

PRADEEP SAMANT

Pradeep Samant & Co.

B.COM.,F.C.A.

CHARTERED ACCOUNTANTS

C/8,OM SHRI YASHODHAN CHS.LTD., JAIPRAKASH NAGAR, GOREGAON(E),
MUMBAI 400 063 OFF:29270167 CELL:9820212734

Independent Auditor's Report

To the Members of Trade Wings Hotels Limited

Report on the Financial Statements


We have audited the accompanying standalone financial statements of **Trade Wings Hotels Limited ('the Company')**, which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

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



requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date, subject to point 2(g)(i) and 2(g)(iii) below.

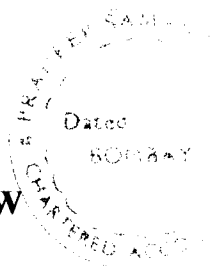
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the 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;
- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”;
- (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 financial statements Attention is drawn to Note 2.31 of the Notes to the Financial Statements which describe the uncertainty related to the outcome of the lawsuit filed by the Company against Tulip Hotels Private Limited. Our opinion is not qualified in respect of this matter.
- (ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
- (h) The company has provided requisite disclosure in financial statement as regards dealing in specified bank notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company. Refer note no.2.36

For M/s. Pradeep Samant & Co.
Chartered Accountants

Firm's registration number: 108028W



CA Pradeep Samant
Proprietor
Membership No: 037581

Place: Mumbai
Date: 29/05/2017.

ANNEXURE-A TO THE AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March, 2017, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Fixed assets have been physically verified by the management at reasonable intervals; 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 reasonable and adequate in relation to the size of the company and the 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 loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') hence this clause is not applicable to the company.
- (iv) The Company has not granted loans or made any investments or given any guarantees, and security hence this clause is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by 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 with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise, except for Contractor ESIC Rs. 406,700.76/- Unpaid.

According to the information and explanations 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 31 March 2017 for a period of more than six months from the date they became payable except for following.

Luxury Tax	Rs.14,405,800.48/-
Work contract Tax	Rs.1,020,654 /-
Contractor ESIC	Rs.2,33,897/-

- (b) According to the information and explanations given to us, there are no material dues of duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
- (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) In our opinion and according to the explanations given to us, the Company is not the Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.



- (xiii)** According to the information and explanation given to us and based on our examination of the records of the company, transaction with the related parties are in compliance with section 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statement as required by the applicable accounting standards;
- (xiv)** According to the information and explanation given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;
- (xv)** According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any 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.



ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Trade wings Hotels Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.



TRADE WINGS HOTELS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS		NOTE NO.	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
I. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
	(a) Share capital	2.1	9,900,200	9,900,200
	(b) Reserves and surplus	2.2	(149,412,904)	(150,369,184)
			(139,512,704)	(140,468,984)
(2) Non-current liabilities				
	(a) Long term borrowings	2.3	37,083,929	40,128,437
	(b) Deferred tax liabilities (net)	2.4	15,675,310	15,129,306
	(c) Long term provisions	2.5	21,772,228	20,017,783
			74,531,467	75,275,526
(3) Current liabilities				
	(a) Short term borrowings	2.6	16,103,153	13,377,637
	(b) Trade payables	2.7	79,423,799	63,968,857
	(c) Other current liabilities	2.8	221,170,195	214,280,791
	(d) Short-term provisions	2.9	1,371,090	3,772,968
			318,068,238	295,400,253
TOTAL			253,087,000	230,206,795
II. ASSETS				
Non-current assets				
(1) (a) Fixed assets				
	(i) Tangible assets	2.10	165,756,818	156,579,059
	(ii) Intangible assets	2.10	-	0
	(b) Non-current investments	2.11	650,100	650,100
	(c) Long-term loans and advances	2.12	3,870,688	3,870,688
	(d) Other non-current assets	2.13	1,524,566	1,605,034
			171,802,173	162,704,881
(2) Current Assets				
	(a) Inventories	2.14	11,342,088	6,764,239
	(b) Trade receivables	2.15	19,977,774	21,450,868
	(c) Cash and cash equivalents	2.16	6,820,199	7,992,183
	(d) Short term loans and advances	2.17	18,041,027	18,566,187
	(e) Other current assets	2.18	25,103,739	12,728,437
			81,284,827	67,501,913
TOTAL			253,087,000	230,206,795

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

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As per our Report of even date
For M/S Pradeep Samant
Chartered Accountants
(Registration No. 108028W)

