

# Pradeep Samant & Co.

CHARTERED ACCOUNTANTS

C/8, OM SHRI YASHODHAN CHS LTD., JAIPRAKASH NAGAR, GOREGAON (E)  
MUMBAI – 400066, OFF:29270167 CELL:9820212734

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## **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 31<sup>st</sup> March, 2019, 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.

### **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 31<sup>st</sup> March 2019 and its financial performance including other comprehensive income, and its cash flows and changes in equity for the year ended on that date.

### **Basis of Opinion**

We Conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act 2013. Our responsibility under those Standards are further described in the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## 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 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 there under;
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019, 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 include 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: 24<sup>th</sup> May, 2019**



## 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, 2019 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.

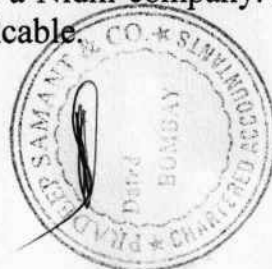


- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and service tax, duty of customs, 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. 80,435/- unpaid.

According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, goods and service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable except for following:

Luxury Tax	Rs. 68,09,159/-
Work Contract Tax	Rs. 12,28,814.72/-
Contractor ESIC	Rs. 80,435/-

- 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: 24<sup>th</sup> May, 2019**



## **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 31<sup>st</sup> March 2019 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 authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized 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





## **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 there under.

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.

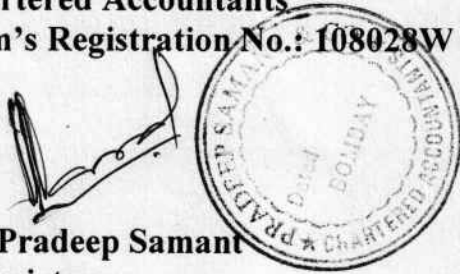
## **Auditor's Responsibility**

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



controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**CA Pradeep Samant**  
**Proprietor**  
**Membership No.: 037581**

**Place: Mumbai**  
**Date: 24<sup>th</sup> May, 2019**

**TRADE WINGS HOTELS LIMITED**  
**Balance Sheet as at 31st March, 2019**

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
		Rs.	Rs.
<b>Assets</b>			
<b>Non-current assets:</b>			
Property, plant and equipment		216,728,528	198,095,883
Capital work-in-progress			
Intangible assets			
<b>Financial assets</b>			
- Non Current Investments	4	650,100	650,100
- Loans	5	3,870,688	3,870,688
Other non-current assets	6	1,495,383	1,634,587
		<u>222,744,699</u>	<u>204,251,258</u>
<b>Current assets:</b>			
Inventories	7	20,492,791	26,734,212
<b>Financial assets</b>			
- Trade receivables	8	13,589,570	21,493,401
- Cash and cash equivalents	9	3,436,797	8,749,816
- Loans	10	18,411,340	13,636,878
Current Tax Asset (net)			
Other current assets	11	19,993,259	28,847,145
		<u>75,923,757</u>	<u>99,461,452</u>
<b>TOTAL</b>		<u><u>298,668,456</u></u>	<u><u>303,712,710</u></u>
<b>Equity and Liabilities</b>			
<b>Shareholders' funds:</b>			
Equity Share capital	12	9,900,200	9,900,200
Other Equity		(144,667,988)	(146,730,408)
		<u>(134,767,788)</u>	<u>(136,830,208)</u>
<b>Non-current liabilities:</b>			
<b>Financial Liabilities</b>			
- Borrowings	13	41,948,760	41,800,070
- Other financial liabilities			
Provisions	14	26,013,970	20,341,401
Deferred tax liabilities (Net)	15	17,815,447	16,146,923
Other non-current liabilities			
		<u>85,778,177</u>	<u>78,288,394</u>
<b>Current Liabilities:</b>			
<b>Financial Liabilities</b>			
- Borrowings	16	71,304,119	49,251,169
- Trade payables	17	70,451,765	91,419,087
- Other financial liabilities	18	181,668,615	193,193,891
Other current liabilities	19	17,690,241	25,249,708
Provisions	20	6,543,327	3,140,667
		<u>347,658,067</u>	<u>362,254,522</u>
<b>TOTAL</b>		<u><u>298,668,456</u></u>	<u><u>303,712,708</u></u>

