Pradeep Samant & Co.

CHARTERED ACCOUNTANTS

**C/8, OM SHRI YASHODHAN CHS LTD., JAIPRAKASH NAGAR, GOREGAON (E)
MUMBAI – 400 066, OFF:29270167 CELL:9820212734**

INDEPENDENT AUDITOR'S REPORT

To the Members of Trade Wings Hotels Limited.

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

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

<u>Report on Other Legal and Regulatory Requirements</u>

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) 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 purposes of our audit.

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

   c. the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

   d. in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;

   e. on the basis of written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164(2) of the Act.

   f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate report in **"Annexure B".**

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32 to the Financial Statements.

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

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

For M/s. Pradeep Samant & Co.
Chartered Accountants
Firm's Registration No.: 108028W

CA Pradeep Samant
Proprietor
Membership No.: 037581

Place: Mumbai
Date: 24th May, 2018

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Annexure A referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" Section of our Report of even date

According to the information and explanations given to us, and on the basis of our examination of the records of the Company, we state that:

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

b) Management has conducted physical verification of the fixed assets at the year-end; and no material discrepancies were noticed on such verification;

c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) a) The Company has conducted physical verification of inventories at reasonable intervals.

b) The procedure of physical verification of inventory followed by the Company are reasonable and adequate in relation to the size of the Company and nature of the business.

c) The Company is maintaining proper records of inventory and there are no material discrepancies were noticed on physical verification.

iii) 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.

iv) The Company has not made any loans or investments, or provided any guarantee or security requiring compliance with sections 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.

v) The Company has not accepted deposit during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore the provisions of the clause 3(v) of the Order are not applicable to the Company.

vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Thus, the reporting under clause 3(vi) of the Order is not applicable to the Company.

vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company did not have any dues on account of employee's state insurance and duty of excise, except for Contractor ESIC Rs. 3,06,837/- unpaid.

According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable except for following:

Luxury Tax	Rs. 1,49,06,695.89/-
Work Contract Tax	Rs. 12,28,814.72/-
Contractor ESIC	Rs. 3,06,837/-

viii) The Company has not defaulted in repayment of dues in respect of amounts borrowed from banks. The Company does not have any dues repayable to debenture holders.

ix) The Company is a private limited company and has not raised any money through a public issue. Term loan obtained from Bank during the year, in our opinion, is applied for the purpose for which the loan was obtained.

x) According to the information and explanation given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

xii) The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) Transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) The Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For M/s. Pradeep Samant & Co.
Chartered Accountants
Firm's Registration No.: 108028W

CA Pradeep Samant
Proprietor
Membership No.: 037581

Place: Mumbai
Date: 24th May, 2018

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Annexure B referred to in Paragraph 2.f under "Report on Other Legal and Regulatory Requirements" Section of our Report of even date.

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

We have audited the internal financial controls over financial reporting of Trade Wings Hotels Limited ("the Company") as at 31st March 2018 in conjunction with our audit of the Ind AS 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For M/s. Pradeep Samant & Co.
Chartered Accountants
Firm's Registration No.: 108028W

CA Pradeep Samant
Proprietor
Membership No.: 037581

Place: Mumbai
Date: 24th May, 2018

TRADE WINGS HOTELS LIMITED

Balance Sheet as at 31 March 2018

Particulars	Notes	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
Assets				
Non-current assets:				
Property, plant and equipment	3	19,80,95,883	16,57,56,816	15,65,79,059
Capital work-in-progress				
Intangible assets				
Financial assets				
- Non Current Investments	4	6,50,100	6,50,100	6,50,100
- Loans	5	38,70,688	38,70,688	38,70,688
Other non-current assets	6	16,34,587	15,24,566	16,05,034
		20,42,51,258	**17,18,02,171**	**16,27,04,881**
Current assets:				
Inventories	7	2,67,34,211	1,13,42,088	67,64,239
Financial assets				
- Trade receivables	8	2,14,93,400	1,99,77,774	2,14,50,868
- Cash and cash equivalents	9	87,49,816	68,20,199	79,92,183
- Loans	10	1,36,36,878	1,80,41,027	1,85,66,187
Current Tax Asset (net)				
Other current assets	11	2,88,47,144	2,44,54,353	1,24,47,371
		9,94,61,450	**8,06,35,442**	**6,72,20,847**
TOTAL		**30,37,12,708**	**25,24,37,612**	**22,99,25,729**
Equity and Liabilities				
Shareholders' funds:				
Equity Share capital	12	99,00,200	99,00,200	99,00,200
Other Equity		(14,67,30,408)	(14,94,12,904)	(15,03,69,184)
		(13,68,30,208)	**(13,95,12,704)**	**(14,04,68,984)**
Non-current liabilities:				
Financial Liabilities				
- Borrowings	13	4,18,00,070	3,70,83,929	4,01,28,437
- Other financial liabilities				
Provisions	14	2,03,41,401	2,17,72,228	2,00,17,783
Deferred tax liabilities (Net)	15	1,61,46,923	1,56,75,310	1,51,29,306
Other non-current liabilities				
		7,82,88,394	**7,45,31,467**	**7,52,75,526**
Current Liabilities:				
Financial Liabilities				
- Borrowings	16	4,92,51,169	1,61,03,153	1,33,77,637
- Trade payables	17	9,14,19,087	7,94,23,799	6,39,68,857
- Other financial liabilities	18	19,31,93,891	19,17,89,319	19,30,57,699
Other current liabilities	19	2,52,49,709	2,87,31,491	2,09,42,026
Provisions	20	31,40,667	13,71,090	37,72,968
		36,22,54,522	**31,74,18,852**	**29,51,19,187**
TOTAL		**30,37,12,708**	**25,24,37,614**	**22,99,25,729**

Significant Accounting Policies
The accompanying notes are an integral part of the financial statements — 1 & 2