CA Pradeep Samant
Proprietor
Membership No. 037581

Place: Mumbai
Date:



For and on behalf of the Board
Trade Wings Hotel Limited

Dr. Shailendra P. Mittal
Managing Director
DIN : 00221661

Place: Mumbai
Date:

Mr. Ajay Vageria
Whole Time Director
DIN : 00221888

TRADE WINGS HOTELS LIMITED
PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS		NOTE NO.	FOR THE YEAR ENDED 31ST MARCH 2017	FOR THE YEAR ENDED 31ST MARCH, 2016
I.	Revenue from Operations	2.19	253,637,797	230,836,737
II.	Other Income	2.20	11,612,407	1,263,783
TOTAL REVENUE (I+II)			265,250,205	232,100,520
III.	Expenses			
	(i) Cost of Food & Beverage consumed	2.21	24,338,083	19,560,108
	(ii) Employee benefits expense	2.22	81,463,283	72,292,395
	(iii) Finance Costs	2.23	9,777,306	9,398,851
	(iv) Depreciation and amortisation expense (Refer Note 2.10)	2.10	7,852,814	8,174,079
	(v) Other expenses	2.24	140,316,435	121,811,980
TOTAL EXPENSES			263,747,921	231,237,413
Profit before tax			1,502,284	863,107
Add/(Less): Tax expense				
a) Current Tax			-	-
b) Deferred Tax			(546,004)	(1,913,333)
Profit /(Loss) after tax			956,280	(1,050,226)
Profit after tax			956,280	(1,050,226)
Balance of (Loss) brought forward from previous year			(150,369,184)	(149,318,958)
(Loss) carried to Reserves & Surplus			(149,412,904)	(150,369,184)
Earnings per equity share:				
(1) Basic			10	(11)
(2) Diluted			-	-

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

1

As per our Report of even date
For M/S Pradeep Samant
Chartered Accountants
(Registration No. 108028W)

CA Pradeep Samant
Proprietor
Membership No. 037581

Place: Mumbai
Date:



For and on behalf of the Board
Trade Wings Hotel Limited

Dr. Shailendra P. Mittal
Managing Director
DIN : 00221661

Place: Mumbai
Date:

Mr. Ajay Vageria
Whole Time Director
DIN : 00221888

TRADE WINGS HOTELS LIMITED
NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2017

EQUITY AND LIABILITIES

SHAREHOLDERS' FUNDS

Note. 2.1

SHARE CAPITAL	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
AUTHORISED		
1,00,000 Equity shares of Rs. 100/-each (P.Y Equity Shares 1,00,000)	10,000,000	10,000,000
1,000 13.5 % Redeemable Cumulative Preference Shares of Rs. 100/- each (P.Y. Preference Shares 1,000) (Redeemable at the option of the Board of Directors of the Company within the provision of the Companies Act, 1956)	100,000	100,000
3,50,000 9 % Redeemable Non-Cumulative Preference Shares of Rs. 100/-each (P.Y. Preference Shares 3,50,000) (Redeemable at the option of the Board of Directors of the Company within the provision of the Companies Act, 1956)	35,000,000	35,000,000
TOTAL	45,100,000	45,100,000
ISSUED, SUBSCRIBED AND FULLY PAID UP		
99,002 Equity shares of Rs. 100/-each (P.Y. Equity Shares 99,002) (Refer Note below)	9,900,200	9,900,200
TOTAL	9,900,200	9,900,200

Class of shares / Name of shareholder	As at 31 March, 2017	As at 31 March, 2016
	Number of Shares held	Number of Shares held
1. Trade-Wings Limited		
(a). No. of Shares	98,996	98,996
(b). % Holding	9999.39%	9999.39%

- All the shares are held by Trade Wings Limited, the holding company and its nominees
- 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

Note 2.2

RESERVES AND SURPLUS	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
Reserves		
Capital Reserve :		
Surplus/(Deficit)		
Opening Balance	(150,369,184)	(149,318,958)
Profit/(Loss) during the year	956,280	(1,050,226)
Debit balance in the Statement of Profit & Loss	(149,412,904)	(150,369,184)
TOTAL	(149,412,904)	(150,369,184)

TRADE WINGS HOTELS LIMITED
 NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2017

NON-CURRENT LIABILITIES

Note 2.3

LONG TERM BORROWINGS	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
Term loans from Banks - Secured		
From National Cooperative Bank - Term Loan (1166) #	13,501,387	14,855,729
From National Cooperative Bank - Term Loan (1164) #	9,875,647	10,905,153
From National Cooperative Bank - Term Loan (1168) #	13,706,895	14,367,555
TOTAL	37,083,929	40,128,437