**Significant Accounting Policies**

The accompanying notes are an integral part of the 1 & 2 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: 24 MAY 2019

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

Dr. Shailendra P. Mittal  
Managing Director  
DIN: 00221661

Place: Mumbai

Date: 24 MAY 2019

Mr. Ajay Vageria  
Director  
DIN: 00221883





# TRADE WINGS HOTELS LIMITED

## Statement of Profit & Loss for the period ended 31st March, 2019

Particulars	Notes	Period ended	Year ended
		March 31, 2019	March 31, 2018
		Rs.	Rs.
Revenue from operations	21	296,899,027	266,379,899
Other income	22	233,877	116,271
<b>Total Revenue (I)</b>		<b>297,132,904</b>	<b>266,496,170</b>
<b>Expenses:</b>			
Cost of Beverage and Food	23	34,984,660	29,651,265
Employee benefits expense	24	86,389,627	90,740,415
Finance costs	25	19,034,540	12,334,708
Depreciation and amortisation expense	26	11,308,731	8,453,093
Other expenses	27	132,609,174	121,823,830
<b>Total Expenses (II)</b>		<b>284,326,732</b>	<b>263,003,311</b>
<b>Profit / (Loss) before exceptional item and tax (I-II)</b>		<b>12,806,172</b>	<b>3,492,859</b>
Exceptional item		-	-
<b>Profit / (Loss) before tax</b>		<b>12,806,172</b>	<b>3,492,859</b>
<b>Tax Expenses:</b>			
Current tax		-	-
Prior Period Tax		-	-
Deferred tax		(1,668,524)	(546,004)
		<b>(1,668,524)</b>	<b>(546,004)</b>
<b>Profit/ (loss) for the period</b>		<b>11,137,648</b>	<b>2,946,855</b>
<b>Other comprehensive income</b>			
- Items that will not be classified subsequently to profit and loss :			
Gratuity		(8,093,125)	(325,497)
Leave Encashment		(982,104)	(13,253)
<b>Total Other Comprehensive Income net of taxes</b>		<b>(9,075,229)</b>	<b>(338,750)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,062,419</b>	<b>2,608,105</b>
<b>Earnings per equity share</b>			
a) Basic	38	20.83	26.34
b) Diluted		20.83	26.34

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



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: 00221883

Place: Mumbai

Date: 24 MAY 2019

Place: Mumbai

Date: 24 MAY 2019

# TRADE WINGS HOTELS LIMITED

## Statement of Changes in Equity

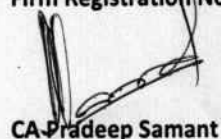
Particulars	Retained Earning	Changes in accounting policy/ prior period errors	Other Comprehensive Income	Total Equity attributable to Equity holders of a company
Balance as on April 01, 2018	(146,730,408)			(146,730,408)
Prior period Items	-	-	-	-
Net defined benefit Liability / assets	-	-	-	-
Gratuity	-	-	(8,093,125)	(8,093,125)
Leave Encashment	-	-	(982,104)	(982,104)
Profit for the period	11,137,648	-	-	11,137,648
<b>Balance as on March 31, 2019</b>	<b>(135,592,759)</b>	<b>-</b>	<b>(9,075,229)</b>	<b>(144,667,988)</b>

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	(149,412,904)			(149,412,904)
Prior period Items	-	-	-	-
Gains/ Losses on fair value measurement of financial Asset and Liabilities	-	-	-	-
Net defined benefit Liability / assets	-	-	-	-
Gratuity	-	-	(325,497)	(325,497)
Leave Encashment	-	-	(13,253)	(13,253)
Profit for the period	3,021,246	-	-	3,021,246
<b>Balance as on March 31, 2018</b>	<b>(146,391,658)</b>	<b>-</b>	<b>(338,750)</b>	<b>(146,730,408)</b>

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	(150,369,184)			(150,369,184)
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	-	-	1,324,094	1,324,094
Leave Encashment	-	-	(410,836)	(410,836)
Profit for the period	43,022	-	-	43,022
<b>Balance as on March 31, 2017</b>	<b>(150,326,162)</b>	<b>-</b>	<b>913,258</b>	<b>(149,412,904)</b>

As per our report of even date

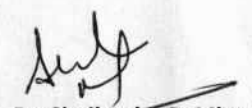
For M/s Pradeep Samant  
Chartered Accountants  
Firm Registration No. 108028W

  
CA Pradeep Samant  
Proprietor

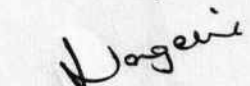
Membership No.: 037581

Place: Mumbai  
Date:

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: 00221883

Place: Mumbai  
Date:

# TRADE WINGS HOTELS LIMITED

## Cash Flow Statement for the year ended 31 March 2019

Particulars	Year ended	Year ended
	March 31, 2019	March 31, 2018
	Rs.	Rs.
<b>[A] CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxes	12,806,172	3,492,859
Adjustments for:		
Depreciation, obsolescence and amortisation	11,308,731	8,453,093
Sundry Balances written off	2,316,939	-
Interest and Finance Charges	11,924,528	7,869,083
Interest Income	(102,160)	(116,271)
Profit on sale of investments (net)	-	-
Provision for Gratuity & Leave Encashment	(9,075,229)	-
(Profit)/Loss on sale of fixed assets (net)	-	-
	<u>16,372,808</u>	<u>16,205,905</u>
<b>Operating profit before working capital changes</b>	29,178,981	19,698,764
Adjustments for:		
(Increase) / Decrease in trade and other receivables	7,903,831	(1,515,627)
(Increase) / Decrease in Inventories	6,241,421	(15,392,124)
(Increase) / Decrease in Short Term Loans & Advances	(4,774,462)	4,404,149
(Increase) / Decrease in Other Current Assets	8,853,886	(4,392,791)
(Increase) / Decrease in Long-term Borrowings	-	-
(Increase) / Decrease in Long-term Advances	(0)	-
(Increase) / Decrease in Short-term Borrowings	-	2,473,644
Increase / (Decrease) in trade and other payables	(23,284,261)	11,995,288
(Increase) / Decrease in Other financial Liabilities	(11,525,276)	1,404,572
(Increase) / Decrease in Other Current Liabilities	(7,559,467)	(3,481,783)
Increase / (Decrease) in provisions	9,075,229	1,769,577
	<u>(15,069,100)</u>	<u>(2,735,095)</u>
Cash generated from operations	14,109,881	16,963,669
Direct taxes (paid) / refund (net)		
<b>Cash generated from / (used in) operations</b>	<b>[A] 14,109,881</b>	<b>16,963,669</b>
<b>[B] CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of fixed assets	-	-
Interest received	102,160	110,021
Matured Investment in FD	139,204	(110,021)
Purchase of fixed assets	(29,941,375)	(40,792,158)
<b>Net Cash (used in) / from investing activities</b>	<b>[B] (29,700,011)</b>	<b>(40,792,158)</b>
<b>[C] CASH FLOW FROM FINANCING ACTIVITIES</b>		
Secured loans (Repayment)	(2,581,301)	(9,734,647)
Secured loans (Proceeds)	-	10,850,000
Borrowings from related parties	19,425,765.79	47,242,054
Repayment of borrowings from related parties	-	(16,524,870)
Unsecured loans	-	-
Interest paid	(6,567,353)	(6,074,432)
<b>Cash generated from / (used in) financing activities</b>	<b>[C] 10,277,112</b>	<b>25,758,105</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS(A+B+C)</b>	<b>(5,313,019)</b>	<b>1,929,616</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>8,749,816</b>	<b>6,820,200</b>
<b>Cash and cash equivalents at end of the year</b>	<b>3,436,797</b>	<b>8,749,816</b>

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

CA Pradeep Samant  
Proprietor  
Membership No.: 037581

Place: Mumbai  
Date:

24 MAY 2019

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

Dr. Shalindra P. Mittal  
Managing Director  
DIN: 00221661

Place: Mumbai  
Date:

