total Current Assets</b>		<b>10,583.88</b>	<b>(5,087.35)</b>	<b>5,496.56</b>	<b>5,059.29</b>	<b>184.28</b>	<b>5,243.57</b>
<b>Total Assets</b>		<b>34,845.72</b>	<b>(2,346.83)</b>	<b>32,498.89</b>	<b>29,457.43</b>	<b>2,605.51</b>	<b>32,062.94</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2017 and 1st April, 2016

(Rs. In Lakhs)

PARTICULARS	Note	As at 31st March, 2017			As at 1st April, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
(a) Equity Share Capital	f	2,751.80	(1,000.00)	1,751.80	2,751.80	(1,000.00)	1,751.80
(b) Other Equity	f	8,464.99	2,749.93	11,214.92	8,343.67	2,584.80	10,928.47
<b>Total Equity attributable to owners of the parent</b>		<b>11,216.79</b>	<b>1,749.93</b>	<b>12,966.72</b>	<b>11,095.47</b>	<b>1,584.80</b>	<b>12,680.27</b>
c) Non-controlling interest		885.74	(432.25)	453.48	938.98	(428.53)	510.45
<b>Total Equity</b>		<b>12,102.53</b>	<b>1,317.67</b>	<b>13,420.20</b>	<b>12,034.45</b>	<b>1,156.27</b>	<b>13,190.72</b>
<b>LIABILITIES</b>							
<b>Non-Current Liabilities</b>							
Financial Liabilities		-	-	-	-	-	-
(i) Borrowings	c, f	8,419.07	1,522.47	9,941.54	4,574.36	1,389.15	5,963.51
(ii) Trade Payables		-	-	-	-	-	-
(iii) Other Financial Liabilities	b	2,100.44	(16.12)	2,084.32	2,083.99	(4.40)	2,079.59
Provisions		565.83	0.01	565.84	499.22	-	499.22
Deferred Tax Liabilities (Net)		-	-	-	-	-	-
Deferred Revenue		681.50	(45.46)	636.04	-	-	-
<b>Total Non-current Liabilities</b>		<b>11,766.84</b>	<b>1,460.90</b>	<b>13,227.74</b>	<b>7,157.57</b>	<b>1,384.75</b>	<b>8,542.32</b>
<b>Current Liabilities</b>							
Financial Liabilities		-	-	-	-	-	-
(i) Borrowings		1,544.45	-	1,544.45	4,317.15	-	4,317.15
(ii) Trade Payables		885.20	(19.34)	865.86	1,200.88	-	1,200.88
(iii) Other Financial Liabilities	c, d, e	7,557.46	(5,259.34)	2,298.12	4,033.33	(450.76)	3,582.57
Other Current Liabilities	d	479.90	149.92	629.82	-	512.66	512.66
Provisions		509.34	1.49	510.83	714.06	(272.55)	441.51
Current Tax Liabilities (Net)		-	1.87	1.87	-	275.13	275.13
<b>Total Current Liabilities</b>		<b>10,976.35</b>	<b>(5,125.40)</b>	<b>5,850.95</b>	<b>10,265.42</b>	<b>64.48</b>	<b>10,329.90</b>
<b>Total Equity and Liabilities</b>		<b>34,845.72</b>	<b>(2,346.84)</b>	<b>32,498.89</b>	<b>29,457.44</b>	<b>2,605.50</b>	<b>32,062.94</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**II Reconciliation of total comprehensive Income for the year ending 31st March, 2017**

(Rs. In Lakhs)

PARTICULARS	Note	For the ended 31st March, 2017		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>Income</b>				
I. Revenue From Operations		17,931.40	(40.04)	17,891.36
II. Other Income	a, b	248.82	(94.51)	154.31
<b>III. Total Revenue</b>		<b>18,180.22</b>	<b>(134.55)</b>	<b>18,045.67</b>
<b>IV. Expenses :</b>				
Food and Beverages Consumed		3,987.94	-	3,987.94
Employee Benefits Expenses	g	4,427.77	20.60	4,448.37
Finance Costs	b, c, d, e, f	1,829.71	90.41	1,920.12
Depreciation And Amortization Expenses	e	2,528.96	30.95	2,559.91
Operating Expenses		4,230.91	-	4,230.91
Other Expenses	a, l	1,796.42	2.02	1,798.44
<b>Total Expenses</b>		<b>18,801.71</b>	<b>143.98</b>	<b>18,945.69</b>
<b>V. Profit before tax (III-IV)</b>		<b>(621.49)</b>	<b>(278.53)</b>	<b>(900.02)</b>
Share of Profit/ (Loss) of associate		513.54	35.61	549.15
<b>Profit Before Tax</b>		<b>(107.95)</b>	<b>(242.92)</b>	<b>(350.87)</b>
<b>VI. Tax Expense :</b>				
(1) Current tax		52.12	12.21	64.33
(2) Deferred Tax	h	(278.11)	139.75	(138.36)
(3) Tax Adjustment of Earlier Year		28.96	-	28.96
		<b>(197.03)</b>	<b>151.96</b>	<b>(45.07)</b>
<b>VII. Profit After Tax (V-VI)</b>		<b>89.08</b>	<b>(394.88)</b>	<b>(305.80)</b>
<b>VIII. Other Comprehensive Income</b>				
<b>A. Items that will not be reclassified to profit or loss</b>		-	20.60	20.60
Income tax relating to items that will not be reclassified to profit or loss	g	-	(7.00)	(7.00)
<b>B. Items that will be reclassified to profit or loss</b>		(0.56)	(0.56)	
Income tax relating to items that will be reclassified to profit or loss		-	0.19	0.19
<b>Total Comprehensive Income for the year (IX+X)(Comprising Profit /(Loss) and Other Comprehensive Income for the year) before share of associate</b>		<b>89.08</b>	<b>(381.65)</b>	<b>(292.57)</b>
Share of Profit/ (Loss) of associate		-	(7.19)	(7.19)
<b>Total Other Comprehensive Income Year</b>		<b>89.08</b>	<b>(388.84)</b>	<b>(299.76)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Reconciliation of Equity as at 31st March 2017 and 1st April, 2016**