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

Note 2.4

DEFERRED TAX	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
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	56,337,742	56,858,801
Total deferred tax liability (A)	19,149,198.63	19,326,306
b) Deferred tax asset:		
Disallowed for Income Tax Purpose (U/s 43B)	10,220,327	12,347,750
Total deferred tax asset (B)	3,473,889	4,197,000
DEFERRED TAX LIABILITY (NET) (A-B)	15,675,310	15,129,306

Note 2.5

LONG TERM PROVISIONS	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
Provision for employee benefits		
Provision for leave encashment	4,754,949	4,001,352
Provision for gratuity	17,017,279	16,016,431
TOTAL	21,772,228	20,017,783

TRADE WINGS HOTELS LIMITED
NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2017

CURRENT LIABILITIES

Note 2.6

SHORT TERM BORROWINGS	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
a) Loans repayable on demand - from banks	9,557,880	9,593,328
b) Loans and advances from related parties	6,545,273	3,784,309
TOTAL	16,103,153	13,377,637

Note 2.7

TRADE PAYABLES	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
Trade payables	78,854,142	63,876,201
Micro Small Units	569,657	92,656
TOTAL	79,423,799	63,968,857

Note 2.8

OTHER CURRENT LIABILITIES	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
Deposits	3,350,000	4,700,000
Money received pending appropriate treatment (Refer Note 2.31)	162,960,237	162,960,237
Other payables	54,859,958	46,620,554
TOTAL	221,170,195	214,280,791

Note 2.9

SHORT TERM PROVISIONS	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
Provision for employee benefits:		
Provision for leave encashment	899,171	814,680
Provision for gratuity	471,919	2,958,288
TOTAL	1,371,090	3,772,968

TRADE WINGS HOTELS LIMITED
NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2017

NON-CURRENT ASSETS
NOTE 2.10
FIXED ASSETS

PARTICULARS	GROSS BLOCK							NET BLOCK		
	AS AT			AS AT	AS AT			AS AT	AS AT	AS AT
	01ST APRIL, 2016	ADDITION	DEDUCTION	31ST MARCH, 2017	01ST APRIL, 2016	For the year	DEDUCTION	31ST MARCH, 2017	31ST MARCH, 2017	31ST MARCH, 2016
A. Tangible Assets										
1 LAND (Freehold)	22,175,683	-	-	22,175,683	-	-	-	-	22,175,683	22,175,683
2 BUILDING	113,685,518	6,109,515	1,419,565.29	118,375,468	34,151,319	1,874,776	243,376.22	35,782,719	82,592,749	79,534,199
3 PLANT & MACHINERY	113,764,465	11,087,150.50	1,223,353	123,628,263	61,910,963	3,897,088	550,786	65,257,266	58,370,997	51,853,502
4 FURNITURE, FIXTURE & EQUIPMENT	76,329,886	2,057,137	2,075,609	76,311,414	74,445,188	1,999,994	1,426,823	75,018,358	1,293,055	1,884,699
5 VEHICLES	478,702	-	-	478,702	478,702	-	-	478,702	(0)	(0.33)
6 SQUASH COURT	2,711,954	-	-	2,711,954	2,711,954	-	-	2,711,954	-	0
7 COMPUTERS	3,919,857	273,730.00	-	4,193,587	2,788,299	80,956	-	2,869,255	1,324,331	-
Sub-Total (A)	333,066,064	19,527,533	4,718,527	347,875,070	176,486,425	7,852,814	2,220,985	182,118,254	165,756,816	156,579,059
B. Intangible Assets										
Sub-Total (B)	-	-	-	-	-	-	-	-	-	-
C. Capital work-in- Progress										
TOTAL (A) + (B)+ (C)	333,066,064	19,527,533	4,718,527	347,875,070	176,486,425		2,220,985	182,118,254	165,756,816	156,579,059
PREVIOUS YEAR	324,353,611	8,711,873	-	333,065,484	168,312,346		-	176,486,425	166,579,059	156,041,264

Note: Deduction include the cost of assets lost by fire

Note:- The useful lives of certain assets required a change from previous estimate, during the year mangement provided depreciation as per schedule II of the company Act 2013

The Existing and revised useful lives are as follows:

Category of assets	Earlier useful life	Cument useful life
Building	60	60
Plant and Machinery	9.67	15
Furniture	10.53	8
Computer	6.17	3

Had the company continued with the previous assessed useful lives,charge for depreciation for the year ended march 31,2015 would have been higher by Rs.12,73,351/-.