As per our report of even date

For M/s Pradeep Samant
Chartered Accountants
Firm Registration No. 108028W

CA Pradeep Samant
Proprietor
Membership No.: 037581

Place: Mumbai
Date: 24th May, 2018

For and on behalf of the Board of Directors
Trade Wings Hotel Limited

Dr. Shailendra P. Mittal
Managing Director
DIN: 00221661

Place: Mumbai
24th May, 2018

Mr. Ajay Vageria
Director
DIN: 00221888

TRADE WINGS HOTELS LIMITED

Statement of Profit & Loss for the year ended 31 March 2018

Particulars	Notes	Year ended March 31, 2018 Rs.	Year ended March 31, 2017 Rs.
Revenue from operations	21	26,20,19,527	25,36,37,797
Other income	22	44,76,643	1,16,12,407
Total Revenue (I)		**26,64,96,170**	**26,52,50,205**
Expenses:			
Cost of Beverage and Food	23	2,96,51,265	2,43,38,083
Employee benefits expense	24	9,07,40,415	8,14,63,283
Finance costs	25	1,23,34,708	97,77,306
Depreciation and amortisation expense	26	84,53,093	78,52,814
Other expenses	27	12,18,23,830	14,03,16,435
Total Expenses (II)		**26,30,03,311**	**26,37,47,921**
Profit / (Loss) before exceptional item and tax (I-II)		**34,92,859**	**15,02,284**
Exceptional item		-	-
Profit / (Loss) before tax		**34,92,859**	**15,02,284**
Tax Expenses:			
Current tax		-	-
Prior Period Tax		-	-
Deferred tax		(4,71,613)	(5,46,004)
		(4,71,613)	(5,46,004)
Profit/ (loss) for the period		**30,21,246**	**9,56,280**
Other comprehensive income			
- Items that will not be classified subsequently to profit and loss :			
Gratuity		(3,25,497)	13,24,094
Leave Encashment		(13,253)	(4,10,836)
Total Other Comprehensive Income net of taxes		**(3,38,750)**	**9,13,258**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**26,82,496**	**18,69,538**
Earnings per equity share			
a) Basic	38	27.10	18.88
b) Diluted		27.10	18.88

See accompanying notes to the financial statements

As per our report of even date

For M/s Pradeep Samant
Chartered Accountants
Firm Registration No. 108028W

CA Pradeep Samant
Proprietor
Membership No.: 037581

Place: Mumbai
Date: 24th May, 2018

For and on behalf of the Board of Directors
Trade Wings Hotel Limited

Dr. Shailendra P. Mittal
Managing Director
DIN: 00221661

Mr. Ajay Vageria
Director
DIN: 00221888

Place: Mumbai
Date: 24th May, 2018

TRADE WINGS HOTELS LIMITED

Statement of Changes in Equity

Particulars	Retained Earning	Changes in accounting policy/ prior period errors	Other Comprehensive Income	Total Equity attributable to Equity holders of a company
Balance as on April 01, 2017	(14,94,12,904)			(14,94,12,904)
Prior period Items	-	-	-	-
Net defined benefit Liability / assets	-	-	-	
Gratuity	-	-	(3,25,497)	(3,25,497)
Leave Encashment	-	-	(13,253)	(13,253)
Profit for the period	30,21,246	-	-	30,21,246
Balance as on March 31, 2018	**(14,63,91,658)**	**-**	**(3,38,750)**	**(14,67,30,408)**

Particulars	Retained Earning	Changes in accounting policy/ prior period errors	Other Comprehensive Income	Total Equity attributable to Equity holders of a company
Balance as on April 01, 2016	(15,03,69,184)			(15,03,69,184)
Prior period Items	-	-	-	-
Gains/ Losses on fair value measurement of financial Asset and Liabilities	-	-	-	-
Net defined benefit Liability / assets				
Gratuity	-	-	13,24,094	13,24,094
Leave Encashment	-	-	(4,10,836)	(4,10,836)
Profit for the period	43,022	-	-	43,022
Balance as on March 31, 2017	**(15,03,26,162)**	**-**	**9,13,258**	**(14,94,12,904)**

Particulars	Retained Earning	Changes in accounting policy/ prior period errors	Other Comprehensive Income	Total Equity attributable to Equity holders of a company
Balance as on April 01, 2015	(14,93,18,958)			(14,93,18,958)
Increase in Share Capital	-	-	-	-
Prior period Items	-	-	-	-
Gains/ Losses on fair value measurement of financial Asset and Liabilities	-	-	-	-
Fixed Asset written off to Reserves & Surplus	-	-	-	-
Net defined benefit Liability / assets				
Gratuity	-	-	(20,70,528)	(20,70,528)
Leave Encashment	-	-	(5,61,231)	(5,61,231)
Profit for the period	15,81,533	-	-	15,81,533
Balance as on March 31, 2016	**(14,77,37,425)**	**-**	**(26,31,759)**	**(15,03,69,184)**

As per our report of even date

For M/s Pradeep Samant
Chartered Accountants
Firm Registration No. 108028W

CA Pradeep Samant
Proprietor
Membership No.: 037581

Place: Mumbai
Date: 24th May, 2018

For and on behalf of the Board of Directors
Trade Wings Hotel Limited

Dr. Shailendra P. Mittal
Managing Director
DIN: 00221661

Mr. Ajay Vageria
Director
DIN: 00221888

Place: Mumbai
Date: 24th May, 2018

TRADE WINGS HOTELS LIMITED

Cash Flow Statement for the year ended 31 March 2018

Pariculars		Year ended March 31, 2018	Year ended March 31, 2017
		Rs.	Rs.
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxes		34,92,859	15,02,284
Adjustments for:			
Depreciation, obsolescence and amortisation		84,53,093	78,52,814
Sundry Balances written off		-	-
Interest and Finance Charges		78,69,083	97,77,306
Interest income		(1,16,271)	(4,31,751)
Profit on sale of investments (net)		-	-
Provision for Gratuity & Leave Encashment			10,58,839
(Profit)/Loss on sale of fixed assets (net)		-	-
		1,62,05,905	1,82,57,208
Operating profit before working capital changes		1,96,98,765	1,97,59,492
Adjustments for:			
(Increase) / Decrease in trade and other receivables		(15,15,626)	14,73,094
(Increase) / Decrease in Inventories		(1,53,92,124)	(45,77,849)
(Increase) / Decrease in Short Term Loans & Advances		44,04,149	5,25,159
(Increase) / Decrease in Other Current Assets		(43,92,791)	(1,20,06,983)
(Increase) / Decrease in Long-term Borrowings			
(Increase) / Decrease in Long-term Advances		-	-
(Increase) / Decrease in Short-term Borrowings		24,73,644	(35,448)
Increase / (Decrease) in trade and other payables		1,19,95,288	1,54,54,943
(Increase) / Decrease in Other financial Liabilities		14,04,572	(12,68,381)
(Increase) / Decrease in Other Current Liabilities		(34,81,782)	77,89,465
Increase / (Decrease) in provisions		17,69,577	(24,01,878)
		(27,35,093)	49,52,123
Cash generated from operations		1,69,63,672	2,47,11,615
Direct taxes (paid) / refund (net)			
Cash generated from / (used in) operations	[A]	**1,69,63,672**	**2,47,11,615**
[B] CASH FLOW FROM INVESTING ACTIVITIES			
Sale of fixed assets		-	-
Interest received		1,10,021	4,31,751
Matured Investment in FD		(1,10,021)	80,468
Purchase of fixed assets		(4,07,92,159)	(1,95,27,533)
Net Cash (used in) / from investing activities	[B]	**(4,07,92,159)**	**(1,90,15,314)**
[C] CASH FLOW FROM FINANCING ACTIVITIES			
Secured loans (Repayment)		(97,34,647)	(30,44,508)
Secured loans (Proceeds)		1,08,50,000	-
Borrowings from related parties		4,72,42,051.60	1,89,32,470
Repayment of borrowings from related parties		(1,65,24,870)	(1,69,65,565)
Unsecured loans		-	-
Interest paid		(60,74,432)	(57,90,681)
Cash generated from / (used in) financing activities	[C]	**2,57,58,103**	**(68,68,284)**
NET CHANGES IN CASH AND CASH EQUIVALENTS(A+B+C)		**19,29,616**	**(11,71,983)**
Cash and cash equivalents at beginning of the year		**68,20,200**	**79,92,183**
Cash and cash equivalents at end of the year		**87,49,816**	**68,20,200**