(Rs. In Lakhs)

PARTICULARS	Note	31st March, 2017	31st March, 2016
<b>Total Equity as per Previous GAAP</b>		<b>11,216.79</b>	<b>11,095.47</b>
Add/(Less): Adjustments as per Ind AS			
Amortisation of Life Membership fees		(40.04)	
Impairment of Goodwill		(28.44)	(28.44)
Change in Value Of associate		4,754.93	4,214.84
Deferred Tax Impact on undistributed profits		(639.08)	(543.35)
Tax Impact on dividend and dividend		(75.39)	-
Lease rent recognised over period of lease	a	(31.37)	(25.38)
Interest Income recognised on EIR Basis	a	3.46	1.89
Lease income recognised on Security Deposit	b	6.53	1.97
Interest Expense recognised on EIR Basis	b	(3.37)	
Amortization of transaction cost on borrowings based on EIR	c	100.21	11.56
Amortization of Leasehold Land	e	(228.68)	(197.73)
Finance cost on Preference share	f	(356.89)	(184.90)
Finance Lease Adjustment	e	(3.23)	(2.82)
Liability Portion of preference share transferred to Borrowings	f	(1,248.34)	(1,248.34)
Fair Valuation of Derivatives	d	0.56	(0.15)
Fair Valuation of Investments	j	(3.40)	(3.40)
ECL Recognised	k	(26.94)	(26.94)
Changes in cash flow hedge reserve	d	(0.37)	
Deferred Tax Impact	h	13.20	58.15
Deemed Cost as Fair value	l	(442.15)	(442.15)
Impairment of CWIP	l	(1.26)	
<b>Total Equity as per Ind AS</b>		<b>12,966.72</b>	<b>12,680.27</b>

**Reconciliation of Total Comprehensive Income as at 31st March 2017**

(Rs. In Lakhs)

PARTICULARS	Note	31st March, 2017
Profit/(Loss) after tax as per Previous GAAP		89.08
Add/(Less): Adjustment of		
Amortisation of Life Membership fees		(40.04)
Dividend removed		(94.66)
Deferred Tax Impact on undistributed profits		(95.73)
Tax Impact on dividend		(19.27)
Increase in profit of associate		35.61
Lease rent recognised over period of lease	a	(5.99)
Interest Income recognised on EIR Basis	a	1.57
Lease income recognised on Security Deposit	b	4.55
Interest Expense recognised on EIR Basis	b	(3.37)
Amortization of transaction cost on borrowings based on EIR	c	88.65
Amortization of Leasehold Land	e	(30.95)
Finance cost on Preference share	f	(171.99)
Finance Lease Adjustment	e	(0.41)
Fair Valuation of Derivatives	d	0.71
Deemed Cost as Fair value	h	(44.95)
Actuarial Gain/(loss) on defined benefit plans (netof tax)	g	(13.60)
Expense on CWIP	l	(2.43)
Other adjustments		(2.57)
<b>Profit/(Loss) after tax as per Ind AS</b>		<b>(305.80)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Reconciliation of Total Comprehensive Income as at 31st March 2017**

(Rs. In Lakhs)

PARTICULARS	Note	31st March, 2017
Other Comprehensive Income		
Actuarial Gain/(loss) on defined benefit plans	g	20.60
Income Tax on above		(7.00)
Cash Flow Hedge Reserve	d	(0.56)
Income Tax on above		0.19
Share in other Comprehensive Income of OCI		(7.19)
<b>Total Comprehensive Income as per Ind AS</b>		<b>(299.75)</b>

**3 Reconciliation of Statement of Cash Flows for year ended 31st March 2017**

(Rs. In Lakhs)