The net impact on accumulated depreciation on account of revision in the useful life of assets is Rs 44,77,023/- Dr. (net) is charges off as depreciation during the year

TRADE WINGS HOTELS LIMITED
 NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2017

NON-CURRENT ASSETS

Note 2.11

NON CURRENT INVESTMENTS	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
65010 Shares of Rs. 10/- each of National Cooperative Bank Limited (P.Y 65010 shares of Rs. 10/- each)	650,100	650,100
TOTAL	650,100	650,100

Note 2.12

LONG-TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
Misc. Deposit	3,870,688	3,870,688
TOTAL	3,870,688	3,870,688

Note 2.13

OTHER NON-CURRENT ASSETS	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
Bank deposits with more than 12 months maturity	1,524,566	1,605,034
TOTAL	1,524,566	1,605,034

Note 2.14

INVENTORIES	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
As Certified by Management		
- Stores and operative supplies (at Cost) (Refer note below)	9,280,163	5,231,540
- Food and beverages (at Cost)	2,061,925	1,532,698
TOTAL	11,342,088	6,764,239

Note: Inventories include material towards renovation Rs. 4,179,544 Previous Year Rs Nil.

Note 2.15

TRADE RECEIVABLES (Unsecured, considered good unless otherwise stated)	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
TRADE RECEIVABLES		
- Exceeding six months	2,858,371	4,862,644
- Others	17,119,403	16,588,224
TOTAL	19,977,774	21,450,868

TRADE WINGS HOTELS LIMITED
 NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2017

Note 2.16

CASH AND CASH EQUIVALENTS	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
Cash and cash equivalents		
a) Balances with scheduled banks	5,559,421	7,243,490
b) Cash on hand	1,260,778	748,693
TOTAL	6,820,199	7,992,183

Note 2.17

SHORT TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
Supplier advances	17,848,099	18,361,049
Staff advances	192,928	205,138
Other advances	-	-
TOTAL	18,041,027	18,566,187

Note 2.18

OTHER CURRENT ASSETS	AS AT 31ST MARCH 2017	AS AT 31ST MARCH, 2016
Prepaid expenses	2,026,150	1,412,287
Luxury tax receivables	46,070	46,070
Service tax receivables	568,989	160,794
VAT receivables	80,397	120,272
Tax deducted at source	11,705,129	10,989,014
Insurance Claim (Refer note 2.35)	10,677,005	-
TOTAL	25,103,739	12,728,437

TRADE WINGS HOTELS LIMITED
NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Note 2.19

REVENUE FROM OPERATIONS	FOR THE YEAR ENDED 31ST MARCH 2017	FOR THE YEAR ENDED 31ST MARCH, 2016
a) Sale of services		
Room sales	146,871,639	145,662,323
Food and beverage sales	96,579,179	64,303,641
b) Other operating revenues	10,186,979	20,870,774
TOTAL	253,637,797	230,836,737

Note 2.20

OTHER INCOME	FOR THE YEAR ENDED 31ST MARCH 2017	FOR THE YEAR ENDED 31ST MARCH, 2016
Interest income	431,751	499,102
Other non-operating income(Refer note 2.35)	11,180,656	764,681
TOTAL	11,612,407	1,263,783

TRADE WINGS HOTELS LIMITED
NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Note 2.21

COST OF FOOD AND BEVERAGES CONSUMED	FOR THE YEAR ENDED 31ST MARCH 2017	FOR THE YEAR ENDED 31ST MARCH, 2016
Opening stock	1,532,698	1,511,805
Add : Purchases	24,867,310	19,581,001
	26,400,008	21,092,806
Less : Closing stock	2,061,925	1,532,698
TOTAL	24,338,083	19,560,108

Note 2.22

EMPLOYEE BENEFITS EXPENSE (Refer note below)	FOR THE YEAR ENDED 31ST MARCH 2017	FOR THE YEAR ENDED 31ST MARCH, 2016
Salaries and wages	65,931,948	58,464,963
Contribution to provident and other funds	3,074,141	2,466,189
Provision for gratuity	3,191,594	3,974,227
Provision for leave encashment	1,296,682	1,511,454
Staff welfare expenses	7,968,918	5,875,562
TOTAL	81,463,283	72,292,395

Note: Employee benefits expenses includes salary paid to Directors Rs. 2,052,370 Previous Year Rs. 1200,000