24 MAY 2019

Mr. Ajay Vageria  
Director  
DIN: 00221883



**TRADE WINGS HOTELS LIMITED**

**Notes to financial statements for the year ended March 31, 2019**

3. Property, Plant and Equipment

Particulars	Land	Building	Machinery	Furniture, Fixtures & Equipment	Vehicles	Squash Court	Computers	Total
Gross carrying value as of April 1, 2018	22,175,683	138,289,508	137,761,614	80,906,466	1,331,804	2,711,954	4,193,587	387,370,616
Additions	-	6,968,493	21,707,746	800,266	533,153	-	-	30,009,658
Deletions	-	-	68,283	-	-	-	-	68,283
Gross carrying value as of March 31, 2019	22,175,683	145,258,001	159,401,077	81,706,732	1,864,957	2,711,954	4,193,587	417,311,991
Accumulated depreciation as of April 1, 2018	-	37,753,799	69,555,302	77,060,541	620,496	2,711,954	2,869,255	190,571,347
Depreciation	-	2,384,786	6,063,986	2,766,907	93,052	-	-	11,308,731
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2019	-	40,138,585	75,619,288	79,827,448	713,548	2,711,954	2,869,255	201,880,078
Carrying value as of March 31, 2018	22,175,683	105,119,416	83,781,789	1,879,284	1,151,409	-	1,324,332	215,431,913

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended March 31, 2018

Particulars	Land	Building	Machinery	Furniture, Fixtures & Equipment	Vehicles	Squash Court	Computers	Total
Gross carrying value as of April 1, 2017	22,175,683	118,375,468	123,628,263	76,311,414	478,702	2,711,954	4,193,587	347,875,071
Additions	-	19,914,039	14,133,351	5,891,666	853,102	-	-	40,792,158
Deletions	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2017	22,175,683	138,289,507	137,761,614	82,203,080	1,331,804	2,711,954	4,193,587	388,667,229
Accumulated depreciation as of April 1, 2017	-	35,782,719	65,257,265	75,018,359	478,702	2,711,954	2,869,255	182,118,254
For the period	-	1,971,080	4,298,037	2,042,182	141,794	-	-	8,453,093
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2017	-	37,753,799	69,555,302	77,060,541	620,496	2,711,954	2,869,255	190,571,347
Carrying value as of March 31, 2018	22,175,683	100,535,708	68,206,312	5,142,539	711,308	-	1,324,332	198,095,882



## **TRADE WINGS HOTELS LIMITED**

### **Notes to financial statements for the period ended March 31, 2019**

#### **4. Non Current Investments**

	As at	As at
	March 31, 2019	March 31, 2018
	Rs.	Rs.
65010 Shares of Rs. 10/- each of National Co-operative Bank Limited (P.Y. 65010 shares of Rs. 10/- each)	650,100	650,100
<b>Total</b>	<b>650,100</b>	<b>650,100</b>

#### **5. Loans - Unsecured, considered good unless otherwise stated**

	As at	As at
	March 31, 2019	March 31, 2018
	Rs.	Rs.
Misc. Deposit	3,870,688	3,870,688
<b>Total</b>	<b>3,870,688</b>	<b>3,870,688</b>

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

	As at	As at
	March 31, 2019	March 31, 2018
	Rs.	Rs.
Bank deposits with more than 12 months maturity	1,495,383	1,634,587
<b>Total</b>	<b>1,495,383</b>	<b>1,634,587</b>

#### **7. Inventories**

	As at	As at
	March 31, 2019	March 31, 2018
	Rs.	Rs.
Stock-in-Trade (At Cost)		
- Stores and operative supplies #	15,557,286	22,073,859
- Food and Beverages	4,935,505	4,660,353
<b>Total</b>	<b>20,492,791</b>	<b>26,734,212</b>

Note: Inventories include material towards renovation ₹. 21,80,727.24/- Previous Year ₹. 97,74,883.58/-



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

	As at	As at
	March 31, 2019	March 31, 2018
	Rs.	Rs.
Debts overdue for a period exceeding six months	6,394,947	1,611,203
Other Debts	7,194,622	19,882,198
<b>Total</b>	<b>13,589,570</b>	<b>21,493,401</b>

