LEMON TREE HOTELS LIMITED

ANNUAL REPORT 2016-17

BOARD'S REPORT

TO THE MEMBERS
OF LEMON TREE HOTELS LIMITED

Your Directors have pleasure in presenting the Twenty Fifth Annual Report of the Company together with audited statements of accounts for the financial year ended 31st March, 2017.

FINANCIAL RESULTS AND OPERATIONS

The financial performance on the basis of Standalone Financial Statements for the year ended 31st March, 2017 is summarized below:

(Rupees in Lacs)

Particulars	**For the Year Ended 31.03.2017**	**For the Year Ended 31.03.2016**
Total Income	**22,543.28**	**19,462.11**
Profit Before Depreciation, amortisation & Tax	**2,909.92**	434.67
Less: Depreciation & Amortisation expenses	2,119.95	2,183.68
***Profit / (Loss) Before Tax**	**804.85**	**(1743.45)**
Less :		
**Current tax(MAT)	125.30	-
Adjustment of Tax for earlier periods	6.95	10.91
Less : Provision For Deferred Tax		
*Profit/(Loss) After Tax	672.60	(1,754.36)
***Profit / (Loss) for the year**	672.60	(1,754.36)

*includes comprehensive income
** includes tax on comprehensive income

PERFORMANCE REVIEW AND STATE OF COMPANY AFFAIRS

The revenue from the operations of the Company during the current year was Rs. 21,842.80 Lacs increased from Rs. 19,328.32 Lacs in the previous year.

Lemon Tree Group is among the leading hotel companies in India (by number of rooms under chain affiliation) in the Mid-priced segment. It is further informed that between FY12 and FY17, demand growth for upper midscale and Midscale - Economy segments exceeded supply growth, enabling less severe impact on ADR and positive RevPAR. Upper midscale segment occupancy increased from 55.5% for FY12 to 63.6% for FY17, while absorbing 10,800 new rooms. For the midscale –economy segment, occupancy improved from 56% for FY12 to 65% for FY17, absorbing about 14,500 new rooms during this period. This is an important indicator of the potential for Mid-priced sector hotels in India in India and we expect that demand for mid-priced sector hotels will further increase during the course of time as demand for hotels is also increasing due to various other reason viz. Business related travel, on transient and extended stay basis, Leisure, Weddings and other social purposes, Diplomatic travel, Airline crew, Transit.

CAPITAL

During the year under review, the Authorised Share Capital of the Company remained at Rs. 10,000,000,000/- (Rupees One Thousand Crores only), divided into 998,550,000 (Ninety Nine Crores Eighty Five Lacs Fifty Thousand) equity shares of Face value of Rs. 10/- (Rupees Ten only) each and 145,000 (One Lac Forty Five Thousand), 5% Cumulative Redeemable Preference Share of Rs. 100/- (Rupees One Hundred only) per share.

During the year under review, the Issued and Paid up Share Capital of the Company was increased to Rs. 781,27,40,650/- (Rupees Seventy Hundred Eight One Crore Twenty Seven Lacs Forty Thousand Six Hundred and Fifty Only) divided into 78,12,74,065 (Seventy Eight Crore Twelve Lacs Seventy Four Thousand and Sixty Five) equity shares of face value of Rs. 10/- (Rupees Ten only) per share by issuing further 31,71,902 equity shares, out of which 3,00,000 equity shares were issued on preferential basis and 28,71,902 equity shares have been issued on exercise of employee stock options.

BORROWINGS FROM BANKS/ FINANCIAL INSTITUTIONS

The Company's total long term borrowings from banks/ financial institutions decreased from Rs. 34,107.15 Lacs in the previous year to Rs. 32,104.51 Lacs in the current year.

OPERATIONAL HOTELS AND UPCOMING PROJECTS

Lemon Tree Hotels Limited is a Company engaged in hotel business and there has been no change in the nature of its business during the year under review.

During the financial year under review, Lemon Tree Group had thirty six (36) hotels operating in 22 cities under its various brands i.e. 'Lemon Tree Premier', 'Lemon Tree Hotels' and 'Red Fox Hotels' in the Company and its subsidiaries including the managed hotel properties.