TRADE WINGS HOTELS LIMITED
NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Note 2.23

FINANCE COSTS	FOR THE YEAR ENDED 31ST MARCH 2017	FOR THE YEAR ENDED 31ST MARCH, 2016
Interest expense	6,283,491	4,735,749
Other borrowings costs	3,493,815	4,663,102
TOTAL	9,777,306	9,398,851

Note 2.24

OTHER EXPENSES	FOR THE YEAR ENDED 31ST MARCH 2017	FOR THE YEAR ENDED 31ST MARCH, 2016
a) Other operating expenses		
Consumption of stores & operating supplies	7,700,692	7,319,677
Power and fuel	27,291,668	22,874,061
Water charges	3,438,393	3,008,533
Security expenses	2,659,729	2,377,285
Repairs :		
- Building	21,806,248	20,015,323
- Machinery	12,230,020	13,248,322
- Others	13,084,156	5,570,606
Commission	6,258,616	2,885,391
Laundry expenses	2,643,764	2,409,894
Beauty parlour expenses	144,598	446
Health club expenses	-	2,637
Internet expenses	415,479	523,205
Decoration	544,216	628,915
Guest Newspaper	73,715	102,416
Guest Sport Supplies	-	39,570
Pest Control	381,500	468,210
Removal of waste matter/ Garbage	577,879	700,225
Ice	22,300	26,530
Food & Beverage Spoilage	28,940	87,976
b) Selling and administrative expenses		
Donation	70,000	29,500
Rent	370,900	394,200
Rates & taxes	1,968,770	1,874,276
Insurance	1,404,669	797,526
Postage and telephone	995,974	723,695
Music and entertainment	2,763,199	3,039,891
Advertising and publicity	3,759,619	3,032,070
Printing and stationery	760,182	756,908
Travelling expenses	5,241,134	5,841,183
Conveyance	1,530,499	1,478,387
Guest transport	5,084,379	4,585,397
Legal fees and expenses	2,041,880	5,074,565
Professional fees	12,443,929	8,914,664
- Audit fees	200,000	200,000
- Tax audit fees	50,000	50,000
Freight charges	874,016	1,098,061
Other expenses	1,455,370	1,632,436
TOTAL	140,316,435	121,811,980

Depreciation on assets as per Income Tax Act for the period ending 31.03.2017

Block No	Nature of Assets	Rate of Dep %	Opening Balance W.D.V. Amount	Addition During the FY16-17		Total addition for the year 2016-2017	Deduction/Sale Proceeds	Gross Block		Depreciation on opening balance	Depreciation on addition	WDV balance as on 31-03-2017
				From 01-04-16 to 30-09-16	From 01-10-16 to 31-03-17							
1	(A) Building used as Hotels Deferred Revenue Expenditure	10% 10%	16,297,811 1,855,414	1,126,897.00 -	4,982,618.00 -	6,109,515.00 -	- -	22,407,325.50 1,855,414.35		1,629,781.05 185,541.44	361,820.60 -	20,415,723.85 1,669,872.92
	Total		18,153,224.85	1,126,897.00	4,982,618.00	6,109,515.00	-	24,262,739.85	-	1,815,322.49	361,820.60	22,085,596.77
2	(B) Plant & Machinery Deferred Revenue Expenditure	15% 15%	39,621,741 28,898	5,001,391.00 -	6,088,895.00 -	11,090,286.00 -	- -	50,712,026.83 28,897.83		5,943,261.12 4,334.67	1,206,875.78 -	43,561,889.93 24,563.16
3	(C) Computers	60%	268,813	243,230.00	30,500.00	273,730.00	-	542,543.00		161,287.80	155,088.00	226,167.20
4	(D) Vehicles	15%	96,020	-	-	-	-	96,020.25		14,403.04	-	81,617.21
	Total		40,015,471.91	5,244,621.00	6,119,395.00	11,364,016.00	-	51,379,487.91	-	6,123,286.64	1,361,963.78	43,894,237.50
5	(E) Furniture & Fixture Deferred Revenue Expenditure	10% 10%	21,096,686 324,401	758,651.00 -	1,298,486.31 -	2,057,137.31 -	- -	23,153,823.71 324,401.39		2,109,668.64 32,440.14	140,789.42 -	20,903,365.65 291,961.25
6	Office Equipment	10%	75,810	-	-	-	-	75,810.00		7,581.00	-	68,229.00
	Total		21,496,897.79	758,651.00	1,298,486.31	2,057,137.31	-	23,554,035.10	-	2,149,689.78	140,789.42	21,263,555.91
	Grand Total		79,665,594.55	7,130,169.00	12,400,499.31	19,530,668.31	-	99,196,262.86	-	10,088,296.90	1,864,573.79	87,243,390.17
	Previous Year		82,083,897.94	2,219,769.00	6,492,102.00	8,711,872.00	-	90,795,770.94	#	10,258,334.42	#	79,665,593.55