**9. Cash & Cash equivalent**

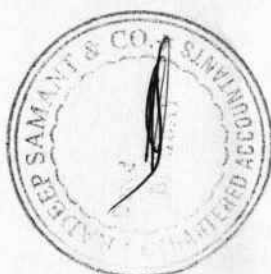
	As at	As at
	March 31, 2019	March 31, 2018
	Rs.	Rs.
Balances with banks		
Scheduled Banks	2,061,701	7,356,008
	<b>2,061,701</b>	<b>7,356,008</b>
Cash on hand	1,375,096	1,393,808
<b>Total</b>	<b>3,436,797</b>	<b>8,749,816</b>

**10. Loans- Unsecured, considered good unless otherwise stated**

	As at	As at
	March 31, 2019	March 31, 2018
	Rs.	Rs.
Supplier Advances	17,130,654	13,398,192
Staff Advances	266,966	238,686
Deposit with Luxury tax Department	1,013,720	
<b>Total</b>	<b>18,411,340</b>	<b>13,636,878</b>

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

	As at	As at
	March 31, 2019	March 31, 2018
	Rs.	Rs.
Prepaid Expenses	1,186,636	1,314,245
Insurance Claim (Refer Note 44)	10,677,005	16,793,660
Tax Deducted at Source	8,083,548	10,693,170
Luxury Tax	46,070	46,070
<b>Total</b>	<b>19,993,259</b>	<b>28,847,145</b>



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## TRADE WINGS HOTELS LIMITED

### Notes to financial statements for the period ended March 31, 2019

#### 12. Equity Share Capital

	As at March 31, 2019	As at March 31, 2018
	Rs.	Rs.
<b>Authorised:</b>		
100,000 (Previous year 100,000) Equity Shares of Rs.100/- each	10,000,000	10,000,000
<b>Issued, Subscribed and paid-up:</b>		
99,002 (Previous year 99,002) Equity Shares of Rs.100/- each	9,900,200	9,900,200
<b>Total</b>	<b>9,900,200</b>	<b>9,900,200</b>

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

Particulars	December 31, 2018		March 31, 2018		April 1, 2017
	Shares	Rs.	Shares	Rs.	Shares
At beginning of the year	99,002	9,900,200	99,002	9,900,200	99,002
Issued during the year	0	0	0	0	0
<b>Outstanding at the end of the year</b>	<b>99,002</b>	<b>9,900,200</b>	<b>99,002</b>	<b>9,900,200</b>	<b>99,002</b>

#### 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

Name of shareholders	March 31, 2019		March 31, 2018		April 1,
	No of shares	% of shares	No of shares	% of shares	No of shares
1 Trade Wings Limited	98,996	99.99	98,996	99.99	98,996

#### 13. Borrowings

	As at	As at
	March 31, 2019	March 31, 2018
	Rs.	Rs.
<b>Term Loans from banks - Secured</b>		
National Co-Op. Bank (1164) #	-	8,869,210
National Co-Op. Bank (1166) #	-	11,870,822
National Co-Op. Bank (1168) #	-	12,840,043
National Co-op. Bank (1169) #	-	7,906,251
Kotak Mahindra Car Loan	112,462	313,744
NATIONAL- COOPERATIVE BANK A/C OD117	41,836,298	-
<b>Total</b>	<b>41,948,760</b>	<b>41,800,070</b>

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

#### 14. Provisions

	As at	As at
	March 31, 2019	March 31, 2018
	Rs.	Rs.
<b>Provision for Employee benefits</b>		
Gratuity	21,318,213	15,936,462
Leave Encashment	4,695,757	4,404,939
<b>Total</b>	<b>26,013,970</b>	<b>20,341,401</b>





As at	March 31, 2019	March 31, 2018
As at	Rs.	Rs.
Provision for Employee benefits	5,016,859	2,305,485
Gratuity	1,526,468	835,182
Leave Encashment	6,543,327	3,140,667
<b>Total</b>		

20. Provisions

As at	March 31, 2019	March 31, 2018
As at	Rs.	Rs.
VAT, Sales tax, Entry tax	(474,561)	3,439,910
Luxury Tax (Refer Note:- 40)	6,809,159	14,998,002
Service Tax	-	66,358
Withholding Tax / TDS payable	1,627,344	657,482
Provident fund / ESIC payable	80,435	314,107
GST	9,647,864	5,773,849
<b>Total</b>	17,690,241	25,249,708

19. Other Current Liabilities

As at	March 31, 2019	March 31, 2018
As at	Rs.	Rs.
Deposits	1,460,000	5,515,000
Money received pending appropriate treatment (Refer note 32)	162,960,237	162,960,237
Other Payable	17,248,378	24,718,654
<b>Total</b>	181,668,615	193,193,891

18. Other Financial Liabilities

As at	March 31, 2019	March 31, 2018
As at	Rs.	Rs.
To Others	67,517,770	84,066,318
Micro Small Units	2,933,995	7,352,769
<b>Total</b>	70,451,765	91,419,087

17. Trade Payables

As at	March 31, 2019	March 31, 2018
As at	Rs.	Rs.
Current Maturities of Long Term Borrowings	9,301,533	12,031,524
- from Banks	48,002,586	25,219,645
Loans and Advances from related parties	14,000,000	12,000,000
Loan from Director	71,304,119	49,251,169
<b>Total</b>	71,304,119	49,251,169

16. Borrowings

As at	March 31, 2019	March 31, 2018
As at	Rs.	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	45,963,878	53,284,218
Total Deferred Tax Liability (A)	15,623,122	18,111,306
b) Deferred Tax Assets:		
Disallowed for Income tax Purpose (U/s 43B)	12,431,758	5,779,297
Total Deferred Tax Asset (B)	(2,192,325)	1,964,383
<b>Total</b>	17,815,447	16,146,923

15. Deferred Tax Liability

**TRADE WINGS HOTELS LIMITED****Notes to financial statements for the year ended March 31, 2019****21. Revenue from Operations**

	Period Ended March 31, 2019		Year Ended March 31, 2018
	Rs.		Rs.
a) Sale of Services			
Room Sales	165,655,207		148,175,554
Food and Beverage Sales	120,476,342		107,395,204
b) Other operating revenues	10,767,478		10,809,141
	<b>296,899,027</b>		<b>266,379,899</b>

**22. Other Income**

	Period Ended March 31, 2019		Year Ended March 31, 2018
	Rs.		Rs.
Interest income	102,160		116,271
Other non-operating income (net of expenses)	131,717		
Total	<b>233,877</b>		<b>116,271</b>

**23. Cost of Food & Beverages Consumed**

	Period Ended March 31, 2019		Year Ended March 31, 2018
	Rs.		Rs.
Opening Stock	4,448,492		2,061,925
Add: Purchases	35,471,673		32,037,832
	<b>39,920,165</b>		<b>34,099,757</b>
Less: Closing Stock	4,935,505		4,448,492
Total	<b>34,984,660</b>		<b>29,651,265</b>

**24. Employee Benefits Expense**

	Period Ended March 31, 2019		Year Ended March 31, 2018
	Rs.		Rs.
Salaries, wages and bonus	70,574,075		77,785,609
Contribution to Provident fund and other funds	2,478,400		2,812,979
Retirement Gratuity Expenses	3,621,358		2,072,660
Provision for Leave Encashment	1,302,352		776,013
Staff Welfare	8,413,443		7,293,154
Total	<b>86,389,627</b>		<b>90,740,415</b>

Note: Employee benefits expenses includes salary paid to Directors □. 1320000/- Previous Year □. 4044000/-

**25. Finance Cost**

	Period Ended March 31, 2019		Year Ended March 31, 2018
	Rs.		Rs.
Bank Interest expenses	7,044,280		6,074,432
Other Interest expenses	11,990,260		6,260,276
Total	<b>19,034,540</b>		<b>12,334,708</b>



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Payments to Auditors	Period Ended March 31, 2019	Year Ended March 31, 2018
Auditors' remuneration	Rs.	Rs.
Audit Fees	200,000	200,000
Tax Audit Fees	50,000	50,000
Total	250,000	250,000