PARTICULARS	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	3,545.38	251.06	3,796.44
Net cash flow from investing activities	(696.99)	138.52	(558.47)
Net cash flow from financing activities	(1,970.53)	209.50	(1,761.03)
<b>Cash and cash equivalents as at 31st March 2016</b>	<b>877.86</b>	<b>2,076.08</b>	<b>1,476.94</b>
Net increase/(decrease) in the cash and cash equivalents	1,495.23	(1,893.77)	(398.54)
<b>Cash and cash equivalents as at 31st March 2017</b>	<b>2,373.09</b>	<b>182.29</b>	<b>1,078.40</b>

**Notes on first time adoption**

**a Refundable Interest Free Security Deposit (Asset)**

Under the previous GAAP, interest free lease security deposits (those are refundable on completion for the lease term) and other deposits were recorded at transactional values. Under Ind AS, these security deposits are recognised initially at the fair value. The difference between the fair value and the transaction value of these security deposits has been recognised as prepaid rent. Subsequently, these lease security deposits of are measured at amortised cost using the effective interest rate ('EIR'). Accordingly, Prepaid Lease Charges of Rs. 374.95 Lakhs has been recognised in other Non-Current Assets and Rs. 9.17 Lakhs been recognised in Current Assets and Security Deposit has been shown at amount of Rs. 12.68 Lakhs as on 1st April, 2016. Lease charges of Rs. 9.17 Lakhs has been charged to Statement of Profit & Loss and Rs. 1.62 Lakhs has been credited to Statement of Profit & Loss as interest income in year 2016-17.

**b Refundable Interest Free Security Deposit (Liability)**

Under the previous GAAP, interest free lease security deposits (those are refundable on completion for the lease term) and other deposits were recorded at transactional values. Under Ind AS, these security deposits are recognised initially at the fair value. The difference between the fair value and the transaction value of these security deposits has been recognised as prepaid rent. Subsequently, these lease security deposits are measured at amortised cost using the effective interest rate ('EIR'). Accordingly, Prepaid Lease Income of Rs. 22.01 Lakhs has been recognised in other Non-Current Liability and Rs. 4.55 Lakhs been recognised in Current Liability and Security Deposit has been shown at amount of Rs.48.63 Lakhs as on 1st April, 2016. Lease income of Rs. 4.55 Lakhs has been credited to Statement of Profit & Loss and Rs.3.37 Lakhs has been charged to Statement of Profit & Loss as interest expense in year 2016-17.

**c Transaction Cost on Borrowings**

Under Indian GAAP, transaction costs incurred in connection with borrowings are charged upfront to Statement of Profit and Loss for the period/year. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to Statement of Profit and Loss using effective interest method. This has resulted in decrease in borrowings with Rs. 119.10 Lakhs as on 31st March, 2017 and Finance cost for the year 2016-17 has increased by amount Rs. 8.30 Lakhs.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**d Fair Valuation of Derivative Contract**

The fair value of foreign exchange forward contracts is recognised under Ind AS which was not recognised under the previous GAAP. Under the previous GAAP forward contracts were accounted under AS 11 whereby the premium was recognised to profit and loss over the period of the forward contract. This has resulted in decrease in borrowing by Rs. 25.93 Lakhs and Prepaid expenses by Rs. 6.39 Lakhs as on 1st April, 2016 and Other Current Assets Other Current Liability has decreased by Rs. 5217.96 Lakhs and Rs. 5477.86 Lakhs, respectively as on 31st March, 2017. Accordingly, Derivative liabilities has been recognised at Rs. 19.69 Lakhs and Rs. 259.89 Lakhs as on 1st April, 2016 and 31st March, 2017, respectively and retained earnings as on 1st April, 2016 has decreased by Rs. 0.15 Lakhs and Finance Cost for the year 2016-17 has decreased by Rs. 0.71 Lakhs.

**e Land Lease - Finance Lease**

Under previous GAAP, leasehold land was capitalised at an amount equal to the upfront payments made at the time of lease. However, under Ind AS, such leases are capitalised at the present value of the total minimum lease payments to be paid over the lease term. Accordingly, total lease payments are now being recognized as "Finance Lease Obligation" at their present value. The effect of the adjustment has resulted in increase in non current financial liabilities by Rs. 17.23 Lakhs, current financial liabilities by Rs. 1.89 Lakhs towards finance lease obligations, PPE by Rs. 16.78 lakhs, Accumulated Ammortisation by Rs. 197.73 lakhs and net reduction in retained earnings by Rs. 200.56 Lakhs as at 1st April 2016. During FY 2016-17, there was reduction in non current financial liabilities by Rs. 1.95 Lakhs towards finance lease obligations and decrease of Rs. 30.96 lakhs in PPE towards ammortisation.