TRADE WINGS HOTELS LIMITED

TAX RATE

33.99%

Computation of Deferred Tax as on 31-03-2017

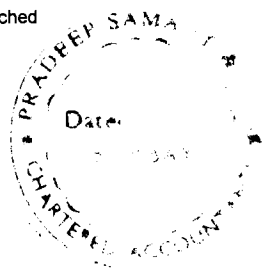
Details	Book WDV (31-03-17)	IT WDV (31-03-17)	Timing Difference	DTA/(DTL)
Fixed Assets				
Buildings	82,592,749	22,085,597	60,507,153	
Plant & Machinery	58,370,997	43,586,453	14,784,544	
Squash Court	-	-	-	
Computers	1,324,331	226,167	1,098,164	
Furniture & Fixture	1,293,055	21,263,556	(19,970,501)	
Vehicles	(0)	81,617	(81,618)	
	143,581,133	87,243,390	56,337,742	(19,149,199)
Other Effects:				
Provision for Gratuity			3,191,594	
Provision for Leave Encashment			1,296,682	
Disallowance u/s 43B				
1. VAT			550481	
2. Luxury Tax			106,887.00	
3. Service Tax			-	
4. Interest on Luxury Tax			1,500,000.00	
5. Interest on VAT			960,000.00	
6. Interest on Service Tax			-	
7. TDS under VAT			269,532.00	
8. Bonus			1,461,911	
9. Festival Bonus/ Exgratia			883,240	
			5,732,051	
			10,220,327	3,473,889
Allowance u/s 43B				0
Summary of Timing Differences & Liability to Deferred Tax				
On Depreciation Differences			(19,149,199)	
On Disallowances			3,473,889	
On Allowances			-	(15,675,310)
				(15,675,310)
Net Deferred Tax Liability as of 31st March 2015				(15,675,310)
Net Deferred Tax Liability as at 31-3-17				(15,675,310)
Net Deferred Tax Liability as at 31-3-16				(15,129,306)
Deferred tax charged off during the year				(546,004)

TRADE WINGS HOTELS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A Cash Flow from Operating Activities		
Net Profit before tax as per Statement of Profit & Loss	1,502,284	863,107
Adjustments for non-cash and other items		
(Profit)/loss on sale of fixed assets		
Provision for gratuity & leave encashment	1,058,839	462,288
Management fees	-	-
Bad debts	-	-
Depreciation	7,852,814	8,174,079
Interest income	(431,751)	(499,102)
Creditors balances written back	-	(1,112,895)
Interest expense	9,777,306	9,398,851
Operating profit before working capital changes	19,759,492	17,286,328
(Increase)/Decrease in Inventories	(4,577,849)	(710,369)
(Increase)/Decrease in Trade receivables	1,473,094	(6,882,302)
(Increase)/Decrease in Short term loans & advances	525,159	(8,005,019)
(Increase)/Decrease in Other current assets	(12,375,302)	(566,702)
Increase/(Decrease) in Long-term borrowings	-	(0)
(Increase)/Decrease in Long-term advances	(0)	(0)
Increase/(Decrease) in Short-term borrowings	(35,448)	5,848,632
Increase/(Decrease) in Trade payables	15,454,943	4,520,712
Increase/(Decrease) in Other current liabilities	6,889,404	3,974,491
Increase/(Decrease) in Short-term provisions	(2,401,878)	1,805,854
Cash from operating activities	4,952,122	17,271,625
Net Cash from operating activities	24,711,614	17,271,625
B Cash Flow from Investing Activities		
Purchase of fixed assets	(19,527,533)	(8,711,873)
Proceeds from sale of fixed assets	-	-
Matured investment in FD	80,468	938,779
Purchase of shares of national cooperative bank	-	-
Interest received	431,751	499,102
Net cash from investing activities	(19,015,314)	(7,273,992)
C. Cash Flow from Financing Activities		
Repayment of term loan from National Cooperative Bank	(3,044,508)	(2,028,346)
Repayment of bank overdraft		
Redemption of 13.5% redeemable preference shares		-
Term loan	-	11,651,368
Borrowings from related parties	18,932,470	14,672,368
Repayment of borrowings from related parties	(16,965,565)	-27595119
Interest expense	(5,790,681)	(4,168,393)
Net cash from financing activities	(6,868,284)	(7,468,122)
D. Cash and cash equivalents at the beginning of the year	7,992,183	5,462,672
E. Net decrease in cash and cash equivalents (A+B+C)	(1,171,984)	2,529,511
F. Cash and cash equivalents at the end of the year	6,820,199	7,992,183
	(1,171,984)	2,529,511
Footnote:		
Cash and cash equivalents comprise of		
Balances with scheduled banks	5,559,421	7,243,490
Cash on hand	1,260,778	748,693
	6,820,199	7,992,183