27.2 Auditors' remuneration includes:

27.1. Other Expenses	Period Ended March 31, 2019	Year Ended March 31, 2018
Consumption of stores and operating supplies	Rs. 3,391,359	Rs. 2,865,669
Power and fuel	31,456,099	28,712,691
Other Operating Expenses	1,520,956	3,017,142
Advertisements	3,738,926	3,815,996
Repairs and Maintenance	10,815,999	5,084,141
Machinery & Equipment	13,485,805	12,945,641
Buildings	8,969,449	8,194,580
Others	7,447,547	8,152,432
Traveling and Conveyance	4,541,999	4,813,110
Water Charges	3,267,633	2,819,703
Security Expenses	278,150	245,900
Internet Expenses	757,666	930,295
Postage & Telephone	4,595,905	3,907,112
Guest Transport	2,701,907	2,706,045
Insurance	2,819,041	2,445,837
Rates and taxes	2,558,786	2,799,130
Music and Entertainment	14,251,393	10,558,553
Commission	518,533	491,283
Rent	9,276,212	12,666,723
Legal and Professional charges	250,000	250,000
(Refer Note 27.2 below)		
Laundry Expenses	2,609,388	2,780,937
Beauty Parlour Expenses	-	1,704
Service Tax Paid	1,439,057	168,000
Donation	176,651	181,414
Printing & Stationery	688,678	497,107
Freight charges	532,968	772,685
Miscellaneous expenses	519,067	121,823,830
Total	132,609,174	121,823,830

27. Other Expenses

Depreciation	Period Ended March 31, 2019	Year Ended March 31, 2018
Total	Rs. 11,308,731	Rs. 8,453,093

26. Depreciation Expenses

## **TRADE WINGS HOTELS LIMITED**

### **Notes to financial statements for the year ended March 31,2019**

#### **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.

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



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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**

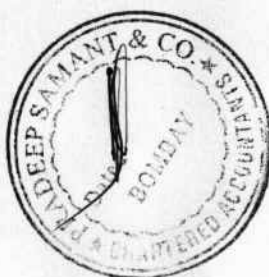
Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are recorded at transaction value.

#### **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 required 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 is 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.





## **TRADE WINGS HOTELS LIMITED**

### **Notes to financial statements for the year ended March 31, 2019**

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		19,32,56,530
Written Down Value under the Income Tax Act		<u>14,72,15,616</u>
Difference		<u>4,60,34,914</u>
<b>Tax @ 33.99%</b>	<b>(A)</b>	<b><u>1,56,49,205</u></b>

#### **Deferred Tax Asset consists of the following components**

Disallowed for Income tax Purpose (U/s 43B)	(B)	<u>4225555</u>
<b>Tax @ 33.99%</b>		
<b>Allowance ( U/s 43B)</b>	<b>(C)</b>	<b>64,17,880</b>

**Deferred Tax Liability (Net)** (A)-(B)+(C) **1,78,41,530**

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 subjudice 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.

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

	2018-19 (₹)	2017-18 (₹)
Foreign Remittance made	- 22,52,725.82	-
<b>Total</b>	<b>22,52,725.82</b>	<b>-</b>

#### b) Earnings in Foreign Currency

	2018-19 (₹)	2017-18 (₹)
Rooms and F&B Revenue	1,72,53,864	1,51,84,322
<b>Total</b>	<b>1,72,53,864</b>	<b>1,51,84,322</b>



### 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, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
Present Value of Benefit Obligation beginning of the period	1,82,41,947	1,79,16,450
Interest Cost	14,72,125	12,93,568
Current service cost	5,78,693	6,32,307
Past service cost	-	-
Benefits paid	(3,601,284)	(20,94,964)
Actuarial (Gain) Loss on Obligation due to changes in Financial Assumption	7,05,091	(1,262,241)
Actuarial (Gain) Loss on Obligation due to Experience	8,938,500	1,756,827
Present Value of Benefit Obligation end of the period	26,335,072	1,82,41,947
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	-	-



CA

Particulars	As at March 31, 2019	As at March 31, 2018
Total Actuarial Gain (Loss) to be recognized	(9,643,591)	(4,94,586)