**f Preference Shares**

Under Previous GAAP, preference shares were classified as Equity and were shown under shareholders' fund. As per Ind AS 32-Financial Instruments: Presentation, every financial instrument is required to be classified as equity or liability or compound financial instrument, if it has both liability or equity component, characteristic of every instrument. The company has classified these preference shares as compound financial instrument as they are with uncertainty of payment of dividend. Equity Component has been shown in Other Equity and Liability portion has been shown in Non-current Borrowing and is measured at amortised cost. Finance cost is charged on the liability component on the basis of Effective Interest Rate ('EIR'). This has resulted in recognition of 'Equity Component of Compound Financial Instrument' in other Equity by Rs. 251.66 lakhs and Rs. 1433.24 lakhs been recognised has been recognised as Liability. The liability component is increased by finance cost which is charged as per (EIR) and accordingly retained earning as on 1st April, 2016 has decreased by Rs. 184.90 lakhs and Finance cost for the year 2016-17 has increased by Rs. 171.99 lakhs.

**g Acturial Gain or Loss on Defined Benefit Plan**

Both under Indian GAAP and Ind AS, the Company recognized costs related to post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire costs, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising of actuarial gains or 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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income. Thus, the employee benefit cost is increased by Rs. 13.60 lakhs and remeasurement gain or loss on defined benefit plan has been recognized in the other comprehensive income, net of tax.

**h Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12-Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of asset or liability in the balance sheet and its corresponding tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Accordingly, deferred tax assets as on 31st march, 2017 has decreased by Rs. 32.92 lakhs with corresponding increase in deferred tax expense for the year then ended.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**i Going Concern Assumption**

As at the year end, the company's current liabilities have exceeded its current assets by Rs.274.19 Lakhs primarily on account borrowings aggregating to Rs. 1412.24 Lakhs which fall due within 12 months following the balance sheet date. Management is confident of its ability to generate cash inflows from operations and raise cash from financing activities so that it would be able to meet its obligations on due dates as it has demonstrated in earlier years. On these considerations, these financial statements are prepared on a going concern basis.

**j Fair Valuation of Investments**

Under previous GAAP, the company accounted for long term investments in unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments.

Under Ind-AS, the Company has designated unquoted investments as FVTPL investments. Ind-AS requires FVTPL investments to be measured at fair value. The resulting fair value changes in these investments have been recognised in Retained earnings as at the date of transition and subsequently in P&L.

This has resulted in decrease in retained earnings by Rs. 6.49 lakhs with corresponding decrease in value of financial assets -investments as at the date of transition.

**k Expected Credit Loss**

ECL has been recognised on Loans and advances as on the date of transition. This has resulted in decrease in retained earnings by Rs. 51.45 Lakhs and corresponding decrease in loans and advances

**l Capital work in progress**

On transition the company has taken the deemed cost of its PPE as carrying amount less impairment loss as on that date. Due to which the value of CWIP has decreased by Rs. 442.15 lakhs which has been transferred to Retained Earnings.

The Company has the capitalisation of Rs.2.42 Lakhs has been transferred to P&L of 31 March, 2017

**m Other Equity**

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Refer 'Reconciliation of total equity as at 31 March 2017 and 1 April 2016' as given above for details.

**n Other Comprehensive Income**

Under previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans and fair value gain/loss on FVTOCI equity instruments. Hence, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### **Note 49 : Disclosure as per Ind AS-108, Operating Segment**

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segment' (Ind AS-108) notified by the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

#### **Information about major customers**

No single customer contributes more than 10% or more of the Company's total revenue for the years ended March 31, 2017 and March 31, 2016.

### **Note 50 : Disclosure as per Ind AS-107, Financial Instruments**

#### **A) Financial Risk Management**

The Company's principal financial liabilities comprise Borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade & other receivables, loan given, cash & cash Equivalent, Investment, deposits and derivative that derive directly from its operations.

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board.

#### **Company is exposed to following risk from the use of its financial instrument:**

- Credit Risk
- Liquidity Risk
- Market Risk

#### **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

#### **Trade Receivable**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 7 days to 45 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

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 calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low. The requirement of impairment is analysed as each reporting date.

#### **Other Financial Instruments and Cash & Cash Equivalents**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31st, 2018, March 31st, 2017 & April 1st, 2016 is the carrying amount as disclosed in Note except for financial guarantees. The Company's maximum exposure for financial guarantee is given in Note 46.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**(I) Carrying amount of maximum credit risk as on reporting date**

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL)</b>			
Non-current Investment	110.92	110.92	111.31
Non-current Loans	905.45	436.95	394.03
Other Non-Current Financial Assets	98.60	91.89	6.26
Cash & Cash Equivalent	1,359.42	1,466.74	95.27
Bank balances other than cash and cash equivalents	3.52	28.83	522.63
Current Loans	301.48	212.95	103.84
Other Current Financial Assets	319.16	210.82	1,464.17
<b>Total</b>	<b>3,098.55</b>	<b>2,559.10</b>	<b>2,697.51</b>
<b>Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)</b>			
Investment in Associates	8,779.27	7,021.81	6,064.58
Trade Receivables	984.51	681.42	950.40
<b>Total</b>	<b>9,763.78</b>	<b>7,703.23</b>	<b>7,014.98</b>

**(iii) Ageing of trade receivables**

The Ageing of trade receivables is as below :

(Rs. In Lakhs)

Ageing	Not Due	0-180 days past due	181-365 days past due	1-2 years past due	2-5 years past due	Total
Gross Carrying amount as on 31.03.2018	267.68	609.83	60.77	20.35	58.10	1016.73
Impairment loss recognised on above	-	-	-	-	32.22	(32.22)
Gross Carrying amount as on 31.03.2017	226.10	300.48	83.83	13.93	57.08	681.42
Impairment loss recognised on above	-	-	-	-	-	-
Gross Carrying amount as on 01.04.2016	480.53	386.81	16.27	15.17	51.61	950.40
Impairment loss recognised on above	-	-	-	-	-	-

**(ii) Provision for Expected Credit or Loss**

**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses.**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

**(b) Financial assets for which loss allowance is measured using life time expected credit losses**

The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

**(iv) Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(Rs. In Lakhs)

Particulars	Trade Receivables	Advances	Loans and advances	Total
<b>Balance as at April 1, 2016</b>	-	-	51.45	51.45
Impairment loss recognised	-	1.72	-	1.72
Amounts written off	-	-	-	-
<b>Balance as at March 31, 2017</b>	-	1.72	51.45	53.17
Impairment loss recognised	32.45	-	-	32.45
Amounts written off	0.02	-	-	0.02
<b>Balance as at March 31, 2018</b>	<b>32.43</b>	<b>1.72</b>	<b>51.45</b>	<b>85.60</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

(Rs. In Lakhs)

Particulars	On Demand	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Year ended March 31st, 2018</b>						
Term Loans*		1,895.24	1,823.00	4,690.18	893.92	<b>9,302.34</b>
Other Payables	-	-	-	2,000.00	-	<b>2,000.00</b>
Trade Payables	1,176.48	71.08	-	-	-	<b>1,247.56</b>
Cash credit	258.14	-	-	-	-	<b>258.14</b>
Other Borrowings	22.00	1,154.10	400.00	-	1,797.85	<b>3,373.95</b>
Finance Lease Payable	-	1.95	1.95	5.86	10.23	<b>19.99</b>
Other Financial Liabilities#	13.73	183.08	-	-	-	<b>196.81</b>
<b>Total</b>	<b>1,470.35</b>	<b>3,305.45</b>	<b>2,224.95</b>	<b>6,696.04</b>	<b>2,702.00</b>	<b>16,398.79</b>
<b>Year ended March 31st, 2017</b>						
Term Loans*	-	1,713.34	1481.61	4293.79	2,688.00	<b>10,176.74</b>
Other Borrowings	22.00	-	-	-	-	<b>22.00</b>
Loan from others	-	25.00	-	-	-	<b>25.00</b>
Trade Payables	779.41	86.45	-	-	-	<b>886.86</b>
Cash credit	377.54	-	-	-	-	<b>377.54</b>
Other Payables	-	1,119.91	-	2,000.00	1,605.23	<b>4,725.14</b>
Finance Lease Payable	-	1.95	1.95	5.86	9.77	<b>19.53</b>
Other Financial Liabilities#	11.60	431.68	-	-	-	<b>443.28</b>
<b>Total</b>	<b>1,190.55</b>	<b>3,378.33</b>	<b>1,483.56</b>	<b>6,299.65</b>	<b>4,303.00</b>	<b>16,674.43</b>
<b>Year ended April 1st, 2016</b>						
Term Loans*		3,091.96	1,065.37	1,480.80	1,897.66	<b>7,535.79</b>
Other Borrowings	22	-	-	-	-	<b>22.00</b>
Loan from others		80.00	-	-	-	<b>80.00</b>
Trade Payables	1,131.67	69.21	-	-	-	<b>1,200.88</b>
Cash credit	490.67	-	-	-	-	<b>490.67</b>
Other Pyables		3,724.48	-	2,000.00	1,433.24	<b>7,157.72</b>
Finance Lease Payable		1.95	1.95	5.86	9.36	<b>19.12</b>
Other Financial Liabilities#	3.51	557.91	-	-	-	<b>561.42</b>
<b>Total</b>	<b>1,647.85</b>	<b>7,525.52</b>	<b>1,067.32</b>	<b>3,486.66</b>	<b>3,340.26</b>	<b>17,067.60</b>

\* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

# Current maturities of long-term borrowings is included in interest bearing borrowing part in above note.

Overdraft or other on demand loan facility, if any available with the Company is disclosed, to the extent undrawn in note no. 39.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the risk management committee.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**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 is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The company uses forward contracts to hedge its exposure from foreign currency fluctuations.

The currency profile of financial assets and financial liabilities are as below :

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
	USD	USD	USD
<b>Financial Liabilities</b>			
Borrowings	3,840.64	3,755.53	3,270.49
Derivative Liability	20.91	259.89	19.69

**Foreign Currency Rate Sensitivity Analysis**

(Rs. In Lakhs)

Particulars	Impact on profit after tax for the year ended	
	31st March, 2018	1st April, 2017
<b>Decrease in rate by 1%</b>		
Increase in profit	38.62	40.15
<b>Increase in rate by 1%</b>		
Decrease in profit	38.62	40.15

**Interest Risk**

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Financial Assets</b>			
<b>Fixed Rate</b>			
Loans	0.86	1.24	0.46
Security Deposit	524.19	55.51	12.58
Bank Deposit	102.12	120.72	528.89
<b>Total</b>	<b>627.17</b>	<b>177.47</b>	<b>541.93</b>
<b>Financial Liabilities</b>			
<b>Fixed Rate</b>			
Working capital loans	258.14	377.54	490.67
Unsecured Loans	3,351.95	2,856.48	5,211.56
<b>Sub-Total (i)</b>	<b>3,610.09</b>	<b>3,234.02</b>	<b>5,702.23</b>
<b>Variable Rate Instruments</b>			
Term Loans	9,001.84	9,784.11	7,282.88
<b>Sub-Total (ii)</b>	<b>9,001.84</b>	<b>9,784.11</b>	<b>7,282.88</b>
<b>Total (i) + (ii)</b>	<b>12,611.93</b>	<b>13,018.13</b>	<b>12,985.11</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**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. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows: **(Rs. In Lakhs)**

Particulars	Effect of Profit or Loss	
	50 bp increase	50 bp decrease
<b>31st March 2018</b>		
Financial Liabilities	(4.50)	4.50
	<b>(4.50)</b>	<b>4.50</b>
<b>31st March 2017</b>		
Financial Liabilities	(4.89)	4.89
	<b>(4.89)</b>	<b>4.89</b>

**Note 51 : Capital Risk Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. 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 equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

**(Rs. In Lakhs)**

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Gross Debt	12,611.93	13,018.13	12,985.11
Less : Cash and cash equivalents	1,359.42	1,466.74	95.27
<b>Net Debt (A)</b>	<b>11,252.51</b>	<b>11,551.39</b>	<b>12,889.84</b>
Total Equity (B)	14,802.89	13,420.21	13,190.73
<b>Gearing Ratio (A/B)</b>	<b>0.76</b>	<b>0.86</b>	<b>0.98</b>

**Financial Instruments By Category**

**(Rs. In Lakhs)**

Particulars	As At March 31, 2018		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets :</b>			
Investment			
- Equity Instrument (unquoted)	110.92		
Loans	-	-	1,206.93
Trade Receivables	-	-	984.51
Cash and Cash Equivalents	-	-	1,359.42
Other Bank Balance	-	-	3.52
Other financial assets			417.76
<b>Total Financial Assets</b>	<b>110.92</b>	<b>-</b>	<b>3,972.14</b>
<b>Financial Liability :</b>			
Borrowings	-	-	11,793.01
Derivative Liability	20.91	-	-
Trade Payable	-	-	1,247.56
Other Financial Liabilities	-	-	3,403.75
<b>Total Financial Liability</b>	<b>20.91</b>	<b>-</b>	<b>16,444.32</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. In Lakhs)

Particulars	As At March 31, 2017		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets :</b>			
Investment			
- Equity Instrument (unquoted)	110.92	-	-
Loans	-	-	649.89
Trade Receivables	-	-	681.42
Cash and Cash Equivalents	-	-	1,466.74
Other Bank Balance	-	-	28.83
Other financial assets	-	-	302.71
<b>Total Financial Assets</b>	<b>110.92</b>	<b>-</b>	<b>3,129.59</b>
<b>Financial Liability :</b>			
Borrowings	-	-	11,747.38
Derivative Liability	259.89	-	-
Trade Payable	-	-	885.20
Other Financial Liabilities	-	-	3,848.76
<b>Total Financial Liability</b>	<b>259.89</b>	<b>-</b>	<b>16,481.34</b>

(Rs. In Lakhs)

Particulars	As At March 31, 2016		
	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets :</b>			
Investment			
- Equity Instrument (unquoted)	111.31	-	-
Loans	-	-	497.85
Trade Receivables	-	-	950.40
Cash and Cash Equivalents	-	-	95.28
Other Bank Balance	-	-	522.63
Other financial assets	-	-	1,456.71
<b>Total Financial Assets</b>	<b>111.31</b>	<b>-</b>	<b>3,522.87</b>
<b>Financial Liability:</b>			
Borrowings	-	-	10,479.83
Derivative Liability	19.69	-	-
Trade Payable	-	-	1,200.88
Other Financial Liabilities	-	-	5,304.63
<b>Total Financial Liability</b>	<b>19.69</b>	<b>-</b>	<b>16,985.35</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 52 : Ind AS 112: Disclosure of Interest In other Entities**