As per our report of even date attached
For Pradeep Samant & Co
Chartered Accountants
(Registration No.108028W)

CA Pradeep Samant & Co.
Proprietor
Membership No. 037581
Place: Mumbai



For and on behalf of the Board
Trade Wings Hotel Limited

Dr. Shailendra P. Mittal
Managing Director
DIN : 00221661

Place: Mumbai

For and on behalf of the Board
Trade Wings Hotel Limited

Mr. Ajay Vageria
Whole Time Director
DIN : 00221888

Vageria

TRADE WINGS HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

The Company is engaged in hoteliering business.

2. SIGNIFICANT ACCOUNTING POLICIES

i. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The accompanying financial statements have been prepared under the historical cost convention on accrual basis and are in accordance with generally accepted accounting principles, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 2013.

ii. USE OF ESTIMATES

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

iii. 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.

iv. FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction including incidental expenses. They are stated at historical cost less accumulated depreciation.



TRADE WINGS HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES

v. 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.

vi. DEPRECIATION

Depreciation on tangible assets is provided on the straight line method over the useful life of assets estimated by the management. 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 above best represents the period over which management expected to use these assets.

	Useful life
Building	60 Years
Plant & Machinery	15 Years
Computer	03 Years
Furniture	08 Years

vii. IMPAIRMENT OF ASSETS

At each Balance Sheet date, the Company reviews the carrying value of tangible and intangible assets for any possible impairment. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

viii. BORROWING COST

Borrowing cost that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit & Loss account.

ix. 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

TRADE WINGS HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES

x. CASH FLOW STATEMENT

The Cash Flow Statement is prepared using the "Indirect Method". The Cash Flow from operating, investing and financing activities of the Company are segregated based on the available information

xi. EMPLOYEE BENEFITS

a) Short term

Short term benefits include salaries and performance incentives. The undiscounted amount of short term employees 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 benefits 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.



TRADE WINGS HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES

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.

xii. FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currencies are recorded at the original rates of exchange in force at the time transactions are affected. Exchange difference arising on repayment of liabilities incurred on acquisition of fixed assets is adjusted in the carrying amount of the respective fixed asset. Exchange differences arising on settlement of other transactions are recognized in the Profit & Loss Account. Monetary items other than those related to acquisition of fixed assets denominated in foreign currency are rested using the exchange rates prevailing at the date of balance sheet and the resulting net exchange difference is recognized in the profit & loss account.

xiii. 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.

xiv. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognised in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' issued by the ICAI, when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognised only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.



TRADE WINGS HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES

xv. INCOME TAXES

Income taxes are accounted for in accordance with Accounting Standard on "Accounting for taxes on Income", (AS 22) issued by ICAI. Tax expenses comprise both current tax and deferred tax. Current tax is measured at the amount expected to be paid/recovered from the tax authority using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that originates in one accounting period and that are capable of reversing in one or more subsequent periods and are measured at relevant enacted tax rates. At each balance sheet date, the Company reassesses unrealised deferred assets to the extent they become reasonably certain or virtually certain of realization, as the case may be.

xvi. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit/ (loss) after tax attributable to equity shareholders by the number of the equity shares



TRADE WINGS HOTELS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.25 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.

2.26 Sundry Debtors and Sundry Creditors subject to confirmation.

2.27 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.