(C) Amount recognised in the Balance Sheet

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Obligation	(26,335,072)	(18,241,947)
Fair Value of Plan Assets	-	-
Liability (Assets)	(26,335,072)	(1,82,41,947)
Unrecognised Past Service Cost	-	-
<b>Liability (Asset) recognised in Balance Sheet</b>	<b>(26,335,072)</b>	<b>(1,82,41,947)</b>

(D) Expenses recognised in the Income Statement

Particulars	Year ended March 2019	Year ended 31, March 2018
Current service cost	578,693	6,32,307
Interest Cost	14,72,125	12,93,568
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
<b>Expense recognised in P&amp;L</b>	<b>20,50,818</b>	<b>19,25,875</b>

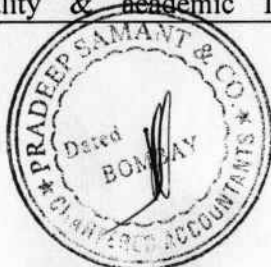
(E) Expenses recognised in statement of Other Comprehensive income(OCI)

Particulars	Year ended March 2019	Year ended 31, March 2018
Actuarial (gain) loss on Obligation	96,43,591	494,586
<b>Expense recognised in OCI</b>	<b>96,43,591</b>	<b>494,586</b>

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. 31<sup>st</sup> March, 2019)

Sr. No	Name of the Related Party	Relationship
1	Trade Wings Limited - Holding Company	Associate / Group Concerns
2	Narayani Hospitality & academic Institution	Associate / Group Concerns



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	Private Limited - Ultimate Holding Company	
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
<b>Reimbursement of Expenses</b>		
• Travelling & Conveyance	₹. 24,27,791.46/- (PY ₹. 21,16,544/-)	₹. 1,68,776/- (PY ₹. 1,67,478/-)
• Salary	NIL (PY ₹. -)	NIL (PY NIL)
• Fixed Assets	5,33,153 (PY NIL)	NIL (PY NIL)
<b>Directors Sitting Fees</b>	NIL (PY NIL)	NIL (PY NIL)
<b>Salary of Directors</b>	NIL (PY NIL)	₹. 13,20,000/- (PY ₹. 40,44,000/-)
<b>Loan Taken</b>	₹. 4,80,02,586.47/- (PY ₹. 3,85,24,201/-)	₹. 1,40,00,000/- (PY 1,20,00,000/)
<b>Interest</b>	₹. 53,57,174.68/- (PY 18,55,873/-)	NIL (PY NIL)
<b>Total</b>	₹. 5,63,20,706/-	₹. 1,54,88,776/-
<b>Previous Year</b>	4,30,29,439/-	₹. ₹. 1,62,11,478/-

Note: Travelling includes foreign tour of Directors.

Names of the Related Party	Nature of Relationship	Balance Outstanding as at 31 <sup>st</sup> March, 2019 [receivable/(payable)]	Balance Outstanding as at 31 <sup>st</sup> March, 2018 [receivable/(payable)]
Trade Wings Limited	Associate Company	₹. (8,77,32,283.60/-)	₹. (7,60,87,092/-)

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

**38. Earnings Per Share**

Particulars	2018-19	2017-18
Profit / (Loss) after taxes and Comprehensive income	20,36,336	26,82,496
Number of equity shares outstanding Nos.	99,002	99,002



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Face value of equity share	<input type="checkbox"/> ./share	100.00	100.00
Earnings per share	<input type="checkbox"/> .	20.57	27.10
DPS	<input type="checkbox"/>	20.57	27.10


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. The Company has made representation to the Commissioner of Commercial Tax for full remission of interest and penalties on Luxury Tax , Company is hopeful of getting relief, if such relief granted to the Company liabilities towards Luxury tax will be adjusted against amount already recovered towards interest on Luxury Tax


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


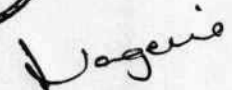
Signatures to Note no. 1 to 40 forming part of the Balance Sheet and Profit and Loss Account

**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: 00221883**

**Place: Mumbai**

**Date: 24 MAY 2019**