For M/s Pradeep Samant
Chartered Accountants
Firm Registration No. 108028W

CA Pradeep Samant
Proprietor
Membership No.: 037581

Place: Mumbai
Date: 24th May, 2018

For and on behalf of the Board of Directors
Trade Wings Hotel Limited

Dr. Shailendra P. Mittal
Managing Director
DIN: 00221661

Mr. Ajay Vageria
Director
DIN: 00221888

Place: Mumbai
Date: 24th May, 2018

TRADE WINGS HOTELS LIMITED
Notes to financial statements for the year ended March 31, 2018

3. **Property, Plant and Equipment**

Particulars	Land	Building	Machinery	Furniture, Fixtures & Equipment	Vehicles	Squash Court	Computers	Total
Gross carrying value as of April 1, 2017	**2,21,75,683**	**11,83,75,468**	**12,36,28,263**	**7,63,11,414**	**4,78,702**	**27,11,954**	**41,93,587**	**34,78,75,070**
Additions	-	1,99,14,039	1,41,33,351	58,91,666	8,53,102	-	-	**4,07,92,159**
Deletions	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2018	**2,21,75,683**	**13,82,89,507**	**13,77,61,614**	**8,22,03,080**	**13,31,804**	**27,11,954**	**41,93,587**	**38,86,67,229**
Accumulated depreciation as of April 1, 2017	-	**3,57,82,719**	**6,52,57,265**	**7,50,18,359**	**4,78,702**	**27,11,954**	**28,69,255**	**18,21,18,254**
Depreciation	-	19,71,080	42,98,037	20,42,182	1,41,794	-	-	**84,53,093**
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2018	-	**3,77,53,799**	**6,95,55,302**	**7,70,60,541**	**6,20,496**	**27,11,954**	**28,69,255**	**19,05,71,346**
Carrying value as of March 31, 2018	**2,21,75,683**	**10,05,35,708**	**6,82,06,312**	**51,42,539**	**7,11,308**	-	**13,24,332**	**19,80,95,883**

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended March 31, 2017:

Particulars	Land	Building	Machinery	Furniture, Fixtures & Equipment	Vehicles	Squash Court	Computers	Total
Gross carrying value as of April 1, 2016	**2,21,75,683**	**11,36,85,518**	**11,37,64,465**	**7,63,29,886**	**4,78,702**	**27,11,954**	**39,19,857**	**33,30,66,065**
Additions	-	61,09,515	1,10,87,151	20,57,137	-	-	2,73,730	**1,95,27,533**
Deletions	-	14,19,565	12,23,353	20,75,609	-	-	-	**47,18,527**
Gross carrying value as of March 31, 2017	**2,21,75,683**	**11,83,75,468**	**12,36,28,263**	**7,63,11,414**	**4,78,702**	**27,11,954**	**41,93,587**	**34,78,75,070**
Accumulated depreciation as of April 1, 2016	-	**3,41,51,319**	**6,19,10,963**	**7,44,45,188**	**4,78,702**	**27,11,954**	**27,88,299**	**17,64,86,425**
For the period	-	18,74,776	38,97,088	19,99,994	-	-	80,956	**78,52,814**
Accumulated depreciation on deletions	-	2,43,376	5,50,786	14,26,823	-	-	-	**22,20,985**
Accumulated depreciation as of March 31, 2017	-	**3,57,82,719**	**6,52,57,265**	**7,50,18,359**	**4,78,702**	**27,11,954**	**28,69,255**	**18,21,18,254**
Carrying value as of March 31, 2017	**2,21,75,683**	**8,25,92,749**	**5,83,70,998**	**12,93,055**	-	-	**13,24,332**	**16,57,56,816**
Carrying value as of April 1, 2016	**2,21,75,683**	**7,95,34,199**	**5,18,53,502**	**18,84,699**	**(0)**	-	**11,30,977**	**15,65,79,060**

Note: Deduction include the cost of assets lost by fire

TRADE WINGS HOTELS LIMITED
Notes to financial statements for the year ended March 31, 2018

4. Non Current Investments

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
65010 Shares of Rs. 10/- each of National Co-operative Bank Limited (P.Y. 65010 shares of Rs. 10/- each)	6,50,100	6,50,100	6,50,100
Total	**6,50,100**	**6,50,100**	**6,50,100**

5. Loans - Unsecured, considered good unless otherwise stated

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
Misc. Deposit	38,70,688	38,70,688	38,70,688
Total	**38,70,688**	**38,70,688**	**38,70,688**

6. Other Non-current Assets - Unsecured, considered good unless otherwise stated

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
Bank deposits with more than 12 months maturity	16,34,587	15,24,566	16,05,034
Total	**16,34,587**	**15,24,566**	**16,05,034**

7. Inventories

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
Stock-in-Trade			
(At Cost)			
- Stores and operative supplies #	2,20,73,859	92,80,163	52,31,540
- Food and Beverages	46,60,353	20,61,925	15,32,698
Total	**2,67,34,211**	**1,13,42,088**	**67,64,239**

Note: Inventories include material towards renovation ₹. 97,74,883.58/- Previous Year ₹. 41,79,544/-

TRADE WINGS HOTELS LIMITED

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

8. Trade Receivables - Unsecured, considered good unless otherwise stated

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
Debts overdue for a period exceeding six months	16,11,203	28,58,371	48,62,644
Other Debts	1,98,82,198	1,71,19,403	1,65,88,224
Total	**2,14,93,400**	**1,99,77,774**	**2,14,50,868**