2.28 Earnings/Expense in Foreign Exchange (As Certified by the Management.)

	Current Year	Previous Year
	-----	-----
I) Rooms and F&B Revenue	Rs.18,252,228/-	Rs. 2,08,20,325/-
II) Foreign remittance made	Rs.2,769,312/-	Rs. 13, 85,384.33/-

2.29 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 following components

Written Down Value under the Companies Act		143,581,133
Written Down Value under the Income Tax Act		87,243,390
Difference		56,337,742
Tax @ 33.99%	(A)	19,149,199

Deferred Tax Asset consists of following components

Disallowed for Income Tax Purpose (U/s 43B)		10,220,327
Tax @ 33.99%	(B)	3,473,889

Deferred Tax Liability (Net) (A)-(B) 15,675,310

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

TRADE WINGS HOTELS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Continued)

2.30 As per Accounting Standard AS-18 "Related Party Disclosures" issued by the ICAI, company's related parties disclosed as below:

Names of related parties and description of relationship (as of the Balance Sheet date i.e. 31st March 2017)

Associate/Group Concerns:

1. Trade Wings Limited --Holding Company
2. Narayani Hospitality & Academic Institution Private Limited--Ultimate Holding Company

Key Management Personnel:

1. Dr. Shailendra P. Mittal
2. Mr. Ajay Vageria
3. Mr. Rajan Dani
4. Miss. Sadhana Mukundan

a. Nature of transaction with key management person & Associates.

Nature of Transactions	Associate	Key Management Personnel
Reimbursement of Expenses		
• Travelling & Conveyance	` 21,16,543.65 (PY ` 26, 22,671/)	` 2,83,005.25/- (PY ` 20,87,218 /)
• Salary	` 10,84,090 (P.Y ` Nil/-)	(Nil) (PY ` Nil/-)
• Fixed Assets	(Nil) (PY ` Nil/-)	` 43,465/- (PY ` Nil/-)
Directors Sitting Fees	` Nil/- (PY ` Nil/-)	` 150,000/- (PY ` 1,20,000/-)
Salary of Directors	` Nil/- (PY ` Nil/-)	` 2,546,975/- (PY ` 12,00,000/-)
Loan Taken	` 6,545,273/- (PY ` 3,784,309/-)	(Nil) (PY ` Nil/-)

Interest	` 6,61,717.36/- (PY ` 1,624,514/-)	(` Nil) (PY ` . Nil/-)
Total (Rs.)	` 1,04,07,624.01/-	` 30,23,445.25/-
Previous Year	` 80,31,494/-	` 34,07,218/-

Note: Travelling includes foreign tour of directors.

Names of the Related Party	Nature of Relationship	Balance outstanding as at 31st March 2017 [receivable/ (payable)]	Balance outstanding as at 31st March 2016 [receivable/ (payable)]
Trade Wings Limited	Associate Company	(4,32,30,110.89/-)	(4,42,44,673.24)/-

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



TRADE WINGS HOTELS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Continued)

2.31 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 of 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.

2.32

- a) 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



TRADE WINGS HOTELS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Continued)

➤ The disclosures relating to Micro, Small and Medium Enterprises are as under:

	31 st March 2017 (₹)	31 st March 2016 (₹)
The principal amount remaining unpaid to supplier as at the end of the accounting year	569,656.79/-	92,656/-
The interest due thereon remaining unpaid to supplier as at the end of the accounting year	Nil	Nil
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	Nil	Nil
The amount of interest due and payable for the period of delay in making Payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

2.33 EARNINGS PER SHARE

	2016-17	2015-16
Profit after tax as per Statement of Profit & Loss	₹956,280	₹(1,050,226)
No. of Equity Shares outstanding	99002	99002
Earnings per Share	10	(11)

2.34 Previous year's figures have been regrouped or rearranged wherever necessary.

2.35 Major fire broke out at hotel premises located at Bagmallo beach on 12.12.2016 resulting into gutting the major portion of cottage, resulting into sales of cottages were badly affected. The company has prefer 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.

2.36 The company has provided requisite disclosure in financial statement as regards dealing in Specified bank notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company.

	Specified Bank Notes	OTHERS	TOTAL
DATE - 08/11/2016	961,500.00	170,843.00	1,132,343.00
PERMITTED RECEIPT	-	874,030.00	874,030.00
PERMITTED PAYMENT	-	-	-
DEPOSIT	961,500.00	660,778.00	1,622,278.00
CLOSING BALANCE 30/12/2016	-	384,095.00	384,095.00

As per our report of even date attached
"2.36"


For
Chartered Accountants
(Registration no. 108028W)


CA Pradeep Samant & Co.
Membership No. 037581
Proprietor

Place: Mumbai
Date:

Signatures to Notes "2.1" to

For and on behalf of
Trade Wings Hotels Limited


Dr. S. P Mittal
DIN : 00221661
Managing Director


Mr. Ajay Vageria
DIN : 00221888
Whole Time Director

Place: Mumbai
Date: