K M G S & Associates
Chartered Accountants
B-138, IInd Floor, Navakaar Building,
Mohammadpur, Bhikaiji Cama Place,
New Delhi-110066, Telefax : 41859904

Independent Auditor's Report

To the Members of
Kujjal Hotels Private Limited
(formerly Kujjal Builders Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Kujjal Hotels Private Limited** ***(formerly Kujjal Builders Private Limited)*** ("the Company") which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ('Ind-AS') and other accounting principles generally accepted in India,

(i) of the state of affairs of the Company as at March 31, 2019;
(ii) its **loss** including other comprehensive **income**;
(iii) the changes in equity for the year ended on that date and
(iv) its cash flow statement.

Basis of opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act. Our responsibilities under these standards are further described in the "Auditors Responsibilities for the Audit of the Financial Statement" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and ICAI's code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report thereon

The company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion, Board's Report including, annexures to Board's Report, Corporate Governance and Stakeholder's information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income and Changes in Equity of the Company and cash flows of the company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease the operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in an aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions , misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and wherever applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143 (3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. the Balance Sheet, the Statement of Profit and Loss including statement of Other Comprehensive Income, the Statement of Changes in Equity and the statement of cash flow dealt with by this Report are in agreement with the relevant books of account;
   d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Rules, 2015, as amended;
   e. on the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
   f. the reporting under section 143(3)(i) with respect to the adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls, refer our separate report in **'Annexure B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting 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 does not have any pending litigations which would impact its financial position.
      ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts, required to be transferred by the company, to the Investor Education and Protection Fund.

For K M G S & Associates,
Chartered Accountants
FRN : 04730N

Sundeep Jindal

Sundeep Jindal
Partner
Membership number: 095051

Place: New Delhi
Date: 23rd May, 2019

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' section of our report of even date on the financial statements of the Company for the year ended March 31, 2019

Re: Kujjal Hotels Private Limited *(formerly Kujjal Builders Private Limited)* ('the company')

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

   (b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the company and nature of its business;

   (c) According to the information and explanations given to us by the management, the title deeds of immovable property are held in the name of the company.

2) (a) The management has conducted the physical verification of inventory at reasonable intervals.

   (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a) to (c) of the Order are not applicable to the Company and hence not commented upon.

4) 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 Companies Act, 2013 in respect of loans, investments, guarantees, and security, as applicable.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has generally been regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods & Service Tax, Value Added Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

(c) According to the information and explanation given to us, there are no dues of income tax, Goods & Service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

Nature of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in Rs lakhs)
Finance Act, 1994	Service Tax	Addl. Commissioner, GST, Chandigarh	FY 2013-2014 to FY 2016-2017	135.49

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed for the purpose of reporting the true & fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the company paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, wherever applicable.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) According to the information and explanations given to us by the management & in our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

For K M G S & Associates,
Chartered Accountants
FRN : 04730N

Sundeep Jindal

K M G S & Associates New Delhi Chartered Accountants

Sundeep Jindal
Partner
Membership number: 095051

Place: New Delhi
Date: 23rd May, 2019

"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirement' section of our report of even date on the financial statements of the Company for the year ended March 31, 2019

Ref: Kujjal Hotels Private Limited *(formerly Kujjal Builders Private Limited)*

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

We have audited the internal financial controls over financial reporting of **Kujjal Hotels Private Limited *(formerly Kujjal Builders Private Limited)*** ("the Company") as of March 31, 2019 in conjunction with our audit of the 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 as specified & 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 M G S & Associates,
Chartered Accountants
FRN: 04730N

Sundeep Jindal

KMGS & Associates New Delhi Chartered Accountants

Sundeep Jindal
Partner
Membership number: 095051
Place: New Delhi
Date: 23rd May, 2019

(All amount Rs in Lacs)

KUJJAL HOTELS PRIVATE LIMITED

(Formerly Kujjal Builders Pvt Ltd)

Balance Sheet as at March 31, 2019

CIN No - U55100DL2005PTC139829

Regd Office: 51&52, Ground floor, World Trade Centre, Barakhamba Lane, New Delhi

Particulars	Note No.	As at 31'Mar 2019 (Rs)	As at 31'Mar 2018 (Rs)
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	2	39,314.01	41,530.90
b) Other Intangibles Assets	3	17.69	19.09
c) Financial Assets			
(i) Loans	4	30.44	22.31
(ii) Other Non Current Financial assets	5	457.02	457.02
d) Other Non-Current Assets	6	100.26	100.26
e) Non-Current Tax Assets (Net)	7	125.14	78.22
Total Non Current Assets		**40,044.56**	**42,207.80**
Current Assets			
a) Inventories	8	120.99	105.02
b) Financial Assets			
(i) Trade Receivables	9	197.06	380.90
(ii) Cash and Bank Equivalents	10	60.50	138.96
(iii) Other Current Financial assets	11	65.34	34.47
c) Other Current Assets	12	594.49	577.99
Total Current Assets		**1,038.38**	**1,237.34**
Total Assets		**41,082.95**	**43,445.14**
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	13	8,000.00	8,000.00
b) Deemed Equity Share Capital- Gross	13	28,518.11	26,525.27
Other Equity			
i) Reserves & Surplus	14	(17,468.43)	(15,144.06)
Equity attributable to the owners		**19,049.68**	**19,381.21**
Total Equity		**19,049.68**	**19,381.21**
Non-current liabilities			
a) Financial Liabilities			
(i) Borrowings	15	15,027.24	16,248.07
b) Provisions	16	23.66	20.59
c) Deferred Tax Liabilities (Net)	17	4,984.50	4,966.27
d) Other non-current liablities	18	275.97	340.48
Total Non Current Liabilities		**20,311.37**	**21,575.41**
Current liabilities			
a) Financial Liabilities			
(i) Borrowings	19	455.74	1,327.15
(ii) Trade Payables	20		
>total outstanding dues of creditors other than micro,small enterprises		422.71	499.80
>total outstanding dues of micro,small enterprises(Refer Note 42)		9.45	-
(iii) Other Current Financial liabilities	21	561.22	361.97
b) Provisions	22	27.45	25.41
c) Other Current Liabilities	23	245.33	274.19
Total Current Liabilities		**1,721.90**	**2,488.52**
Total Liabilities		**41,082.95**	**43,445.14**

Summary of Significant Accounting Policies 1

The accompanying notes are an integral of these financial statement.

As per our report of even date attached

For K M G S & Associates
Chartetted Accountants
FRN : 04730N

Sundeep Jindal
Partner
Membership No. 095051

Place: New Delhi
Date: 23.05.2019

For and on behalf of the Board of Directors

(Virendar Kumar Chanana)
Managing Director
(DIN No 00069599)

(Vivek Shukla)
Director
(DIN No 08147944)

(Sanjay Malik)
CFO

(Manpreet Kaur)
Company Secretary
(M.No ACS-50273)

KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs)

KUJJAL HOTELS PRIVATE LIMITED

(Formerly Kujjal Builders Pvt Ltd)

Statement of Reevenue and Expenditure for the year ended March 31, 2019

CIN No - U55100DL2005PTC139829

Regd Office: 51&52, Ground floor, World Trade Centre, Barakhamba Lane, New Delhi

Particulars	Note No.	For the year ended 31'Mar 2019 (Rs)	For the year ended 31'Mar 2018 (Rs)
Revenue			
Revenue from operations	24	4,644.47	4,563.50
Other income	25	105.24	78.15
Interest Income	26	31.83	30.44
Total income		**4,781.54**	**4,672.09**
Expenses			
Cost of food and beverage consumed	27	650.15	711.47
Purchase of traded goods	28	1.07	2.41
Changes in inventories of traded goods	29	0.41	0.25
Excise Duty on sale of food		-	1.43
Employee benefits expense	30	899.81	878.44
Other expenses	31	2,096.82	2,175.29
		3,648.26	**3,769.29**
Earnings before interest cost, tax, depreciation and amortisation		**1,133.28**	**902.79**
Finance costs	32	1,975.99	2,430.44
Depreciation and amortization expense	33	2,236.02	1,960.24
Profit / (Loss) before tax		**(3,078.73)**	**(3,487.88)**
Tax expense:			
Current tax			
Deferred tax charge/(credit)		(751.11)	(5,257.24)
Total Tax Expense		**(751.11)**	**(5,257.24)**
Profit/(loss) for the year		**(2,327.62)**	**1,769.36**
Other Comprehensive Income			
1) Items that will not be reclassfied to Profit or Loss			
i) Remeasurements of the net defined benefit plans - Actuarial Gain or (Loss)		4.50	(0.91)
Tax on above Items		(1.25)	-
Total Other Comprehensive Income/(loss) net of Taxes		**3.25**	**(0.91)**
Total Comprehensive Income/(loss)		**(2,324.37)**	**1,768.45**
Earnings per equity share(for continuing operations)			
1) Basic	37	(2.91)	2.21
2) Diluted	37	(2.91)	2.21

Summary of Significant Accounting Policies 1

The accompanying notes are an integral of these financial statement.

As per our report of even date attached

For K M G S & Associates
Charterted Accountants
FRN : 04730N

Sundeep Jindal

Sundeep Jindal
Partner
Membership No. 095051

Place: New Delhi
Date: 23.05.2019

For and on behalf of the Board of Directors

(Virendar Kumar Chanana)
Managing Director
(DIN No 00069599)

(Vivek Shukla)
Director
(DIN No 08147944)

(Sanjay Malik)
CFO

(Manpreet Kaur)
Company Secretary
(M.No ACS-50273)

KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs

KUJJAL HOTELS PRIVATE LIMITED
(Formerly Kujjal Builders Pvt Ltd)
CIN No - U55100DL2005PTC139829
Regd Office: 51&52, Ground floor, World Trade Centre, Barakhamba Lane, New Delhi

STANDALONE CASH FLOW STATEMENT

Particulars	FOR THE YEAR ENDED ON 31.03.2019	31.03.2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(loss) before tax (Including OCI-Loss)	**(3,074.23)**	**(3,488.79)**
Non-cash adjustnments to reconcile profit before tax:		-
Depreciation and amortisation expenses	2,236.02	1,960.24
Loss/ (Profit) on sale of fixed assets (net)	9.81	3.40
Interest Income	(31.83)	(30.44)
Interest and Finance Charges	1,975.99	2,430.44
Operating profit before working capital changes:	**1,115.76**	**874.84**
Movements in working capital:		-
-Trade receivables	183.84	(132.16)
-Loans and advances and other current assets	(47.37)	44.76
-Inventories	(15.97)	11.07
-Liabilities and provisions	(766.63)	(10,340.92)
Cash Generated from Operations	**469.64**	**(9,542.40)**
Tax Paid	**-**	**-**
Net cash flow from /(used in) operating activities (a)	**469.64**	**(9,542)**
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(27.56)	(28.15)
Interest received	31.83	30.44
Movement in margin money held as security	(55.04)	(58.36)
Net Cash flow from/(used in) investing activities (b)	**(50.77)**	**(56.06)**
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	2,764.01	36,754.77
Repayment of long term borrowings	(1,285.34)	(24,707.43)
Interest paid	(1,975.99)	(2,430.44)
Net Cash from/ (Used in) financing activities (c)	**(497.33)**	**9,616.90**
NET (DECREASE)/ INCREASE IN CASH & CASH EQUIVALENTS (a+b+c)	**(78.46)**	**18.44**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**138.96**	120.52
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**60.50**	**138.96**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on Hand	8.05	5.65
- Current accounts	52.45	133.31
	60.50	**138.96**

The accompanying notes are an integral part of the financial statements
As per our report of even date

For K M G S & Associates
Charterted Accountants
FRN : 04730N
Sundeep Jindal
Sundeep Jindal
Partner
Membership No. 095051

Place: New Delhi
Date: 23.05.2019

For and on behalf of the Board of Directors

(Virendar Kumar Chanana)
Managing Director
(DIN No 00069599)

(Vivek Shukla)
Director
(DIN No 08147944)

(Sanjay Malik)
CFO

(Manpreet Kaur)
Company Secretary
(M.No ACS-50273)

KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs

KUJJAL HOTELS PRIVATE LIMITED
(Formerly Kujjal Builders Pvt Ltd)
Statement of changes in equity for the year ended 31 March 2019

A. Equity share capital (Note 13)

	As at March 31, 2019	As at March 31, 2018
As at beginning of the year	8,000.00	8,000.00
Change during the year: Deemed Equity added	28,518.11	26,525.27
As at end of the year	**36,518.11**	**34,525.27**

B. Other equity (Note 14)

	Retained Earnings	Total Other Equity
For the year ended 31 March 2018		
As at 1 April 2017	(16,912.50)	(16,912.50)
Profit for the year	1,769.36	1,769.36
Other comprehensive income (net of tax)	(0.91)	(0.91)
Total comprehensive income	**1,768.46**	**1,768.46**
As at March 31, 2018	**(15,144.06)**	**(15,144.06)**
For the year ended 31 March 2019		
As at 1 April 2018	(15,144.06)	(15,144.06)
Profit for the year	(2,327.62)	(2,327.62)
Other comprehensive income (net of tax)	3.25	3.25
Total comprehensive income	**(2,324.37)**	**(2,324.37)**
As at March 31, 2019	**(17,468.43)**	**(17,468.43)**

For K M G S & Associates

Charterted Accountants
FRN : 04730N

Sundeep Jindal
Partner
Membership No. 095051

Place: New Delhi
Date: 23.05.2019

For and on behalf of the Board of Directors

(Virendar ~~Kumar~~ Chanana)
Managing Director
(DIN No 00069599)

(Vivek Shukla)
Director
(DIN No 08147944)

(Sanjay Malik)
CFO

(Manpreet Kaur)
Company Secretary
(M.No ACS-50273)

KUJJAL HOTELS PVT. LTD.

1. i) Corporate Information

Kujjal Hotels Private Limited (formerly Kujjal Builders Pvt Ltd) (''hereinafter referred as the Company") was incorporated under the provisions of the Companies Act, 1956 on August 22nd 2005. The company is Joint Venture between EILA Holding Limited (formerly EILA Builders & Developers Ltd.) a subsidiary company of Deeksha Holding Limited, incorporated under The Companies Act, 1956 and Prime Cellular Limited, a subsidiary company of Bharat Hotels Ltd., incorporated under Companies Act, 1956 governed by a Joint Venture Agreement dated January 18th, 2007.

During the previous year the Company got its name changed from Kujjal Builders Private Limited to Kujjal Hotels Private Limited. This name change was effective from 21st Feb, 2019 i.e the date on which Ministry of Corporate Affairs provided the Certificate of Incorporation pursuant to name change.

The company is primarily engaged in the business of managing the hotels in India.

ii) Basis of Preparation

The standalone financial statements have been prepared by the management in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Property, plant and equipment and intangible assets have been carried at deemed cost (which includes revalued amount of land and building at certain locations) on the date of transition using the optional exemption allowed under Ind AS 101

The standalone financial statements are presented in INR, which is the Company's presentation currency as well as the functional currency for all its operations and all financial information are presented in Indian Rupees, unless stated otherwise.

As at 31 March 2019 the total assets of the Company are Rs. 41,082.95 lacs (31 March 2018 Rs. 43,445.14 lacs) whereas the total liabilities of the Company are Rs. 22,033.27 lacs (31 March 2018: Rs. 24,063.93 lacs).Further, the accumulated losses at year-end are 31 March 2019 Rs. 17,468.43 lacs and 31 March 2018 are Rs. 15,144.06 lacs. The management has obtained commitment of its parent company for continued financial and operating support and considers it appropriate to prepare these financial statements on going concern basis.

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iii) Recent accounting developments

Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments, which is to be applied while performing determination of taxable profit (or loss), tax basis, unused tax losses, unused tax credits and tax rates, when there is uncertainty over Income tax events under Ind AS 12. According to the Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments that the companies have used for plan to use in their income tax filling which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profits (tax loss), tax bases, unused tax losses, unused tax credit and tax rates.

The Company is currently evaluating the impact of this amendment on the standalone financial statement.

Amendment to Ind AS 12, Income taxes:

On March 30, 2019 the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income taxes, in connection with accounting for dividend distribution tax.

The amendment clarifies that an entity shall recognize the Income tax consequences of dividends in profit and loss, other comprehensive income or equity according to where the entity originally recognize those past transaction or event .

Effective date of application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the impact of this amendment on the standalone financial statement.

Amendment to Ind AS 19, plan amendment, curtailment or settlement:

On March 30, 2019, the Ministry of Corporate Affairs issued amendment to Ind AS 19, employee benefits, in connection with accounting for plan amendments, curtailments and settlements.

Amendments require an entity:

- to use updated assumptions, to determine current service cost and net interest for the reminder of the period after plan amendments, curtailments and settlements and

- to recognize in Profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognized because of the impact of asset ceiling.

Effective date for application for this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the impact of this amendment on the standalone financial statement.

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Amendments to Ind 23 Borrowing Costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April, 2019. The Company is currently evaluating the impact of this amendment on the standalone financial statement.

Significant Accounting Policies:

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Property, Plant and Equipment

Recognition and initial measurement:

Under the previous GAAP (Indian GAAP), property plant and equipment were carried in the balance sheet at their respective carrying value. Using the deemed cost exemption available as

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per Ind AS 101, the Company has elected to carry forward the carrying value of PPE under Indian GAAP as on 31 March 2015 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2015.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Subsequent measurement (depreciation and useful lives):

Depreciation on property, plant and equipment is provided on the straight-line method using the rates arrived on the basis of the useful life which coincides with the useful life prescribed under Schedule II of the Companies Act, 2013. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.
The Company has used the following rates to provide depreciation on its fixed assets:

Class of Assets	Useful economic lives estimated by the management (Years)
Freehold Building	40*
Plant & Machinery	7.5-15
Furniture & Fixtures	8
Vehicles	8
Office Equipment's	5
Computers/Servers	3/5
Software	3

(* During the previous year ended 31.03.2019 the management changed the estimate for useful life of Building wherein from earlier 60 years it is revised to 40 years . The depreciation is charged accordingly.)

Leasehold buildings are amortized on a straight line basis over the unexpired period of lease or useful life, whichever is lower.

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

Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

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

c) Intangible Assets

Recognition and initial measurement

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Subsequent measurement:

The Company has capitalised computer software in the nature of software licenses as intangible assets and the cost of software is amortized over the license period or three years, being their expected useful economic life, whichever is lower.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

d) Impairment of non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market

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transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of Profit and Loss,

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

e) Foreign Currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions and balances

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

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

f) Fair Value Measurement

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

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

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

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

- o Disclosures for valuation methods, significant estimates and assumptions (Refer Note 36)
- o Quantitative disclosures of fair value measurement hierarchy (Refer Note 36)
- o Financial instruments

g) Revenue Recognition

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, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. 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 applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below:

Revenue from hotel operations:
Revenue from hotel operations comprise sale of rooms, food and beverages, liquor and wine, banquet rentals and other services relating to hotel operations including telecommunication, laundry, business centre, health centre etc. Revenue is recognized as and when the services are rendered and is disclosed net of allowances.

Membership program:
Membership revenue is recognized pro rata over the period of the membership term. Joining fee is recorded as income on sale of membership card.

Sale of goods (Trading goods)
Revenue is recognized when all significant risks and rewards of ownership of the goods have passed to the buyer.

Loyalty points program:

The Company is the part of Lalit loyalty points programme, Lalit Connect, Lalit Plus, Lalit Engage, being operated by its holding Company Bharat Hotel Limited , under which the customer is allowed to accumulate points when they stay in the various hotels of the Holding Company. The points can be redeemed for free stay, subject to a minimum number of points being obtained. The fair value of the points issued is deferred and recognized as revenue when the points are redeemed.

h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in

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connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Financial Instruments

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

(i) Financial assets
Initial recognition and measurement

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

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

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

Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. Such election is made 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 instrument, 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, cumulative gain or loss may be transferred within equity.

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

Derecognition

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

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- The rights to receive cash flows from the asset have expired, or

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

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

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

Impairment of financial assets

In accordance with Ind AS 109: Financials Instruments, the Company recognizes impairment loss allowance on trade receivables based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of Profit and Loss.

(ii) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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Loans & Borrowings

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

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

Derecognition

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

Reclassification of financial instruments

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

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

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

Offsetting of financial instruments

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

j) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provided Fund.

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, 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 OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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Other Employee Benefits

Compensated absences
Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

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

l) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Leases

At inception of an arrangement, the company determines whether the arrangement is or contains a lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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Company as a Lessee

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalized.

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

n) Taxes

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

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

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applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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

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

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

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

o) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Stores and spares inventory comprises cutlery, crockery, linen, other store items food and beverage, liquor and wine items in hand: Cost is determined on first in first out basis. Circulating stock of crockery and cutlery issued for more than two months is charged to the profit and loss account as consumption.

Trading goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.
Net realizable value is the estimated selling price in the ordinary course of the business, less estimated costs necessary to make the sale.

Inventory of food and beverage items in hand includes items used for staff cafeteria and is charged to consumption, net of recoveries, when issued.

p) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

q) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that

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require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 36. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

r) Cash and cash equivalents

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

s) Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

t) Measurement of EBITDA

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

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Notes forming part of standalone financial statements for the year ended 31 March 2019

Note 2 : PROPERTY, PLANT & EQUIPMENT

Particulars	Leasehold land	Freehold Building	Plant and Machinery	Office equipments	Furniture and Fixtures	Computers	Vehicles	Total
For the year ended 31 March 2018								
Gross carrying amount								
As at 01 April 2017	8,687.82	27,054.77	10,277.19	23.44	1,294.34	174.85	22.99	47,535.40
Additions for the year	-	-	16.86	1.83	1.75	2.41	-	22.85
Disposals	-	-	(2.38)	(5.27)	-	-	-	(7.65)
Inter unit (transer)/ received	-	-	-	-	-	-	-	-
Gross carrying amount as at 31 March 2018	8,687.82	27,054.77	10,291.66	20.00	1,296.09	177.26	22.99	47,550.59
Accumulated depreciation								
As at 01 April 2017	192.95	864.15	2,478.03	11.76	350.47	163.95	6.73	4,068.04
Depreciation charge for the year	96.37	431.68	1,241.62	6.31	176.03	0.47	3.43	1,955.91
Disposals	-	-	(1.03)	(3.22)	-	-	-	(4.25)
Closing accumulated depreciation	289.32	1,295.83	3,718.62	14.85	526.49	164.41	10.16	6,019.69
Net carrying amount as at 31 March 2018	8,398.50	25,758.94	6,573.04	5.15	769.59	12.85	12.83	41,530.90
For the year ended 31 March 2019								
Gross carrying amount								
As at 01 April 2018	8,687.82	27,054.77	10,291.66	20.00	1,296.09	177.26	22.99	47,550.59
Additions for the year	-	-	17.33	0.74	7.13	1.46	-	26.65
Disposals	-	-	(22.73)	(3.30)	-	(0.45)	-	(26.48)
Gross carrying amount as at 31 March 2019	8,687.82	27,054.77	10,286.26	17.44	1,303.21	178.26	22.99	47,550.76
Accumulated depreciation								
As at 01 April 2018	289.32	1,295.83	3,718.62	14.85	526.49	164.41	10.16	6,019.69
Depreciation charge for the year *	96.37	706.34	1,242.64	3.57	176.84	4.54	3.43	2,233.73
Disposals	-	-	(13.32)	(2.92)	-	(0.43)	-	(16.67)
Closing accumulated depreciation	385.68	2,002.17	4,947.94	15.50	703.34	168.52	13.60	8,236.75
Net carrying amount as at 31 March 2019	8,302.13	25,052.60	5,338.32	1.95	599.88	9.74	9.39	39,314.02

* During the year the estimate for Useful life of Building has been changed from earlier 60 years to 40 years .

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KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs

KUJJAL HOTELS PRIVATE LIMITED
(Formerly Kujjal Builders Pvt Ltd)

Notes forming part of standalone financial statements for the year ended 31 March 2019

Note 3 : INTANGIBLE ASSETS

(All amount Rs in Lacs)

Particulars	Software
For the year ended 31 March 2018	
Gross carrying amount	
As at 01 April 2017	57.43
Additions for the year	5.30
Disposals	-
Gross carrying amount as at 31 March 2018	**62.73**
Accumulated depreciation	
As at 01 April 2017	39.31
Depreciation charge for the year	4.33
Disposals	-
Closing accumulated depreciation	**43.64**
Net carrying amount as at 31 March 2018	**19.09**
For the year ended 31 March 2019	
Gross carrying amount	
As at 01 April 2018	62.73
Additions for the year	0.90
Disposals	-
Gross carrying amount as at 31 March 2019	**63.63**
Accumulated depreciation	
As at 01 April 2018	43.64
Depreciation charge for the year	2.30
Disposals	-
Closing accumulated depreciation	**45.94**
Net carrying amount as at 31 March 2019	**17.69**

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(All amount Rs in Lacs

KUJJAL HOTELS PRIVATE LIMITED
(Formerly Kujjal Builders Pvt Ltd)
Notes to the financial statements for the year ended Mar 31, 2019

Particulars	As at 31'Mar 2019	As at 31'Mar 2018

Note 4 : NON CURRENT - ADVANCES

Security Deposits paid	30.44	22.31
TOTAL	**30.44**	**22.31**

Note 5 :OTHER NON CURRENT FINANCIAL ASSETS

Balance with Banks:		
- Deposits with remaining maturity of more than 12 months	13.34	13.34
- Margin money deposited against Term Loans from Banks (including interest)	443.68	443.68
TOTAL	**457.02**	**457.02**

Note 6 :OTHER NON CURRENT ASSETS

Capital Advances	100.26	100.26
TOTAL	**100.26**	**100.26**

Note 6 : NON CURRENT TAX ASSETS

TDS Deducted by vendors (gross)	125.14	78.22
TOTAL	**125.14**	**78.22**

Note 8 :INVENTORIES

- Trading Goods	3.40	3.81
- Others		
Food and Beverage (excluding liquor and wine)	22.37	17.80
Liquor and Wine	63.63	60.06
Stores, cutlery, crockery, linen, provisions and others	31.59	23.35
TOTAL	**120.99**	**105.02**

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KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs

Particulars	As at 31'Mar 2019	As at 31'Mar 2018

Note 9 : TRADE RECEIVABLE

Secured,considered good		
Unsecured,considered good	197.06	380.90
Unsecured,considered Doubtful	14.39	8.61
TOTAL	**211.45**	**389.52**
Less : Provision for Doubtful Debts	(14.39)	(8.61)
TOTAL	**197.06**	**380.90**

Note 10: CASH AND BANK EQUIVALENTS

Balances with banks:-		
In current accounts	52.45	133.31
Cash on hand	8.05	5.65
TOTAL	**60.50**	**138.96**

Note 11: OTHER CURRENT FINANCIAL ASSETS

Accrued Revenue	36.69	34.47
Interest accrued but not due - on deposits with Banks and others/FDR	28.65	0.00
TOTAL	**65.34**	**34.47**

Note 12: OTHER CURRENT ASSETS

Advances recoverable in cash or in kind		
-Advances to others considered good	49.44	20.07
	49.44	**20.07**
Prepaid Expenses	73.89	77.46
Balances with Statutory Authorities	15.83	12.64
Service tax recevorable	-	12.49
Balances with Estate Office, Chandigarh*	455.33	455.33
TOTAL	**594.49**	**577.99**

*During the year 2013-14, the company had received a demand notice for Rs. 1875 lacs on account of delay in commencement of operations from Estate Office, Chandigarh which was later reduced to Rs 1403 lacs by the Finance Secretary. As per the orders of the finance Secretary, the company paid Rs. 450 lacs under protest and the remaining has to be deposited within a year from the date of Partial Occupation Certificate. The company has filed writ petition with Hon'ble High Court of Punjab & Haryana against the same demand. The Hon'ble Court has passed an order stating that the further amount shall remain be stayed till the final decision. Management believes that no provision is required.

KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs

Particulars	As at 31'Mar 2019	As at 31'Mar 2018

Note 13: SHARE CAPITAL

(A) Authorised, issued, subscribed and paid up share capital and par value per share		
Authorised		
8,00,00,000 Equity shares of Rs.10 each	8,000.00	8,000.00
Issued, Subscribed & Paid up		
8,00,00,000 Equity shares of Rs.10 each	8,000.00	8,000.00
Deemed Equity Share Capital	39,509.71	36,748.78
Less : Deffered Tax Liability on Deemed Equity	(10,991.60)	(10,223.51)
TOTAL	**36,518.11**	**34,525.27**

(B) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	(No's in lacs) **Shares Nos.**	**Shares Nos.**
No of shares outstanding as at Mar 31, 2019	800	800
No of shares outstanding as at Mar 31, 2018	800	800
Change during the year	-	-

(C) Rights, preference & restrictions attaching to various classes of shares

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. For the period ended 31st Mar 2019 the amount of per share dividend proposed as distribution to equity shareholders is Rs.Nil (31.03.2018: Rs. Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(D) Shareholding details of the company

Name of the shareholder	**Class of Shares**	**No of shares held in aggregate by holding co./ ultimate holding co.**
	(No's in lacs)	
Eila Holding Limited (formerly Eila Builders & Developers Ltd.)	Equity	400
Prime Cellular Limited	Equity	400

NOTE 14. RESERVES & SURPLUS- OTHER EQUITY

Retained Earnings		
As at 1 April,2018	(15,144.06)	(16,912.50)
Add: Net profit/(loss) for the year	(2,327.62)	1,769.36
Add: Other Comprehensive income/(loss) for the year net of Taxes	3.25	(0.91)
As at 31 March,2019	**(17,468.43)**	**(15,144.06)**

KUJJAL HOTELS PVT. LTD.

Particulars	As at 31'Mar 2019	As at 31'Mar 2018

Note 15: LONG TERM BORROWINGS

Term loans		
Secured from Banks		
Axis Bank Ltd	9,476.96	9,507.98
Unsecured		
From Holding Companies		
Bharat Hotel Limited	3,924.34	3,237.33
From Associate Companies		
Prime Cellular Limited	-	1,875.11
Eila Holding Limited (formerly Eila Builders & Developers Ltd.)	120.56	122.86
Others		
Deferred Laibility arising from Discounting of Financial Instruments-	1,505.37	1,504.78
TOTAL	**15,027.24**	**16,248.07**

*The above stated term loan from banks are secured against the land and buildings, fixed assets and current assets of the company and the corporate gaurantee of Rs.11650 lacs (31.03.18 - 11650 lacs) given by Bharat Hotels Limited.

Term Loan from Axis Bank Ltd for Rs 10000 lacs; Carrying value as per IND AS Rs 9576.96 lacs (31.03.18 - 10000 lacs; Carrying value as per IND AS Rs 9507.98 lacs),sanctioned amount of Rs.10000 lacs carries interest @ 11.50% per annum (31.03.18 - 11%). (sanction rate ; 1 month MCLR plus 2.75%, payable monthly). The loan is repayable in 12 years in 35 structured quarterly installments beginning from 31.08.2019. The loan is secured by exclusive charge by way of mortgage over Hotel land and building at Chandigarh and exclusive charge by way of hypothecation of all the company's moveable, including movable machinery ,spares, tools , and accessories (both present and future), first paripassu charge on Company's entire current assets , negative lien on Banglore hotel property (inname of BHL) on paripassu basis with Yes Bank ,undated cheques for the principal amount , shortfall undertaking and corporate guarantee of Bharat Hotels Limited and by creation of Debt Service Reserve Account ("DSRA") of one quarter interest.

On unsecured Loan from Bharat Hotels Limited interest was paid for April and May , 2017 only @ 11.00 % per annum and thereafter w.e.f from June,2017 the loan was converted to equity and thus no interest was payable. The loan value as on 31.03.2019 of Rs 3924.34 lacs is the net present value of total amount payable to Bharat Hotel Ltd .Interest provision at an implicit rate of 10.94% being the weighted average rate for respective period has been made on the above stated loan on periodical basis.

Unsecured Loan taken from Eila Holding Limited (formerly Eila Builders & Developers Ltd.) & Prime Cellular Ltd. carries interest @ 10.00 % per annum. (31.03.18 -10%) . Entire loan of Rs 1875.11 lacs oustanding from Prime Cellular Limited as on 1st day of the year has been paid in full during the year .

Note 16: LONG TERM PROVISIONS

Provision for employee benefits		
Gratuity (Refer Note 40)	23.66	20.59
TOTAL	**23.66**	**20.59**

KUJJAL HOTELS PVT. LTD.

Particulars	As at 31'Mar 2019	As at 31'Mar 2018
Note 17: DEFFERED TAX LIABILITY		
Deferred Tax Asset		
Losses available for offsetting against future taxable income	10,877.56	10,268.46
Re-measurement gains/(losses) on defined benefit plans	(1.25)	0.25
Impact of expenditure charged to statement of profit and loss in current year/earlier years but allowable for tax purposes on payment basis	6.89	0.30
Provision for doubtful debts & advances	4.00	2.40
Deferred tax assets	**10,887.20**	**10,271.42**
Deferred tax liability		
Accelerated depreciation for tax	4,880.11	5,014.18
On Deemed equity portion of interest free loan from Bharat Hotels Ltd	10,991.60	10,223.51
Deferred tax liability	**15,871.71**	**15,237.69**
Net Deferred tax Asset /(Liability)	**(4,984.50)**	**(4,966.27)**

Note 18: OTHER NON CURRENT LIABILITIES

Deferred government grant (Refer Note 36)	275.97	340.48
TOTAL	**275.97**	**340.48**

Note 19 : SHORT TERM BORROWINGS

Secured		
Overdraft facilities from		
Axis Bank Ltd	442.19	581.21
Unsecured		
From Associate Companies		
Prime Cellular Limited	-	722.93
Eila Holding Limited (formerly Eila Builders & Developers Ltd.)	13.54	22.53
Prima Buildwell Limited	- -	0.48
TOTAL	**455.74**	**1,327.15**

Overdraft facilities from Axis Bank Ltd of Rs 442.19 lacs (31.03.2018 : Rs 581.21 lacs) carries interest @ 11.90% (sanction rate ; 3 months MCLR plus 3.90%, payable monthly) .The loan is secured by exclusive charge by way of mortgage over Hotel land and building at Chandigarh and exclusive charge by way of hypothecation of all the company's moveable, including movable machinery ,spares, tools , and accessories (both present and future), first paripassu charge on Company's entire current assets , negative lien on Banglore hotel property (inname of BHL) on paripassu basis with Yes Bank ,undated cheques for the principal amount , shortfall undertaking and corporate guarantee of Bharat Hotels Limited and by creation of Debt Service Reserve Account ("DSRA") of one quarter interest.

KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs

Particulars	As at 31'Mar 2019	As at 31'Mar 2018

Note 20: TRADE PAYABLES

TRADE PAYABLES		
-total outstanding due of creditors other than micro, small & medium enterprises	422.71	499.80
-total outstanding due of creditors -micro, small & medium enterprises	9.45	-
TOTAL	**432.16**	**499.80**

Note 21: OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of long term borrowings	100.00	-
Interest accrued but not due on borrowings	97.67	93.42
Sundry Deposits	16.80	12.95
Payables on purchase of Fixed Assets	1.31	1.31
Retention Payable	22.38	22.38
Other Payables		
Employee related liabilities	78.97	15.12
Outstanding Dues of Creditors	244.09	216.79
TOTAL	**561.22**	**361.97**

Note 22: SHORT TERM PROVISIONS

Provision for employee benefits		
Gratuity (Refer Note No 40)	2.05	3.33
Leave Encashment	25.40	22.09
TOTAL	**27.45**	**25.41**

Note 23: OTHER CURRENT LIABILITIES

Deferred Revenue of membership programmes	45.06	35.33
Advances received from customers	53.91	96.83
Statutory dues payable		
TDS/ TCS payable	9.47	13.07
GST Payable	61.67	52.71
VAT payable	2.27	2.66
PF Payable	6.84	7.42
ESI Payable	1.60	1.65
Others		
Deferred Government grant	64.52	64.52
TOTAL	**245.33**	**274.19**

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KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs

KUJJAL HOTELS PRIVATE LIMITED
(Formerly Kujjal Builders Pvt Ltd)
Notes to the financial statements for the year ended Mar 31, 2019

Particulars	For the year ended 31'Mar 2019	For the year ended 31'Mar 2018
Note 24: REVENUE FROM OPERATIONS		
Sale of products and services		
- Rooms	1,931.73	1,725.24
- Food and beverage (excluding liquor and wine)	1,994.76	1,956.90
- Liquor and wine	424.16	565.04
- Banquet and Equipment rentals	91.34	116.23
- Other Services	86.44	96.45
- Telephone and telex	3.82	13.35
- Membership programme revenue	71.28	54.41
- Traded goods	2.43	3.80
Other Operating Revenues		
- Commission income	18.47	20.37
- Rent (Shops, Mobile phone towers)	20.07	11.71
TOTAL	**4,644.47**	**4,563.50**

Note 25: OTHER INCOME

Excess provision/ credit balances written back	30.39	4.88
Government grant income (Refer Note 36)	64.52	64.52
Miscellaneous income	10.33	8.75
TOTAL	**105.24**	**78.15**

Note 26 : INTEREST INCOME

Others		
- bank deposits	31.83	30.44
TOTAL	**31.83**	**30.44**

KUJJAL HOTELS PVT LTD

(All amount Rs in Lacs

Particulars	For the year ended 31'Mar 2019	For the year ended 31'Mar 2018

Note 27: COST OF MATERIALS CONSUMED

Consumption of food and beverages (excluding liquor & wine)		
Inventory at the beginning of the year	17.80	18.96
Add: Purchases during the year	557.12	577.55
Less: Inventory at the end of the year	(22.37)	(17.80)
Total	**552.56**	**578.71**
Consumption of liquor and wine		
Inventory at the beginning of the year	60.06	70.82
Add: Purchases during the year	101.17	122.00
Less: Inventory at the end of the year	(63.63)	(60.06)
Total	**97.59**	**132.76**
Grand Total	**650.15**	**711.47**

Note 28 : PURCHASE OF STOCK IN TRADE

Purchases during the year	*1.07*	*2.41*
TOTAL	**1.07**	**2.41**

Note 29 :CHANGES IN INVENTORIES

Inventory at the beginning of the year		
Aum Shop	3.81	4.06
	3.81	**4.06**
Inventory at the end of the period		
Aum Shop	3.40	3.81
	3.40	**3.81**
Net Impact of Change in Inventory	**0.41**	**0.25**

KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs

Particulars	For the year ended 31'Mar 2019	For the year ended 31'Mar 2018

Note 30: EMPLOYEE BENEFIT EXPENSE

Salaries, wages and allowances	778.01	771.10
Bonus	35.45	11.01
Contribution to provident fund	41.98	47.87
Contribution to ESIC	14.83	14.88
Gratuity expenses	7.46	7.19
Leave compensation expenses	9.57	9.65
Staff welfare expenses	12.40	16.00
Staff recruitment and training	0.11	0.74
TOTAL	**899.81**	**878.44**

Note 31: OTHER EXPENSES

Consumption of stores, cutlery, crockery, linen, provisions and others	160.79	161.04
Power and fuel	565.01	686.91
Banquet and decoration expenses	97.32	115.93
Membership programme expenses	14.01	13.66
Repair and maintenance		
'Buildings	36.18	42.55
'Plant and machinery	104.78	116.62
'Others	10.04	12.36
Royalty and marketing fees- 5% to BHL	231.99	227.50
Rates and taxes	100.82	79.59
Insurance	15.45	19.42
Communication costs	33.09	29.24
Printing and stationery	24.54	29.66
Travelling and conveyance	40.22	48.64
Advertisement and business promotion	146.03	141.68
Commission -other than sole selling agent	124.74	78.62
Security and cleaning expenses	247.74	251.67
Membership and subscriptions	20.20	27.07
Professional fees	25.20	27.75
Legal charges	19.46	9.43
Freight and cartage	12.43	11.12
Foreign Exchange differences (net)	0.05	0.31
Loss on sale/ discard of property, plant and equipment (net)	9.81	3.40
Bad Debts	9.19	-
Provision for doubtful debts	9.50	-
Bank charges	29.61	26.92
Payment to auditors	6.75	6.25
Miscellaneous expenses	1.86	9.36
TOTAL	**2,096.82**	**2,176.72**

KUJJAL HOTELS PVT. LTD

(All amount Rs in Lacs

Particulars	For the year ended 31'Mar 2019	For the year ended 31'Mar 2018

Note 32: FINANCE COST

Interest on loans from Banks	1,181.27	1,222.48
Bank charges	14.73	7.66
Interest on Loan from Related Parties		
- on loan from Holding co	364.98	742.68
- on loan from Associate co	156.31	199.47
Unwinding of finance cost from financial instruments at amortised cost	68.98	68.98
Finance charges payable under finance leases	188.09	188.09
Interest on defined benefit obligation of Gratuity	1.62	1.08
TOTAL	**1,975.99**	**2,430.44**

Note 33: DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of property, plant and equipment	2,233.73	1,955.91
Amortisation of intangible assets	2.30	4.33
TOTAL	**2,236.02**	**1,960.24**

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(All amount Rs in Lacs

Note 34

New standard adopted - Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:
(i) Identify the contract(s) with customer;
(ii) Identify separate performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations; and
(v) Recognise revenue when a performance obligation is satisfied.

The Company has adopted the standard on 1 April 2018 using modified retrospective approach with a cumulative catch-up adjustment made in retained earnings at the beginning of the current financial year, ie, 1 April 2018 as if the standard had always been in effect. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of the new standard did not result in any adjustments to the Company's revenue or net income. Also, there is no impact on the retained earnings as at April 1, 2017

A Disaggregation of revenue

Revenue arises mainly from hotel operations:

Description	31-Mar-19
(A) Sale of services and product	
Revenue from hospitality services	4,532.24
Revenue from membership programme	71.28
Revenue from sale of traded goods	2.43
(B) Other ancillary revenue	
Rent & Commission	38.53
	4,644.47

** The Company operates single business segment i.e. operation of hotels*

B Contract balances

The following tables present information about trade receivables, contract assets, and contract liabilities:

	31-Mar-19
Trade receivables (refer note 9)	197.06
Contract assets (Unbilled revenue) (refer note 11)	36.69
Contract liabilities	
Advance from customers (refer note 23)	53.91
Deferred revenue (refer note 23)	45.06

A trade receivable is recorded when the Company has issued an invoice and has an unconditional right to receive payment. In respect of revenues from hospitality services, the invoice is typically issued as the related performance obligations are satisfied.

Contract assets

An entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. The table does not include amounts which were received and recognised as revenue in the year.

	31-Mar-19
Opening balance	34.47
Increase in unbilled revenue during the year	36.69
Recognised as revenue	34.47
Closing balance	**36.69**
Current	36.69
Non current	-
Total	**36.69**

Contract liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

KUJJAL HOTELS PVT. LTD.

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Advance from customers

Advance from customer is recognised when payment is received before the related performance obligation is satisfied. The table does not include amounts which were received and recognised as revenue in the year.

	31-Mar-19
Opening balance	96.83
Increase during the year	53.91
Recognised as revenue	96.83
Closing balance	**53.91**
Current	53.91
Non current	-
Total	**53.91**

Deferred revenue

Deferred revenue is recognised when payment is received before the related performance obligation is satisfied. The main categories of deferred revenue relates to the membership programme. The table does not include amounts which were received and recognised as revenue in the year.

	31-Mar-19
Opening balance	35.33
Increase in deferred revenue during the year	45.06
Recognised as revenue	35.33
Closing balance	**45.06**
Current	45.06
Non current	-
Total	**45.06**

C Significant changes in contract assets and liabilities

There has been no significant changes in contact assets/contract liabilities during the year.

KUJJAL HOTELS PVT. LTD.

Kujjal Hotels Private Limited
(Formerly Kujjal Builders Pvt Ltd)

35. Related Party Disclosures

i) Joint Venture Investors
1. Eila Holding Limited (formerly Eila Builders & Developers Ltd.)
2. Prime Cellular Limited

ii) Holding Company:
1. Bharat Hotels Limited

iii) Associates:
1. Prima Buildwell Private Limited
2. Deeksha Holding Limited
3. Deeksha Human Resource Initiatives Limited
4. Premium Farm Fresh Produce Limited

iv) Enterprise owned or significantly influenced by key management personnel or their relatives.
1. Cargo Motors Private Limited
2. Rohan Motors Limited
3. Subros Limited
4. Kronokare Cosmetics Private Limited (till 10.05.2018)

v) Key Management Personnel:
1. Mr.V.K.Chanana - Managing Director
2. Mr Rocky Kalra - Director
3. Mr Kirat Singh - Director appointed on 05.02.19
4. Ms Poonam Tyagi - Director resigned on 15.04.19
5. Mr Ravinder Suri - Director appointed on 05.02.19
6. Mr Rakesh Mitra - Director appointed on 12.06.18
7. Mr Vivek Shukla - Director appointed on 12.06.18
8. Mr Sanjay Malik - CFO appointed on 12.03.19
9. Ms. Manpreet Kaur - CS

vi) Transaction with the above parties are in the ordinary course of business.

vii) The holding company has given following Corporate Guarantee on behalf of the Company:-

Particulars	**31 March 2019**	**31 March 2018**
	Rs In Lacs	
Corporate Guarantee given to banks against loans taken by the Company.	11,650	11,650

KUJJAL HOTELS PVT. LTD.

Note 35

Kujjal Hotels Private Limited

(Formerly Kujjal Builders Pvt Ltd)

Related Party Transactions:

(Rupees in Lacs)

Particulars	Holding/JV Company		Associated Company		Entities where KMP and their relatives have significant influence		Key management personnel		Total	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	31 Mar'19	31 Mar'18	31 Mar'19	31 Mar'18	31 Mar'19	31 Mar'18	31 Mar'19	31 Mar'18	31 Mar'19	31 Mar'18
LOANS RECEIVED										
Bharat Hotels Limited (Deemed Holding Co)	3,015.92	1,647.43	-	-	-	-	-	-	3,015.92	1,647.43
LOANS REPAID										
Bharat Hotels Limited (Deemed Holding Co)	205.00	172.50	-	-	-	-	-	-	205.00	172.50
Prime Cellular Limited	2,729.07	-	-	-	-	-	-	-	2,729.07	-
Eila Holding Limited (formerly Eila Builders & Developers Ltd.)	20.92	12.34	-	-	-	-	-	-	20.92	12.34
Prima Buildwell Private Limited	-	-	0.48	36.99	-	-	-	-	0.48	36.99
Deeksha Human Resource Initiatives Limited	-	-	-	60.22	-	-	-	-		
CONULTANCY AND BRAND MGT FEE										
Bharat Hotels Limited (Deemed Holding Co)	268.18	262.65	-	-	-	-	-	-	268.18	262.65
INTEREST EXPENSE/(INCOME)										
Bharat Hotels Limited (Deemed Holding Co)	364.98	742.68	-	-	-	-	-	-	364.98	742.68
Prime Cellular Limited	145.59	187.51	-	-	-	-	-	-	145.59	187.51
Eila Holding Limited (formerly Eila Builders & Developers Ltd.)	10.72	11.43	-	-	-	-	-	-	10.72	11.43
Prima Buildwell Private Limited	-	-	-	0.53	-	-	-	-	-	0.53
PURCHASE/(SALE) OF GOODS/SERVICES										
Kronokare Cosmetics Pvt. Ltd.	-	-	-	-	2.21	19.26	-	-	2.21	19.26
Subros Limited	-	-	-	-	(1.98)	(1.41)	-	-	(1.98)	(1.41)
EXPENDITURE REIMBURSED										
Bharat Hotels Limited (Deemed Holding Co)	29.13	17.20	-	-	-	-	-	-	29.13	17.20

KUJJAL HOTELS PVT. LTD.

Kujjal Hotels Private Limited
(Formerly Kujjal Builders Pvt Ltd)
Related Party Transactions:

(Rupees in Lacs)

Particulars	Holding/JV Company		Associated Company		Entities where KMP and their relatives have significant influence		Key management personnel		Total	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	31 Mar'19	31 Mar'18	31 Mar'19	31 Mar'18	31 Mar'19	31 Mar'18	31 Mar'19	31 Mar'18	31 Mar'19	31 Mar'18
BALANCE AT YEAR END (PAYABLE)/RECEIVABLE										
Bharat Hotels Limited (Deemed Holding Co)	(43,434.05)	(39,986.11)	-	-	-	-	-	-	(43,434.05)	(39,986.11)
Prime Cellular Limited	-	(2,598.05)	-	-	-	-	-	-	-	(2,598.05)
Eila Holding Limited (formerly Eila Builders & Developers Ltd.)	(134.11)	(145.39)	-	-	-	-	-	-	(134.11)	(145.39)
Prima Buildwell Private Limited	-	-	-	(0.48)	-	-	-	-	-	(0.48)
Kronokare Cosmetics Pvt. Ltd.	-	-	-	-	(0.21)	-	-	-	(0.21)	-
Subros Limited	-	-	-	-	0.65	0.41	-	-	0.65	0.41
Cargo Motors Private Limited	-	-	-	-	1.30	1.30	-	-	1.30	1.30
Rohan Motors Limited	-	-	-	-	0.10	0.10	-	-	0.10	0.10
OTHERS										
Corporate Guarantee outstanding - Bharat Hotels Limited	11,650.00	11,650.00	-	-	-	-	-	-	11,650.00	11,650.00
Share Capital - Prime Cellular Limted	4,000.00	4,000.00	-	-	-	-	-	-	4,000.00	4,000.00
Share Capital -Eila Builders & Developers Limited	4,000.00	4,000.00	-	-	-	-	-	-	4,000.00	4,000.00
Remuneration paid- Sanjay Malik,CFO (w.e.f 12.03.2019)							0.77	-		
Remuneration paid- Manpreet Kaur, CS (w.e.f 19.06.2017)							5.50	3.37		

KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs

36 Government Grant

Particulars	31-Mar-19	31-Mar-18
At the beginning of the year	404.99	469.51
Received during the year		
Released to the statement of profit and loss	64.52	64.52
At the end of the year	**340.47**	**404.99**
Current	64.52	64.52
Non-current	275.96	340.48
	340.47	**405.00**

Government grants have been received for the purchase of certain items of property, plant & equipment. The Company is required to undertake export of services. There are no unfulfilled conditions or contingencies attached to these grants.

37 Significant accounting judgements, estimates and assumptions

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

Judgements

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

i **Contingencies and commitments**

In the normal course of business, contingent liabilities may arise from litigation , taxation and other claims against the Company . A tax provision is recognised when the Company has a present obligation as aresult of a past event , it is probable that the Company will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements .

ii **Estimates and assumptions**

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

iii **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 40.

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38 Commitments and contingencies

i. Contingent liabilities

Particulars	31-Mar-19	31-Mar-18
Export commitment against EPCG licenses obtained	5,239.34	5,239.34
Duty payable if export commitment not met	678.97	678.97
Claims against the company not acknowledged as debt		
- Estate Office , Chandigarh for delay in commencemnt of operations *	1,403.00	1,403.00
- Municipal Corporateion , Chandigarh **	59.08	-
- District Court , Chandigarh #	50.00	50.00
- Service tax demand $	135.49	-

the company has obtained the EPCG License to save Custom duty (net of licences surrendered) of Rs.823.29 lacs corresponding obligation imposed was Rs.6310.06 lacs

* During the year 2013-2014, the company had received a demand notice for Rs.1875 lacs on account of delay in commencement of operations from Estate Office, Chandigarh which was later reduced to Rs.1403 lacs by the Finance Secretary. As per the orders of the finance Secretary, the company paid Rs.450 Lacs under protest and the remaining has to be deposited within a year from the date of Partial Occupation Certificate. The company had now filed writ petition with Hon'ble High Court of Punjab & Haryana against the same demand. The Hon'ble Court has passed an order stating that the further amount shall remain be stayed till the final decision. Management believes that no provision is required.

** During the year the Company received demand notice from Chandigarh Municipal Corporation for recovery of Property tax for Rs.59.08 lacs pertaining to period from 2005-2006 to 2017-2018. The amount includes principal and interest. The Company had protested the said demand on the pretext that the entire IT Park, where the Hotel is located at Chandigarh was exempted from Property tax through Notification for development of IT Park. The contention of authority is that the exemption was applicable to IT Companies only and not other commercial institutions. As on date of signing the matter is under consideration with authority. The management believes that they have a strong case and no provision is required.

A suit has been filed against the Hotel and its directors/officers, claiming damages of Rs.50 lakhs by the parents of a guest who had died in the hotel premises. The damages have been claimed for alleged negligence of the hotel and its officers. The Company has contested the claim at Punjab and Haryana High Court and the suit is at its initial stage. The management believes that they have a strong case and no provision is required.

$ During the year a show cause notice dated 24.10.2018 has been received by Company from Service tax wherein demand of Rs 135.49 lacs has been issued under section 6C of Finance Act, 1994 on account of additional service tax towards wrong abatement applied during the FY 2013-14 to FY 2016-17. The Company has filed the reply stating that their are 3 different services being provided by Hotel i.e Room , Restaurant and Mandap Keeper and accordingly 3 different abatement rates were applicable . As per the managemnt the Company has rightly taken these abatements and are as per the prescribed provisions of law . The adjudication is yet to start.

KUJJAL HOTELS PVT. LTD.

ii. Guarantees

Particulars	31-Mar-19	31-Mar-18
Customs Department for Export obligation *	862.20	862.20
Service Tax Department	0.50	0.50

* the company has obtained the EPCG License to save Custom duty (net of licences surrendered) of Rs.823.29 lacs corresponding obligation imposed was Rs.6310.06 lacs. The bank guarantees provided by Axis bank Ltd are against the same only.

39 EARNING PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year
The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-19	31-Mar-18
Basic Earnings per share		
Profit attributable to equity share holders of Company for basic earnings	(2,328)	1,769
Weighted average number of Equity shares for basic EPS	800	800
EPS	(2.91)	2.21
Diluted Earnings per share		
Profit attributable to equity share holders of Company for diluted earnings	(2,328)	1,769
Weighted average number of Equity shares for basic EPS	800	800
EPS	(2.91)	2.21

40 Gratuity and other post-employment benefit plans

Particulars		31-Mar-19	31-Mar-18
Gratuity Plan		25.71	23.91
Total		25.71	23.91

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more or service gets a gratuity on separation equal to 15 days salary (last drawn salary) for each completed year of continuous service or part thereof in excess of six months.

Changes in the defined benefit obligation as at 31 March :-

Description		31-Mar-19	31-Mar-18
Present value of defined benefit obligation as at start of the year		23.91	16.83
Current service cost		7.46	7.19
Net Interest cost		1.62	1.08
Total amount recognsied in profit and loss account		9.09	8.27
Remeasurements		-	-
Actuarial (gain)/loss arising from changes in demographic		3.47	-
Actuarial (gain)/loss arising from changes in financial assumptions		(4.57)	0.06
Experience adjustments		(3.39)	0.85
Total amount recognsied in other comprehensive income		(4.50)	0.91
Benefits paid		(2.79)	(2.09)
Liabilities assumed on Acquisition/ (Settled on Divestiture)		-	-
Present value of defined benefit obligation as at the end of the year		25.71	23.91

KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs

Amount recognised in the statement of profit and loss is as under:

Description	31-Mar-19	31-Mar-18
Current service cost	7.46	7.19
Net Interest cost	1.62	1.08
Benefits paid	(2.79)	(2.09)
Liabilities assumed on Acquisition/ (Settled on Divestiture)	-	-
Amount recognised in the statement of profit and loss	6.29	6.17

Amount recognised in Other Comprehensive Income is as under:

Description	31-Mar-19	31-Mar-18
Opening amount recognized in OCI outside profit and loss account	0.91	2.04
Actuarial (gain)/loss arising from changes in demographic	3.47	-
Actuarial (gain)/loss arising from changes in financial assumptions	(4.57)	0.06
Experience adjustments	(3.39)	0.85
Amount recognised in Other Comprehensive Income	(4.50)	0.91

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

Description	31-Mar-19	31-Mar-18
Discount rate	7.20%	7.30%
Future salary increase	6.00%	8.00%

Sensitivity analysis for gratuity liability

Description	31-Mar-19	31-Mar-18
Impact of the change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.5%	24.68	23.28
b) Impact due to decrease of 0.5%	26.80	24.57
Impact of the change in salary increase	-	-
Present value of obligation at the end of the year	-	-
a) Impact due to increase of 0.5%	26.81	24.57
b) Impact due to decrease of 0.5%	24.67	23.28

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

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

Description	31-Mar-19	31-Mar-18
Year 1	2.05	3.33
Year 2	2.30	3.67
Year 3	2.62	3.94
Year 4	4.29	3.83
Year 5	2.41	4.34
Year 6 & above	39.60	19.35

The weighted average duration for the payment of these cash flows is 8.23 years

KUJJAL HOTELS PVT. LTD.

(All amount Rs in Lacs

41 LEASES

(A) Operating lease commitments - Company as lessee

The Company has entered into operating lease for guest house . The lease term is for 1 year. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangement.

Further minimum lease rentals under cancellable lease as at are as follows :

Particulars	31-Mar-19	31-Mar-18
Within one year	-	-
After one year but not later than five years	-	-
More than five years	-	-
Lease payment made during the year recognized in the statement of profit and	4.31	4.12
Total operating lease rent expenses as per Profit and Loss account	4.31	4.12

(B) Finance leases – Assets taken on lease

The Company has taken land at Chandigarh on finance lease from Chandigarh Administration. The lease term is for 99 years.

Future gross rentals payable under non-cancellable finance lease are as follows:

After one year but not later than five years	31-Mar-19	31-Mar-18
Within one year	187.50	188
After one year but not later than five years	750.00	750
More than five years	15,728.91	15,916
Lease payment made during the year recognized in the statement of profit and	188.09	188
Sub-lease payment received recognized in the statement of profit and loss	-	-

Present value of Minimum lease payments

After one year but not later than five years	31-Mar-19	31-Mar-18
Within one year	40.55	46
After one year but not later than five years	144.39	162
More than five years	181.32	204
Lease payment made during the year recognized in the statement of profit and	188.09	188.09
Sub-lease payment received recognized in the statement of profit and loss	-	-

42 Fair Value Measurements

(a) Financial instruments by category

Particulars	31-Mar-19	31-Mar-18
Financial Assets measured at amortised cost		
Trade Receivables	197.06	380.90
Loans:		
Security Deposit	30.44	22.31
Cash and Cash Equivalents	60.50	138.96
Interest accrued on deposits with Banks and others/FDR	28.65	0.00
Held as margin money	457.02	457.02
Total Financial Assets	**773.67**	**999.19**
Financial Liabilities measured at amortised cost		
Borrowings-Non Current	15,027.24	16,248.07
Borrowings- Current	455.74	1,327.15
Trade Payables	432.16	499.80
Outstanding Dues of Creditors	244.09	216.79
Security Deposits	16.80	12.95
Current maturties of long term borrowings	100.00	-
Interest accrued but not due on borrowings	97.67	93.42
Employee related liabilities	78.97	15.12
Payables on purchase of Fixed Assets	1.31	1.31
Retention Payable	22.38	22.38
Total Financial Liabilities	**16,476.35**	**18,436.99**

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(b) Fair value hierarchy

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

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

Receivables/loans are evaluated by the Company based on parameters such as interest rates, individual crediworthiness of the customer and the risk characteristics. Based on the evaluation, allowances are taken into account for the credit losses of these receivables.

Fair value of Level 3 items

Assets and Liabilities which are measured at Amortised Cost for which fair Values are disclosed			31-Mar-19	31-Mar-18
Total Financial Assets			773.67	999.19
Financial Liabilities			16,476.35	18,436.99
Borrowings			15,582.97	17,575.21
Security deposits received			16.80	12.95
Total Financial Liabilities			15,599.77	17,588.16

43 Financial risk management objectives and policies

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

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

(A) Credit risk

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

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.
An impairment analysis is performed at each reporting date on an individual basis for major clients. In addtion, a large number of minor receivables are grouped into homogenous groups andd assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note no.9. The Company does not hold any collateral as security.

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(All amount Rs in Lacs

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note no.10.

Gross Carrying amount of trade receivables:

Ageing			31-Mar-19	31-Mar-18
Not due				
0-60 days past due			132.36	188.95
61-120 days past due			17.81	84.55
121-180 days past due			16.27	45.17
180-365 days past due			19.83	27.52
365-730 days past due			11.19	34.20
more than 730 days			13.98	9.13
Carrying amount of trade receivables			**211.45**	**389.52**

Provision for doubtful debts

Ageing			31-Mar-19	31-Mar-18
365-730 days past due			7.20	5.54
more than 730 days			7.18	3.08
Carrying amount of trade receivables			14.39	8.61

Reconciliation of provision for doubtful debts - Trade receivables

			31-Mar-19	31-Mar-18
Provision on 1st day of year			8.61	8.61
Addition during the year			9.50	-
Reversal during the year			(3.72)	-
Utilised during the year			-	-
Provision as on last day of the year			14.39	8.61

(B) Liquidity risk

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

Particulars			31-Mar-19	31-Mar-18
Floating rate				
Expiring within one year (bank overdraft and other facilities)				
- Secured			-	-
- Overdraft Facilities			157.81	18.79
Total			**157.81**	**18.79**

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Maturities of financial liabilities

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

Contractual maturities of Borrowings	**31-Mar-19**	**31-Mar-18**
Less than 3 months	420.02	443.97
3 months to 6 months	439.17	443.97
6 months to 1 year	1,437.21	2,266.23
Between 1 and 2 years	1,789.88	1,651.11
Between 2 and 5 years	7,039.81	6,113.82
More than 5 years	14,888.27	15,900.19
Total non-derivative liabilities	26,014.36	26,819.29

Contractual maturities of Finance Lease Obligation	**31-Mar-19**	**31-Mar-18**
Less than 3 months	46.88	46.88
3 months to 6 months	46.88	46.88
6 months to 1 year	93.75	93.75
Between 1 and 2 years	187.50	187.50
Between 2 and 5 years	562.50	562.50
More than 5 years	15,728.91	15,916.41
Total non-derivative liabilities	16,666.41	16,853.91

Contractual maturities of Trade Payables	**31-Mar-19**	**31-Mar-18**
Less than 3 months	432.16	499.80
3 months to 6 months	-	-
6 months to 1 year	-	-
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
More than 5 years	-	-
Total non-derivative liabilities	432.16	499.80

Contractual maturities of Security Deposit received	**31-Mar-19**	**31-Mar-18**
Less than 3 months	-	-
3 months to 6 months	-	-
6 months to 1 year	16.80	12.95
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
More than 5 years	-	-
Total non-derivative liabilities	**16.80**	**12.95**

Contractual maturities of Other Financial Liabilities	**31-Mar-19**	**31-Mar-18**
Less than 3 months	444.43	349.02
3 months to 6 months	33.33	-
6 months to 1 year	66.66	-
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
More than 5 years	-	-
Total non-derivative liabilities	**544.42**	**349.02**

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(C) Foreign currency risk exposure:

(i) Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure in foreign currency is in loans, debtors and advances denominated in foreign currency. The Company is not resricting its exposure of risk in change in exchange rates. The Company expects the Indian Rupee to to strengthen and accordingly the Company is carrying the risk of change in exchange rates.

The companys exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars		31-Mar-19	31-Mar-18
Trade Creditor's			
	USD	8,477.79	10,014
	EUR	1,556.86	2,700
	GBP		669
	INR	-	-

(ii) Sensitivity of foreign exchange risks

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars		31-Mar-19	31-Mar-18
USD sensitivity		(8,477.79)	(10,014.00)
INR/USD -Increase by 5% (31 March 2017-5%)	INR	(29,321)	(32,581)
INR/USD -Decrease by 5% (31 March 2017-5%)	INR	29,321	32,581
EUR sensitivity		(1,557)	(2,700)
INR/EUR -Increase by 5% (31 March 2017-5%)	INR	(6,049)	(10,826)
INR/EUR -Decrease by 5% (31 March 2017-5%)	INR	6,049	10,826
GBP sensitivity		-	(669)
INR/GBP -Increase by 5% (31 March 2017-5%)	INR	-	(3,051)
INR/GBP -Decrease by 5% (31 March 2017-5%)	INR	-	3,051

(D) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include payables/receivables in foreign currencies.

(E) Interest rate

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

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars		31-Mar-19	31-Mar-18
Variable rate borrowings		15,582.97	17,575.21
Fixed rate borrowings		-	-
Total borrowings		15,582.97	17,575.21

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(i) Sensitivity of interest rate risk

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 variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars		31-Mar-19	31-Mar-18
Interest rates – increase by 50 basis points (31 March 2017: 50		77.91	87.88
Interest rates – decrease by 50 basis points (31 March 2017: 50		(77.91)	(87.88)

Additional Information requried by Schedule III

44 Details of Dues to Micro and Small enterprises as defined under the MSMED ACT,2006 to the Extent of Confirmation received:

		31-Mar-19	31-Mar-18
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		9.45	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.		0.18	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and		0.18	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006		-	-

45 Imported and indigenous raw materials, components and spare parts consumed:

		31-Mar-19	31-Mar-18
Food and beverage (excluding liquor and wine):			
Imported		-	-
Indigenous		552.56	578.71
TOTAL		**552.56**	**578.71**
Liquor and wine			
Imported		-	-
Indigenous		97.59	132.76
TOTAL		**97.59**	**132.76**
Components, stores and spares, cutlery, Crockery			
Imported		0.65	-
Indigenous		160.14	161.04
TOTAL		**160.14**	**161.04**

Details of goods traded by the company:

		31-Mar-19	31-Mar-18

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AUM Shop			
Opening Stock		3.81	4.06
Purchases		1.07	2.41
Net Sales		(1.48)	(2.66)
Closing Stock		3.40	3.81

46 Earnings in foreign currency

Earnings in foreign currency		**31-Mar-19**	**31-Mar-18**
Hotel earnings			
- USD		4.77	4.25
- INR		331.26	275.67

Expenditure in foreign currency

Particulars		**31-Mar-19**	**31-Mar-18**
Advertisement and business promotion		1.17	4.70
Membership and subscription		5.63	11.93
Commission and brokerage		33.10	5.89
Music Expenses		2.28	4.23

Value of imports on CIF basis

Particulars		**31-Mar-19**	**31-Mar-18**
Component and spares parts		0.65	-
Capital goods		-	3.03

KMGS & Associates New Delhi Chartered Accountants

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47 Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 30% and 50%. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

Particulars			31-Mar-19	31-Mar-18
Borrowings (Note 15 & 19)			15,583	17,575
Trade payables (Note 20)			432	500
Less: Cash and cash equivalents (Note 10)			61	139
Net debt			15,955	17,936
Equity			8,000	8,000
Capital and net debt			23,955	25,936
Gearing ratio			67%	69%

In order to achieve this overall objective, the Capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st Mar, 2019 and 31st March 2018 .

48 Segment reporting

The company operates in a single business segment namely, hotel business. Further the company considers no other separate reportable segment as per Ind-AS-108, Operating Segments as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended. Hence, Operating segments as per Ind-AS 108 is not applicable to the company.

49 The company has reclassified previous year figures to conform to this year's classification.

Summary of Significant Accounting Policies

For and on behalf of the Board of Directors

The accompanying notes are an integral of these financial statement.

As per our report of even date attached

For K M G S & Associates
Chartered Accountant

Sundeep Jindal
Partner
Membership No. 095051

Place: New Delhi
Date: 23.05.2019

(Virendar Kumar Chanana)
Managing Director
(DIN No 00069599)

(Vivek Shukla)
Director
(DIN No 08147944)

(Sanjay Malik)
CFO

(Manpreet Kaur)
Company Secretary
(M.No ACS-50273)

KUJJAL HOTELS PVT. LTD.