9. Cash & Cash equivalent

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
Balances with banks			
Scheduled Banks	73,56,008	55,59,421	72,43,490
	73,56,008	**55,59,421**	**72,43,490**
Cash on hand	13,93,808	12,60,778	7,48,693
Total	**87,49,816**	**68,20,199**	**79,92,183**

10. Loans- Unsecured, considered good unless otherwise stated

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
Supplier Advances	1,33,98,192	1,78,48,099	1,83,61,049
Staff Advances	2,38,686	1,92,928	2,05,138
Total	**1,36,36,878**	**1,80,41,027**	**1,85,66,187**

11. Other Current Assets- Unsecured, considered good unless otherwise stated

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
Prepaid Expenses	13,14,245	20,26,150	14,12,287
Insurance Claim (Refer Note 44)	1,67,93,660	1,06,77,005	-
Tax Deducted at Source	1,06,93,170	1,17,05,129	1,09,89,014
Luxury Tax	46,070	46,070	46,070
Total	**2,88,47,144**	**2,44,54,353**	**1,24,47,371**

TRADE WINGS HOTELS LIMITED
Notes to financial statements for the year ended March 31, 2018

12. Equity Share Capital

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016
	Rs.		Rs.		Rs.
Authorised:					
100,000 *(Previous year 100,000)* Equity Shares of Rs.100/- each	1,00,00,000		1,00,00,000		1,00,00,000
Issued, Subscribed and paid-up:					
99,002 *(Previous year 99,002)* Equity Shares of Rs.100/- each	99,00,200		99,00,200		99,00,200
Total	**99,00,200**		**99,00,200**		**99,00,200**

a. Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Shares	Rs.	Shares	Rs.	Shares	Rs.
At beginning of the year	99,002	99,00,200	99,002	99,00,200	99,002	99,00,200
Issued during the year	0	0	0	0	0	0
Outstanding at the end of the year	**99,002**	**99,00,200**	**99,002**	**99,00,200**	**99,002**	**99,00,200**

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.100/- per share. All the shares are held by Trade Wings Limited, the holding company and its nominees. The Company has not declared any dividend during the year.

Of the above, 99,000 Equity Shares of Rs.100/- each have been issued as fully paid Shares on acquisition of the Hotel Division of Trade Wings Limited.

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 any preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shareholders having holding more than 5% along with number of shares held

	March 31, 2018		March 31, 2017		April 1, 2016	
Name of shareholders	**No of shares**	**% of shares**	**No of shares**	**% of shares**	**No of shares**	**% of shares**
1 Trade Wings Limited	98,996	99.99	98,996	99.99	98,996	99.99

13. Borrowings

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016
	Rs.		Rs.		Rs.
Term Loans from banks - Secured					
National Co-Op. Bank (1164) #	88,69,210		98,75,647		1,09,05,153
National Co-Op. Bank (1166) #	1,18,70,822		1,35,01,387		1,48,55,729
National Co-Op. Bank (1168) #	1,28,40,043		1,37,06,895		1,43,67,555
National Co-op. Bank (1169) #	79,06,251		-		-
Kotak Mahindra Car Loan	3,13,744		-		-
Total	**4,18,00,070**		**3,70,83,929**		**4,01,28,437**

The Term Loans are secured against immovable property of holding company Trade Wings Ltd.

TRADE WINGS HOTELS LIMITED
Notes to financial statements for the year ended March 31, 2018

14. Provisions

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
Provision for Employee benefits			
Gratuity	1,59,36,462	1,70,17,279	1,60,16,431
Leave Encashment	44,04,939	47,54,949	40,01,352
Total	**2,03,41,401**	**2,17,72,228**	**2,00,17,783**

15. Deferred Tax Liability

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
Major Components of Deferred Tax are:			
a) Deferred Tax Liability:			
Excess of WDV as per Companies Act over the WDV as per the Income Tax Act	5,32,84,218	5,63,37,742	5,68,58,801
Total Deferred Tax Liability (A)	**1,81,11,306**	**1,91,49,199**	**1,93,26,306**
b) Deferred Tax Asset:			
Disallowed for Income tax Purpose (U/s 43B)	57,79,297	1,02,20,327	1,23,47,750
Total Deferred Tax Asset (B)	**19,64,383**	**34,73,889**	**41,97,000**
Total	**1,61,46,923**	**1,56,75,310**	**1,51,29,306**

16. Borrowings

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
Current Maturities of Long Term Borrowings			
- from Banks	1,20,31,524	95,57,880	95,93,328
Loans and Advances from related parties	2,52,19,645	65,45,273	37,84,309
Loan from Director	1,20,00,000	-	-
Total	**4,92,51,169**	**1,61,03,153**	**1,33,77,637**

17. Trade Payables

	As at March 31, 2018 Rs.	As at March 31, 2017 Rs.	As at April 1, 2016 Rs.
To Others	8,40,66,318	7,88,54,142	63876201
Micro Small Units	73,52,769	5,69,657	92,656
Total	**9,14,19,087**	**7,94,23,799**	**6,39,68,857**

TRADE WINGS HOTELS LIMITED
Notes to financial statements for the year ended March 31, 2018

18. Other Financial Liabilities

	As at March 31, 2018 Rs.		As at March 31, 2017 Rs.		As at April 1, 2016 Rs.
Deposits	55,15,000		33,50,000		47,00,000
Money received pending appropriate treatment (Refer note 32)	16,29,60,237		16,29,60,237		16,29,60,237
Other Payable	2,47,18,654		2,54,79,082		2,53,97,463
Total	**19,31,93,891**		**19,17,89,319**		**19,30,57,699**

19. Other Current Liabilities

	As at March 31, 2018 Rs.		As at March 31, 2017 Rs.		As at April 1, 2016 Rs.
VAT, Sales tax, Entry tax	34,39,910		46,45,627		5,97,023
Luxury Tax	1,49,98,002		1,82,19,723		1,68,34,014
Service Tax	66,358		45,14,790		12,18,495
Withholding Tax / TDS payable	6,57,482		9,53,488		14,39,966
Provident fund / ESIC payable	3,14,107		3,97,863		8,52,528
GST	57,73,849		-		-
Total	**2,52,49,709**		**2,87,31,491**		**2,09,42,026**

20. Provisions

	As at March 31, 2018 Rs.		As at March 31, 2017 Rs.		As at April 1, 2016 Rs.
Provision for Employee benefits					
Gratuity	23,05,485		4,71,919		29,58,288
Leave Encashment	8,35,182		8,99,171		8,14,680
Total	**31,40,667**		**13,71,090**		**37,72,968**

TRADE WINGS HOTELS LIMITED
Notes to financial statements for the year ended March 31,2018

21. Revenue from Operations

	Year Ended March 31, 2018		Year Ended March 31, 2017
	Rs.		Rs.
a) Sale of Services			
Room Sales	14,81,75,554		14,68,71,639
Food and Beverage Sales	10,73,95,204		9,65,79,179
b) Other operating revenues	64,48,769		1,01,86,979
	26,20,19,527		**25,36,37,797**

22. Other Income

	Year Ended March 31, 2018		Year Ended March 31, 2017
	Rs.		Rs.
Interest income	1,16,271		4,31,751
Other non-operating income (net of expenses)	43,60,372		1,11,80,656
Total	**44,76,643**		**1,16,12,407**

23. Cost of Food & Beverages Consumed

	Year Ended March 31, 2018		Year Ended March 31, 2017
	Rs.		Rs.
Opening Stock	20,61,925		15,32,698
Add: Purchases	3,20,37,832		2,48,67,310
	3,40,99,757		**2,64,00,008**
Less: Closing Stock	44,48,492		20,61,925
Total	**2,96,51,265**		**2,43,38,083**

TRADE WINGS HOTELS LIMITED
Notes to financial statements for the year ended March 31,2018

24. Employee Benefits Expense

	Year Ended March 31, 2018		Year Ended March 31, 2017
	Rs.		Rs.
Salaries, wages and bonus	7,77,85,609		6,59,31,948
Contribution to Provident fund and other funds	28,12,979		30,74,141
Retirement Gratuity Expenses	20,72,660		31,91,594
Provision for Leave Encashment	7,76,013		12,96,682
Staff Welfare	72,93,154		79,68,918
Total	**9,07,40,415**		**8,14,63,283**

Note: Employee benefits expenses includes salary paid to Directors ₹. 40,44,000/- Previous Year ₹. 25,46,975/-

25. Finance Cost

	Year Ended March 31, 2018		Year Ended March 31, 2017
	Rs.		Rs.
Bank Interest expenses	60,74,432		62,83,491
Other Interest expenses	62,60,276		34,93,815
Total	**1,23,34,708**		**97,77,306**

26. Depreciation Expenses

	Year Ended March 31, 2018		Year Ended March 31, 2017
	Rs.		Rs.
Depreciation	84,53,093		78,52,814
Total	**84,53,093**		**78,52,814**

TRADE WINGS HOTELS LIMITED

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

27. Other Expenses

27.1. Other Expenses	Year Ended March 31, 2018		Year Ended March 31, 2017
	Rs.		Rs.
Consumption of stores and operating supplies	28,65,669		77,00,692
Power and fuel	2,87,12,691		2,72,91,668
Other Operating Expenses	30,17,142		16,28,550
Advertisements	38,15,996		37,59,619
Repairs and Maintenance			
Machinery & Equipment	50,84,141		1,22,30,020
Buildings	1,29,45,641		2,18,06,248
Others	81,94,580		1,30,84,156
Travelling and Conveyance	81,52,432		67,71,633
Water Charges	48,13,110		34,38,393
Security Expenses	28,19,703		26,59,729
Internet Expenses	2,45,900		4,15,479
Postage & Telephone	9,30,295		9,95,974
Guest Transport	39,07,112		50,84,379
Insurance	27,06,045		14,04,669
Rates and taxes	24,45,837		19,68,770
Music and Entertainment	27,99,130		27,63,199
Commission	1,05,58,553		62,58,616
Rent	4,91,283		3,70,900
Legal and Professional charges	1,26,66,723		1,44,85,809
Auditors' remuneration (Refer Note 27.2 below)	2,50,000		2,50,000
Laundry Expenses	27,80,937		26,43,764
Beauty Parlour Expenses	1,704		1,44,598
Donation	1,68,000		70,000
Printing & Stationery	1,81,414		7,60,182
Freight charges	4,97,107		8,74,016
Miscellaneous expenses	7,72,685		14,55,370
Total	**12,18,23,830**		**14,03,16,435**

27.2 Auditors' remuneration includes:

Payments to Auditors	Year Ended March 31, 2018		Year Ended March 31, 2017
	Rs.		Rs.
Auditors' remuneration			
Audit Fees	2,00,000		2,00,000
Tax Audit Fees	50,000		50,000
Total	**2,50,000**		**2,50,000**

TRADE WINGS HOTELS LIMITED

TAX RATE 33.99%

Computation of Deferred Tax as on 31-03-2018

Details	Book WDV (31-03-18)	IT WDV (31-03-18)	Timing Difference	DTA/(DTL)
Fixed Assets				
Buildings	100,535,708	45,713,977	54,821,732	
Plant & Machinery	68,206,312	52,595,160	15,611,152	
Squash Court	-	-	-	
Computers	1,324,332	90,467	1,233,865	
Furniture & Fixture	5,142,539	23,441,867	(18,299,328)	
Vehicles	711,308	794,511	(83,204)	
	175,920,200	**122,635,982**	**53,284,218**	**(18,111,306)**
Other Effects:				
Provision for Gratuity			2,072,660	
Provision for Leave Encashment			776,013	
Disallowance u/s 43B				
1. VAT			0	
2. Luxury Tax			0.00	
3. Service Tax			-	
4. Interest on Luxury Tax			1,500,000.00	
5. Interest on VAT			28,925.15	
6. Interest on Service Tax			-	
7. TDS under VAT				
8. Bonus			595,020	
9. Festival Bonus/ Exgratia			806,680	
			2,930,624	
	TOTAL DISALLOWANCES U/S 43B		**5,779,297**	**1,964,383**
Allowance u/s 43B				**0**
Summary of Timming Differences & Liability to Deferred Tax				
On Depreciation Differences			(18,111,306)	
On Disallowances			1,964,383	
On Allowances			-	(16,146,923)
	Net Deferred Tax Liability as of 31st March 2018			**(16,146,923)**
Net Deferred Tax Liability as at 31-3-18				**(16,146,923)**
Net Deferred Tax Liability as at 31-3-17				**(15,675,310)**
Deffered tax charged off during the year				**(471,613)**

TRADE WINGS HOTELS LIMITED

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

1. Company Overview and significant Accounting Policies

1.1 Company Overview

The Company is engaged in hoteliering business.

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) on accrual basis under the historical cost convention and the provisions of the Companies Act 2013 ("the Act). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards. Transition from previously applicable Accounting Standards (as then prescribed under Section 133 of the Act and related rules) was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. Reconciliations and descriptions of the effect of the transition are been summarised in Note 2.2.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Use of estimates

Preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions that could affect the accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets, liabilities, revenues and expenses during the reported periods. Actual results could differ from those estimates. Appropriate changes in estimates are reflected in financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction including incidental expenses i.e. at historical cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use as intended by management.

The Company depreciates property, plant and equipment over their estimated useful lives determined by management based on its evaluation of the realistic commercial life of the asset for intended use, under the straight-line method. Depreciation for assets purchased/sold during the period is proportionately charged. For this class of assets, based on internal assessment and independent technical evaluation carried on by the external valuer, the management believes that the useful lives as given below represents the period over which management expected to use these assets.

Asset	Useful Life adopted by Company	Useful Life prescribed per Schedule II of Companies Act
Building	60 years	60 years
Plant & Machinery	15 years	15 years
Computer	3 years	3 years
Furniture	8 years	8 years

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

Expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.5 Investments

Investments classified as Long-Term Investments are stated at cost. Provision is made for diminution in value, other than temporary, in the value of investments.

Profit or Loss on sale of long-term investments is arrived at after deducting the average carrying amount of the total holding of investments on the date of sale.

1.6 Financial instruments

Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

Subsequent measurement

a. Non-derivative financial instruments

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Financial assets at fair value through statement of profit and loss

A financial asset which is not classified in any of the above categories is subsequently adjusted for fair value through the statement of profit and loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are recorded at transaction value.

Derecognition of Financial Instruments

The Company derecognises a financial asset when the contractual rights to the cash flow from the financial asset expires or it transfers the financial asset and the financial asset qualifies for derecognition under Ind AS 109. A financial liability or part of financial liability is derecognised from the Company's Balance Sheet when the obligation mentioned in the contract is discharged or cancelled or expires.

b. Share capital

Ordinary shares are classified as Equity.

1.7 Impairment

a. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured at the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimate used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net off any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

b. Financial Assets:

The Company recognises loss allowance for Financial Assets which are not adjusted for Fair Value through the Statement of Profit and Loss The amount of expected credit loss (or reversal) that requires an adjustment is treated as an impairment gain or loss in the statement of profit and loss.

1.8 Inventories

Inventories are valued at cost on First-In-First-Out basis. Requisite adjustment for spoilage, obsolescence or damage is made wherever necessary. Cost of operation and other supplies are charged to expenses at the time of issue.

1.9 Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be reasonably estimated, and it is probable that an outflow of economic benefits will be require to settle the obligation.

A contingent liability is disclosed when there is a possible or present obligation that may but probably will not require an outflow of resources, unless the possibility of such outflows is remote.

1.10 Revenue recognition

Revenue is derived from hotel service including rental of rooms and sales of food and beverages and other allied services. Revenue is recognised when the rooms are occupied and the services have been rendered.

Interest Income is recognised on a time proportion basis by reference to the principle outstanding and at the rate applicable.

1.11 Foreign Currency

Functional currency

The functional currency of the Company is the Indian Rupee. These financial settlements are presented in Indian Rupees.

Transactions

Foreign-currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translation are included in net profit in the statement of profit and loss.

Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction in settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.12 Employee benefits

a) Short term

Short term benefits include salaries and performance incentives. The undiscounted amount of short term employee's benefits expected to be paid in exchange of service rendered by the employees are recognized as an expense in the statement of profit and loss during the year when the employees render the service to the company.

b) Long term

The company has defined contribution and defined benefits plan. The plans are financed by the company and in case of some defined contribution plans by company along with employees.

• Defined contribution plans

The company's contribution to provident fund and family pension fund made to regular authorities and where company has no further obligation are considered as define contribution plans and are charged as expenses in the statement of profit and loss as they fall due based on amount of contribution required to be made.

• Defined benefit plans

Expenses for defined benefits gratuity are calculated as at the balance sheet date by independent actuaries (using the projected unit credit method) in a manner that distributes expenses over the employees working life .These commitment are valued at the present value of the expected future payment with consideration for calculated future salary increase , using discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with remaining term that is almost equivalent to the average balance working period of employees. Actuarial gain/ losses are recognized in the statement of profit and loss in the year in which they arise.

c) Other employee benefits

The Company has a scheme for compensated absences (Leave Encashment) for employees, the liability for which is determined on the basis of an actuarial valuation, carried out at the Balance Sheet date.

1.13 Leases

The Company's significant leasing arrangements are in respect of leases for residential and office premises. The leasing arrangements, which are non-cancellable, are in the range of eleven months and usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including lease rentals.

1.14 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are capitalised as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.15 Income Tax

Provision for current taxation is determined in accordance with the provisions of Income Tax Act, 1961. Income taxes comprise current and deferred income tax. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to item recognised directly in equity, in which case it is recognised in other comprehensive income. Income tax for current and prior periods is recognised at the amount expected to be paid to recover from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognised for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of change in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.16 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings for equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e., the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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

2.1 First-time adoption of Ind AS

The financial statements for the year ended 31 March 2018 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First time adoption of Indian Accounting Standard, with 1 April 2016 as a transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures and the Notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the financial statements for year ended 31 March 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the company's balance sheet and statement of profit and loss is set out in Note 2.2.1 and 2.2.2.

Exemptions in first time adoption of Ind AS availed in accordance with Ind-AS 101 have been set out in note 2.1.1.

Exemptions availed on first time adoption of Ind AS 101

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

Property, plant and equipment (Ind AS 16)

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition measured as per the previous GAAP and use that as its deemed cost as at date of transition.

2.2 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101.

Balance Sheet Reconciliation

Balance Sheet as at 31 March 2017

Particulars	Note	IGAAP Rs.	Effect of transition to INDAS Rs.	Ind AS Rs.
Assets				
Non-current assets:				
Property, Plant & Equipment		16,57,56,816	-	16,57,56,816
Capital work-in-progress		-		-
Intangible assets		-	-	-
Financial assets				
- Non-Current Investments		6,50,100	-	6,50,100
- Loans		38,70,688	-	38,70,688
Other non-current assets		15,24,566	-	15,24,566
		17,18,02,171	-	**17,18,02,171**
Current assets:				
Inventories		1,13,42,088	-	1,13,42,088
Financial assets				
- Trade receivables		1,99,77,774	-	1,99,77,774
- Cash and cash equivalents		68,20,199	-	68,20,199
- Loans		1,80,41,027	-	1,80,41,027
Current Tax Asset (net)		-	-	-
Other current assets		2,51,03,739	-	2,51,03,739
		8,12,84,827	-	**8,12,84,827**
Total		**25,30,86,827**	-	**25,30,86,827**
Equity and Liabilities				
Shareholders' funds:				
Equity Share capital		99,00,200	-	99,00,200
Other Equity		(14,94,12,904)	-	(14,94,12,904)
		(13,95,12,704)	-	**(13,95,12,704)**
Non-current liabilities:				
Financial Liabilities				
- borrowings		3,70,83,929	-	3,70,83,929
- Other financial liabilities		-	-	-
Provisions		2,17,72,228	-	2,17,72,228
Deferred Tax Liabilities (Net)		1,56,75,310	-	1,56,75,310
Other non-current liabilities		-	-	-
		7,45,31,467	-	**7,45,31,467**
Current Liabilities:				
Financial Liabilities				
- Borrowings		1,61,03,153	-	1,61,03,153
- Trade and other payables		7,94,23,799	-	7,94,23,799
- Other financial liabilities		22,11,70,195	-	22,11,70,195
Other current liabilities		-	-	-
Provisions		13,71,090	-	13,71,090
		31,80,68,238	-	**31,80,68,238**
Total		**25,30,87,000**	-	**74,80,45,720**

Opening Balance as at 1 April 2016

Particulars	Note	IGAAP Rs.	Effect of transition to INDAS Rs.	Ind AS Rs.
Assets				
Non-current assets:				
Property, Plant & Equipment		15,65,79,059	-	15,65,79,059
Capital work-in-progress		-	-	-
Intangible assets		-	-	-
Financial assets				
- Non-Current Investments		6,50,100	-	6,50,100
- Loans		38,70,688	-	38,70,688
Other non-current assets		16,05,034	-	16,05,034
		16,27,04,881	-	**16,27,04,881**
Current assets:				
Inventories		67,64,239	-	67,64,239
Financial assets				
- Trade receivables		2,14,50,868	-	2,14,50,868
- Cash and cash equivalents		79,92,183	-	79,92,183
- Loans		1,85,66,187	-	1,85,66,187
Current Tax Asset (net)		-	-	-
Other current assets		1,27,28,437	-	1,27,28,437
		6,75,01,913	-	**6,75,01,913**
Total		**23,02,06,794**	-	**23,02,06,794**
Equity and Liabilities				
Shareholders' funds:				
Equity Share capital		99,00,200	-	99,00,200
Other Equity		(15,03,69,184)	-	(15,03,69,184)
		(14,04,68,984)	-	**(14,04,68,984)**
Non-current liabilities:				
Financial Liabilities				
- borrowings		4,01,28,437	-	4,01,28,437
- Other financial liabilities		-	-	-
Provisions		2,00,17,783	-	2,00,17,783
Deferred Tax Liabilities (Net)		1,51,29,306	-	1,51,29,306
Other non-current liabilities		-	-	-
		7,52,75,526	-	**7,52,75,526**
Current Liabilities:				
Financial Liabilities				
- Borrowings		1,33,77,637	-	1,33,77,637
- Trade and other payables		6,39,68,857	-	6,39,68,857
- Other financial liabilities		21,42,80,791	-	21,42,80,791
Other current liabilities		-	-	-
Provisions		37,72,968	-	37,72,968
		29,54,00,253	-	**29,54,00,253**
Total		**23,02,06,795**	-	**23,02,06,795**

Reconciliation of Statement of Profit and Loss

Year Ended March 31, 2016				
Particulars	**Note**	**IGAAP Rs.**	**Effect of transition to INDAS Rs.**	**Ind AS Rs.**
Revenue from operations		25,36,37,797	-	25,36,37,797
Other income		1,16,12,407	-	1,16,12,407
Total Revenue (I)		**26,52,50,205**	-	**26,52,50,205**
Expenses:				
Cost of Beverage and Food		2,43,38,083	-	2,43,38,083
Employee benefits expense	A	8,14,63,283	9,13,258	8,23,76,541
Finance costs		97,77,306	-	97,77,306
Depreciation and amortisation expense		78,52,814	-	78,52,814
Other expenses		14,03,16,435	-	14,03,16,435
Total Expenses (II)		**26,37,47,921**	**9,13,258**	**26,46,61,179**
Profit / (Loss) before exceptional item and tax (I-II)		15,02,284	-	5,89,026
Exceptional item		-	-	-
Prior Period item		-	-	-
Tax Expenses				
Current tax		-	-	-
Deferred tax		(5,46,004)	-	(5,46,004)
Other comprehensive income				
- Items that will not be classified subsequently to profit and loss:				
Gratuity	A	-	13,24,094	13,24,094
Leave Encashment	A	-	(4,10,836)	(4,10,836)
Total Other Comprehensive Income net of taxes		-	**9,13,258**	**9,13,258**
Profit/ (loss) for the period		**9,56,280**	**3,39,875**	**9,56,280**

Note:

A. Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on remeasurement of the net defined asset / liability is recognised in other comprehensive income. The change does not affect total equity, but there is a increase in profit for the year.

TRADE WINGS HOTELS LIMITED

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

28. In the opinion of the Management of the Company, carrying amount of all Current Assets, Loans and Advances and other receivables is not less than their realisable value in the ordinary course of business

29. Sundry Debtors and Sundry Creditors are subject to confirmation.

30. The Company's business activity falls within a single primary business segment i.e. hotel operations, hence the disclosure requirements of Accounting Standards (AS 17) "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

31. i) During the year, the Company has accounted for deferred Tax in accordance with the Accounting Standard 22 "Accounting for taxes on income" issued by the Council of the Institute of Chartered Accountants of India. Deferred Tax Assets and Liabilities arising on account of timing difference are as under:

Deferred Tax Liability consists of the following components		
Written Down Value under the Companies Act		17,59,20,200
Written Down Value under the Income Tax Act		12,26,35,982
Difference		5,32,84,218
Tax @ 33.99%	**(A)**	**1,81,11,306**
Deferred Tax Asset consists of the following components		
Disallowed for Income tax Purpose (U/s 43B)		57,79,297
Tax @ 33.99%	**(B)**	**19,64,383**
Deferred Tax Liability (Net)	**(A)-(B)**	**1,61,46,923**

ii) No provision for current Taxation is made during the year in view of the brought forward unabsorbed depreciation.

32. The MOU that was executed by and between one of the promoters of the Company with Tulip Hotels Pvt. Ltd. inter alia for management of Bogmallo Beach Resort and for executing agreement to sell 50% of the shares of the company on 26th April 2000 has been terminated by the said promoter vide its Advocate's notice dated 27th January 2007 with retrospective effect from 1st November 2006. The company along with its promoters has also initiated legal proceedings against Tulip Hotels Pvt. Ltd. and its directors and certain employees in Mumbai and Goa courts and the same are sub judice as of the date of the signing of the balance sheet.

The company as per a legal opinion of its legal advisors and a Chartered Accountant has shown an amount has Rs. 16,29,60,237/- towards "Money Received Pending Appropriate Treatment" under Other Current Liabilities.

Notwithstanding the above, the company has sought to appropriate the said amount against the damages that have been claimed by the company against Tulip Hotels Pvt. Ltd. The company has therefore thought it fit to categorize the said amount under Other Current Liabilities till the outcome of the suit pending in the Vasco Da Gama court.

33. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

34. Income tax provision, including for Minimum Alternate Tax (MAT), has not been made in view of the carried forward business loss and tax depreciation. The Company has not recognised Deferred Tax Assets on unabsorbed depreciation and carried forward tax losses in the absence of virtual certainty of future taxable income against which such deferred tax assets can be realised.

35. Supplementary Profit & Loss Data

a) Expenditure in Foreign Currency

	2017-18 (₹)	**2016-17 (₹)**
Foreign Remittance made	-	27,69,312
Total	-	**27,69,312**

b) Earnings in Foreign Currency

	2017-18 (₹)	**2016-17 (₹)**
Rooms and F&B Revenue	1,51,84,322	1,82,52,228
Total	**1,51,84,322**	**1,82,52,228**

36. Provision for Retirement Gratuity

The Company has an unfunded gratuity plan. The status of the gratuity plan is as follows:

(A) Summary of assumptions in actuarial valuation

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Discount Rate	8.07%	7.22%
Expected Return on Plan Assets	N/A	N/A
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Future Salary Increases	5% p.a.	5% p.a.
Disability	-	-
Attrition	2.00% p.a. for all service groups	2.00% p.a. for all service groups

Retirement	58 years	58 years

(B) Table showing change in the Present value of Define Benefit obligation

Particulars	As at March 31, 2018	As at March 31, 2017
Present Value of Benefit Obligation beginning of the period	1,79,16,450	1,89,74,669
Interest Cost	12,93,568	14,80,024
Current service cost	6,32,307	6,18,623
Past service cost	-	-
Benefits paid	(20,72,660)	(45,15,688)
Actuarial (Gain) Loss on Obligation	4,72,282	13,58,822
Present Value of Benefit Obligation end of the period	1,82,41,947	1,79,16,450
Fair Value of Plan Assets beginning of the period	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial (Gain) Loss on Plan Assets	-	-
Fair Value of Plan Assets at end of the period	-	-
Total Actuarial Gain (Loss) to be recognized	**(4,72,282)**	**(13,58,822)**

(C) Amount recognised in the Balance Sheet

Particulars	As at March 31, 2018	As at March 31, 2017
Present Value of Obligation	(1,82,41,947)	(1,79,16,450)
Fair Value of Plan Assets	-	-
Liability (Assets)	(1,82,41,947)	(1,79,16,450)
Unrecognised Past Service Cost	-	-
Liability (Asset) recognised in Balance Sheet	**(1,82,41,947)**	**(1,79,16,450)**

(D) Expenses recognised in the Income Statement

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	6,32,307	6,18,623
Interest Cost	12,93,568	14,80,024
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Expense recognised in P&L	**19,25,875**	**20,98,647**

(E) **Expenses recognised in statement of Other Comprehensive income(OCI)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Actuarial (gain) loss on Obligation	4,72,282	13,58,822
Expense recognised in OCI	**4,72,282**	**13,58,822**

37. Related Party disclosures as required under AS-18, "Related Party" Disclosure given below:

(I) List of related parties and description of relationship (as of the Balance Sheet date i.e. 31st March, 2018)

Sr. No	Name of the Related Party	Relationship
1	Trade Wings Limited - Holding Company	Associate / Group Concerns
2	Narayani Hospitality & academic Institution Private Limited - Ultimate Holding Company	Associate / Group Concerns
3	Dr. Shailendra P. Mittal	Managing Director
4	Mr. Ajay Vageria	Director
5	Mr. Rajan Dani	Whole Time Director
6	Miss. Sadhana Mukundan	Whole Time Director

a. **Nature of Transaction with Key Management Personnel & Associates**

Nature of Transactions	Associate	Key Management Personnel
Reimbursement of Expenses		
• Travelling & Conveyance	₹. 26,49,365/- (PY ₹. 21,16,544/-)	₹. 1,67,478/- (PY ₹. 2,83,005/-)
• Salary	NIL (PY ₹. 10,84,090/-)	NIL (PY NIL)
• Fixed Assets	NIL (PY NIL)	NIL (PY ₹. 43,465/-)
Directors Sitting Fees	NIL (PY NIL)	NIL (PY ₹. 1,50,000/-)
Salary of Directors	NIL (PY NIL)	₹. 40,44,000/- (PY ₹. 25,46,975/-)
Loan Taken	₹. 3,85,24,201/- (PY ₹. 65,45,273/-)	₹. 1,20,00,000/- (PY NIL)
Interest	₹. 18,55,873/- (PY ₹. 6,61,717/-)	NIL (PY NIL)
Total	**₹. 4,30,29,439/-**	**₹. 1,62,11,478/-**
Previous Year	**₹. 1,04,07,624/-**	**₹. 30,23,445/-**

Note: Travelling includes foreign tour of Directors.

Names of the Related Party	**Nature of Relationship**	**Balance Outstanding as at 31st March, 2018 [receivable/(payable)]**	**Balance Outstanding as at 31st March, 2017 [receivable/(payable)]**
Trade Wings Limited	Associate Company	₹. (7,60,87,092/-)	₹. (4,32,30,111/-)

Note: Related Party relationship is as identified by the Company's management and relied upon by the Auditors.

38. Earnings Per Share

Particulars		**2017-18**	**2016-17**
Profit / (Loss) after taxes and Comprehensive income		26,82,496	18,69,538
Number of equity shares outstanding	Nos.	99,002	99,002
Face value of equity share	₹. / share	100.00	100.00
Earnings per share	₹.	27.10	18.88
DPS	₹	27.10	18.88

39. Major fire broke out at hotel premises located at Bogmallo beach on 12.12.2016 resulting into gutting the major portion of cottage, resulting into sales of cottages were badly affected. The Company has preferred the provisional claim with the insurer for loss of profit and be adjusted in the books of accounts at the time of Acceptance of the claim by insurer.

40. Previous Year figures have been regrouped or reorganised wherever necessary to make them comparable with those of the current year.

Signatures to Note no. 1 to 40 forming part of the Balance Sheet and Profit and Loss Account

For M/s. Pradeep Samant & Co.
Chartered Accountants
Registration No.: 108028W

CA Pradeep Samant
Proprietor
Membership No.: 037581

For and on behalf of the Board
Trade Wings Hotel Limited

Dr. Shailendra P. Mittal
Managing Director
DIN: 00221661

Mr. Ajay Vageria
Director
DIN: 00221888

Place: Mumbai
Date: 24th May, 2018