**(a) Subsidiaries**

The group's subsidiaries at 31 March 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Principal Place of Business	Ownership Interest Held by the group			Ownership Interest Held by non- controlling			Principal Activities
		31-03-2018	31-03-2017	1-04-2016	31-03-2018	31-03-2017	1-04-2016	
Matwa Hospitality Private Limited	India	51.67%	51.67%	51.67%	48.33%	48.33%	48.33%	Operating & Managing Hotels
Sayaji Housekeeping Services Limited *	India	100%	100%	100%	-	-	-	Housekeeping Services
Aries Hotels Private Limited	India	52.37%	52.37%	52.37%	47.63%	47.63%	47.63%	Hotel under construction

**\* Preference share capital**

Sayaji Housekeeping Services Limited	India	100%	100%	100%	-	-	-
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\* The share Capital of Sayaji Housekeeping Services consists of Preference shares of Rs. 1 lakh having shares 10,000

**(b) Interest in Associate- Accounted For using Equity Method**

Name of Entity	Principal Place of Business	Ownership Interest Held by the group			Ownership Interest Held by non- controlling			Principal Activities
		31-03-2018	31-03-2017	1-04-2016	31-03-2018	31-03-2017	1-04-2016	
Barbeque-Nation Hospitality Ltd.	India	45.73%	46.70%	47.41%	54.27%	53.30%	52.59%	Operating & Managing Restaurants

Chain

**Summarised Financial Information**

Particulars	31-03-2018			31-03-2017			01-04-2016		
<b>Balance sheet Items</b>									
Current assets	9,154.90			4,181.60			3,147.80		
Non-Current assets	32,948.70			25,594.30			20,805.80		
Current Liabilities	13,310.20			8,647.30			7,258.80		
Non-Current Liabilities	9,379.10			6,546.50			4,120.00		
Cash and Cash Equivalents	4,362.20			527.10			108.50		
Current Financial Liabilities (Excluding trade and other payables and provisions)	4,256.60			2,904.60			1,626.90		
Non-Current Financial Liabilities(Excluding trade and other payables and provisions)	8,543.50			5,827.80			3,624.40		

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Schedule III to the Companies Act, 2013

Name of the Entity in the group	Net Assets, i.e., Total Assets minus total Liabilities as at		Share in Profit or Loss for the Year Ended		Share in Other Comprehensive Income for the Year Ended		Share in Total Comprehensive Income for the Year Ended	
	As a % of consolidated Net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Malwa Hospitality Private Limited	3.25%	481.67	-8.83%	34.36	-8.70%	(4.88)	-17.53%	29.48
	3.37%	452.19	37.77%	-115.49	0.05%	0.01	37.82%	-115.48
	4.30%	567.67						
Sayaji Housekeeping Services Limited	5.87%	868.34	-35.09%	136.52	0.00%	-	-35.09%	136.52
	5.45%	731.82	-32.90%	100.60	0.00%	-	-32.90%	100.60
	4.79%	631.22						
Aries Hotels Private Limited	8.05%	1,191.54	0.65%	-2.54	0.00%	-	0.65%	-2.54
	8.90%	1,194.08	0.79%	-2.42	0.00%	-	0.79%	-2.42
	9.07%	1,196.50						
Barbeque-Nation Hospitality Ltd.	59.98%	8,878.16	-41.53%	161.61	-5.76%	(3.23)	-47.30%	158.38
	50.74%	6,809.84	-177.22%	541.95	-5.44%	(0.72)	-182.66%	541.23
	45.20%	5,961.76						

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**Note 53 : Disclosure as per Ind AS-113, Fair Value Measurement**

**Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are :

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

**As at 31st March 2018**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	110.92	110.92
<b>Financial Liabilities</b>				
Derivatives	-	20.91	-	20.91
<b>Total</b>	-	<b>20.91</b>	<b>110.92</b>	<b>131.83</b>

**As at 31st March 2017**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	110.92	110.92
<b>Financial Liabilities</b>				
Derivatives	-	259.89	-	259.89
<b>Total</b>	-	<b>259.89</b>	<b>110.92</b>	<b>370.81</b>

**As at 1st April 2016**

**Financial Instrument measured at Fair Value - recurring fair value measurement**

(Rs. In Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investment				
- Equity Instrument (unquoted)	-	-	111.31	111.31
<b>Financial Liabilities</b>				
Derivatives	-	19.69	-	19.69
<b>Total</b>	-	<b>19.69</b>	<b>111.31</b>	<b>131.00</b>

**(A) Specific valuation technique is used to determine the fair value of the financial instruments which include:**

- i) For Investments in Equity Investments- Quoted Market prices are used and and for unquoted Equity Instruments best possible inputs are taken to identify the fair value.
- ii) For financial liabilities (vendor liabilities, domestic currency loans) :- appropriate market borrowing rate of the entity as of each balance sheet date used.
- iii) For financial assets (employee loans) : appropriate market rate of the entity as of each balance sheet date used.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

**(B) The financial instruments are categorized into different levels based on the inputs used to arrive at fair value measurements as described below:**

<b>Level 1</b>	Includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at thereporting period. The mutual funds are valued using the closing NAV.
<b>Level 2</b>	includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
<b>Level 3</b>	If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

**(C) Inter level transfers:**

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

**(D) Fair value of financial assets and liabilities measured at amortised cost**

(Rs. In Lakhs)

Particulars	As at 31 March 2018		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	984.51	984.51
Cash and Cash Equivalents	3	1,359.42	1,359.42
Bank balances other than cash and cash equivalents	3	3.52	3.52
Loan	3	1,206.93	1,206.93
Security deposit	3	523.92	523.92
Other Financial Assets	3	397.79	397.79
<b>Financial Liabilities</b>			
Borrowings	3	11,793.01	11,793.01
Trade Payables	3	1,247.56	1,247.56
Other Financial Liabilities	3	3,403.75	3,403.75

(Rs. In Lakhs)

Particulars	As at 31 March 2017		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	681.42	681.42
Cash and Cash Equivalents	3	1,466.74	1,466.74
Bank balances other than cash and cash equivalents	3	28.83	28.83
Loan	3	649.89	649.89
Security deposit	3	55.27	55.27
Other Financial Assets	3	247.44	247.44
<b>Financial Liabilities</b>			
Borrowings	3	11,747.38	11,747.38
Trade Payables	3	885.20	885.20
Other Financial Liabilities	3	3,848.76	3,848.76

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. In Lakhs)

Particulars	As at 31 March 2016		
	Level	Carrying Value	Fair Value
<b>Financial Assets</b>			
Trade Receivables	3	950.40	950.40
Cash and Cash Equivalents	3	95.28	95.28
Bank balances other than cash and cash equivalents	3	522.63	522.63
Loan	3	497.85	497.85
Security deposit	3	12.38	12.38
Other Financial Assets	3	5,292.26	5,292.26
<b>Financial Liabilities</b>			
Borrowings	3	10,479.83	10,479.83
Trade Payables	3	1,200.88	1,200.88
Other Financial Liabilities	3	5,304.63	5,304.63

**Note 54 : The Company as reclassified previous year figures to conform to this year classification**

Significant Accounting Policies and other Notes  
These notes form an integral part of these financial statements  
In Terms of our Report Attached

**For K.L.Vyas & Company**  
Chartered Accountants  
**Firm Regn. No. 003289C**  
**K.L.Vyas**  
Partner  
**M.No. 072043**  
**Indore, 30<sup>th</sup> May 2018**

**For and on behalf of the Board of Directors**

**T.N Unni**  
Director  
DIN-00079237

**Raof Razak Dhanani**  
Managing Director  
DIN-00174654

**Sandesh Khandelwal**  
Chief Financial Officer

**Amit Sarraf**  
Company Secretary

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# SAYAJI HOTELS LIMITED

Form No. MGT-11

## Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN: L51100GJ1982PLC005131**

**Name of the Company: Sayaji Hotels limited**

**Registered office: F1 C2 Sivavel Apartment, 2 Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu- 600117**

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/ We being the Member(s) of \_\_\_\_\_, holding \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_ 3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ E-mail ID: \_\_\_\_\_  
Signature \_\_\_\_\_, or failing him Signature \_\_\_\_\_

2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 35th Annual General Meeting of members of the Company, to be held on Friday, 28th day of September 2018 at 11.00 a.m. at the venue situated at Re-Gala Party Hall, 113/4, 200 Feet Road, Zamin Pallavaram, Chennai Tamil Nadu - 600117, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

### ORDINARY RESOLUTION :

- (a) Consideration and Adoption of the standalone financial statements of the Company for the year ended on 31st March, 2018 and reports of Board of Directors and Auditors thereon.  
(b) Consideration and Adoption of Consolidated Financial Statement for the year ended on 31st March, 2018 and report on Auditors thereon.
- Appointment of director in place of Mr. Raof Razak Dhanani (DIN- 00174654), who retires by rotation and, being eligible, seeks re-appointment.
- Appointment of M/s K. L. Vyas & Co., Chartered Accountants (Firm Regn. No. 003289C) as statutory auditors of the Company for a second term of 5 years and to fix their remuneration.

### SPECIAL BUSINESS :

- Re-appointment of Mr. Raof Razak Dhanani (DIN- 00174654) as the Managing Director of the Company.
- Re-appointment of Mr. T. N. Unni as an Independent Director for Second Term of 5 years and continuance of his tenure after attaining the Age of 75 years.
- Re-appointment of Mr. Pradeep Goyal as an Independent Director for Second Term of 5 years.

Signed this ..... day of ..... 2018

Signature of shareholder

Signature of Proxy holder(s)

Affix 1 Rs.  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.







**Sayaji Vadodara**



**Sayaji Raipur**



**Sayaji Pune**



**Sayaji Kolhapur**



**Sayaji Bhopal**



**Sayaji Indore**



**Effotel Indore**



**Vadodara\***



[www.sayajihotels.com](http://www.sayajihotels.com) | [www.fffotelhotels.com](http://www.fffotelhotels.com)

For more information, call +91 97739 70971 (Room Reservations)  
+91 97739 71972 (F&B Reservations) | +91 97739 72973 (Banquet Bookings)

\*Coming soon