Out of the total, Six (6) hotel properties are being operated under the new upper upscale "Lemon Tree Premier" brand at Bengaluru, Gurgaon including Lemon Tree Premier, HITEC City-Hyderabad and Lemon Tree Premier, Delhi Aerocity operating in the subsidiary companies, including addition of one new (1) property namely Lemon Tree Premier, Leisure Valley 2, Gurgaon, under its subsidiary during the financial year under review.

Lemon Tree Group had Twelve (12) hotels operating under the brand "Lemon Tree Hotel" at Ahmedabad, Aurangabad, Chennai, Chandigarh, Gurgaon, Indore, Pune including the four hotel properties i.e. Lemon Tree Hotel, East Delhi Mall-Kaushambi, Lemon Tree Hotel, Electronics City-Bengaluru, Lemon Tree Hotel, Whitefield-Bengaluru, Lemon Tree Hotel, Gachi Bowli-Hyderabad in the subsidiary companies including the addition of one (1) more property viz: Lemon Tree Hotel, Candolim Goa, under its subsidiary.

Three(3) resorts i.e. Lemon Tree Vembanad Lake Resort at Allepey, Kerala and Lemon Tree Amarante Beach Resort, Goa including Lemon Tree Hotel, Wildlife Resort Bandhavgarh, are also operating in the subsidiary companies.

During the financial year under review, the number of managed properties has been increased from seven (7) to eleven (11) which are being operated under Lemon Tree Premier, Lemon Tree Hotel & Red Fox Hotel Brand by the management arm of the Lemon Tree Group i.e. Lemon Tree Premier, Jaipur, Lemon Tree Premier, The Atrium, Lemon Tree Hotel, Shimona-Chennai, Lemon Tree Hotel-Dehradun, Lemon Tree Hotel-Vadodra, Lemon Tree Hotel-Dahej, Lemon Tree Hotel-Tarudhan with an addition of Lemon Tree Hotel, Katra, Red Fox Hotel-Trichy, Red Fox Hotel, Bhiwadi and Red Fox Hotel, Chandigarh which have commenced their operations during the period under review.

Further, four (4) more hotel properties were operating under 'Red Fox Hotel' brand at Hyderabad and Delhi Aerocity including Red Fox Hotel, East Delhi and Red Fox Hotel, Jaipur operating in subsidiary companies.

Further, two new projects i.e Lemon Tree Hotel, Sector 60 and Red Fox Hotel, Sector 60, Gurgaon under its subsidiary Company has been completed and has commenced its operations during the current financial Year.

Further, several new hotel projects have been taken up by the Group at Kolkatta, Mumbai, Udaipur, Pune and Shimla, which are at various stages of development.

AWARDS AND RECOGNITION

During the year under review, the Company has received various awards and recognition as detailed herein below:

- Ranked 4th in the list of India's Best Companies to Work for, adjudged by the Economic Times and the Great Place to Work Institute, India
- Ministry of Social Justice and Empowerment, Government of India: Best Employer – National Award, 2011. Award received from the President of India
- Recognised by the Economic Times and the Great Place to Work Institute, India, for being among the best in:

  (i) the special category of utilizing analytics to drive a great place of place of work;
  (ii) the industry of hotels and resorts; and

(iii) the special category of employer branding.

- Overall Winners World Responsible Tourism Award 2016 at WTM®, London
- Gold Winner-'Best Accommodation for Responsible Employment' category' 2016,WTM®, London
- HR Innovation Award for Excellence in Diversity and Inclusion,2016
- People Matters Total Rewards 2017: 'Best in Building Career' Award

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP'S)

During the financial year under review, as on 31st March, 2017, there were nine (9) Directors on the Board of the Company. *The list of the Directors & KMP's as on 31st March, 2017 is annexed as* ***Annexure-'1'*** *to the Board's report.*

Appointments

During the financial year under review, Mr. Rattan Keswani was re-appointed as Deputy Managing Director for a period of 3 years commencing from 1st January, 2017 to 31st December, 2019, which was approved by the members in their Extra-Ordinary General Meeting held on 19th December, 2016.

During the financial year under review, the Board of Directors had appointed Mr. Nikhil Sethi as Group Company Secretary & GM Legal (Key Managerial Personnel) of the Company w.e.f 12th December, 2016.

Further, the Board of Directors at their meeting held on 15th June, 2017 has appointed Mr. Pradeep Gupta, Mr. Ashish Guha, Mr. Arvind Singhania, Mr. Paramartha Saikia as Additional Directors in the capacity of Non-Executive Independent Director and the Board of Directors has also appointed Ms. Freyan Desai as Additional Director in the capacity of Non-executive Women Independent Director and they hold office upto the ensuing General Meeting.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, one (1) of your Directors, viz. Mr. Aditya Madhav Keswani retires by rotation, and being eligible, offers his candidature for re-appointment. Your approval for his re-appointment as Director is being sought in the Notice convening the Annual General meeting of the Company.

Resignations/Retirement/Cessation
During the financial year under review, Ms. Suman Singh resigned as AGM and Group Company Secretary of the Company with effect from 30th June, 2016 to pursue her professional interests elsewhere.

Further, Mr. Sanjeev Kaul Duggal, Independent Director and Ms. Ila Dubey, Women Director of the Company has also resigned from the Board w.e.f 1st April, 2017 and 31st May, 2017 respectively.

The Board wishes to place on record their sincere appreciation for the contributions made by the outgoing directors/KMP during their tenure on the Board.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors has given necessary declarations in terms of Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

COMMITTEES OF THE BOARD

The Composition of the Board Committees as on 31st March, 2017 is as under:

Name of the Committee	**Name of the Member**	**Category**
Audit Committee (Re-constituted on 18.09.2014)	Mr. Gopal Sitaram Jiwarajka Chairman	Non-Executive Independent Director
	Mr. Sanjeev Kaul Duggal	Non-Executive Independent Director
	Mr. Niten Malhan	Non-Executive Director
Nomination and Remuneration Committee (Re-constituted on 18.09.2014)	Mr. Sanjeev Kaul Duggal Chairman	Non-Executive Independent Director
	Mr. Gopal Sitaram Jiwarajka	Non-Executive Independent Director
	Mr. Niten Malhan	Non-Executive Director
	Mr. Patanjali G. Keswani	Chairman & Managing Director
Corporate Social Responsibility Committee (Constituted on 20.03.2014)	Mr. Gopal Sitaram Jiwarajka Chairman	Non-Executive Independent Director
	Mr. Patanjali G. Keswani	Chairman & Managing Director
	Mr. Rattan Keswani	Executive Director
Stakeholder's Relationship Responsibility Committee(Constituted on 17.03.2016)	Mr. Gopal Sitaram Jiwarjka Chairman	Non-Executive Independent Director
	Mr. Patanjali G. Keswani	Chairman & Managing Director
	Mr. Rattan Keswani	Executive Director
	Mr. Sanjeev Kaul Duggal	Non-Executive Independent Director

Apart from the above-mentioned committees, there are five more committees of the Board i.e. Share Transfer Committee, Share Allotment Committee, Finance Committee, IPO Committee and General Management Committee.

BOARD AND COMMITTEE MEETINGS HELD DURING THE YEAR

The details of the Board and Committee meetings held during the financial year under review indicating number of meetings attended by each Director/Member *is annexed as* ***Annexure-'2'*** *to the Board's report.*

ANNUAL BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors has carried out an annual evaluation of its own performance including its committees. The performance of the Board was evaluated by the Board after seeking inputs from the Directors on the basis of the criteria such as strategy, performance management, risk management, core governance & compliance, organization health and talent management.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. On the basis of the grading and ranking filled in the evaluation questionnaire and discussion of the Board, the performance of the Board and its committees and Individual Directors (including Independent Directors) has been assessed as satisfactory.

POLICIES UNDER COMPANIES ACT, 2013

CODE OF CONDUCT AND VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has in place a mechanism for employees for reporting genuine concerns from reprisal and victimization. The Company has a Code of Conduct and Vigil Mechanism/Whistle Blower Policy which has been disseminated to all the Directors, Officers, Employees and Associates and they are free to report undesirable practices, events, violations/suspected violations of the LTH Code in terms of the policy. *The policy is also available in the 'Corporate Governance' section on the Company's website www.lemontreehotels.com*

During the year under review, no concerns have been received by the Company from any of the Directors, Officers, Employees and Associates.

RISK MANAGEMENT POLICY

The Company has in place Risk Management Policy formulated in accordance with the provisions of Section 134(3)(n) of the Companies Act, 2013, *which is also available on the Company's website in the 'Corporate Governance' section*. There has been no change in the policy during the financial year under review.

The Company has a system in place for identification of elements of risk which are associated with the accomplishment of objectives, operations, development, revenue and regulations and appropriate measures are taken, wherever required, to mitigate such risks beforehand.

The statutory auditors and the internal auditors report to the Audit Committee during their audit and highlight risk(s), if any, associated with organization and also suggest the appropriate measures, in consultation with the management and the Audit Committee, which can be taken by the company in this regard. The statutory auditors also report to the Committee of any instance of non-adherence to the procedures and manual which may increase the risk of frauds in the organization.

NOMINATION AND REMUNERATION POLICY

The Company has in place the Nomination & Remuneration Policy which lays down the criteria for appointment, evaluation of performance of Directors and remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees and there has been no change in the policy since the last financial year. *The policy is available on our website and is annexed as* ***Annexure '3'*** *to the Board's Report.*

During the year under review, the Company has taken necessary approval/recommendation, wherever required, from Nomination and Remuneration Committee in terms of the policy.

CORPORATE SOCIAL RESPONSIBILITY

The Company has in place CSR policy, formulated in terms of provision of section 135(4) of the Companies Act, 2013 read with Rule 6 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. *The policy is available in the 'Corporate Governance' section on the Company's website.*

In terms of the CSR policy, the Company plans to undertake any CSR activities/projects/programs in the areas as specified in Schedule VII of the Act as amended from time to time. However, due to un-availability of average net profit calculated in terms of Section 198 of the Act, the Company has not spend any amount on the CSR activities mentioned in the Schedule VII to the Act during the financial year under review.

SUBSIDIARY COMPANIES

During the financial year under review, your Company continues to remain the direct holding company of Begonia Hotels Pvt. Ltd., Canary Hotels Pvt. Ltd., Dandelion Hotels Pvt. Ltd., Lemon Tree Hotel Company Pvt. Ltd., Oriole Dr. Fresh Hotels Pvt. Ltd., Pelican Facilities Management Pvt. Ltd., PSK Resorts & Hotels Pvt. Ltd., Red Fox Hotel Company Pvt. Ltd., Sukhsagar Complexes Pvt. Ltd, Fleur Hotels Pvt. Ltd., Carnation Hotels Pvt.

Ltd., Grey Fox Project Management Company Pvt. Ltd., Nightingale Hotels Pvt. Ltd. and indirect holding company of Celsia Hotels Pvt. Ltd., Inovoa Hotels and Resorts Ltd., Iora Hotels Pvt. Ltd., Ophrys Hotels Pvt. Ltd., Hyacinth Hotels Pvt. Ltd., Manakin Resorts Pvt. Ltd., Meringue Hotels Pvt. Ltd. and Valerian Management Services Pvt. Ltd with an addition of a new company under group M/s Bandhav Resorts Private Limited.

In accordance with Section 129(3) of the Companies Act, 2013 Rule 8(1) of Companies (Accounts) Rules, 2014, the consolidated financial statements of the Company and all its subsidiaries, associates and joint ventures have been prepared by the Company and a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is annexed as ***Annexure-'4'*** *to this Report.*

EMPLOYEE STOCK OPTION SCHEMES

The Company, during the financial year under review, has not granted options to the employees of the Company and its subsidiaries in accordance with its Employee Stock Option (ESOP) scheme. The other details related to options are annexed as **Annexure-'5'** to this report.

PARTICULARS OF EMPLOYEES

The statement including the details of employees as required to be furnished in accordance with the provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel), Rules, 2014 are set out in **Annexure-'6'** to this report.

DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors, to the best of its knowledge and ability, hereby confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed with proper explanation relating to material departures;

(ii) they have, selected such accounting policies in consultation with Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2017 and of the profit and loss of the company for the financial year;

(iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(iv) the annual accounts of the Company have been prepared on a going concern basis.

(v) they had advised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITOR'S REPORT:

Statutory Auditors

M/s S.R. Batliboi & Co. LLP (LLP No. AAB-4294) were appointed in the Annual General Meeting held on 24.07.2014 to hold office till the conclusion of fourth Annual General Meeting and their term is expiring on the conclusion of ensuing Annual General Meeting of the Company.

It is being proposed to appoint M/s Deloitte Haskins & Sells, LLP(LLP No. AAB-7837) as Statutory Auditors of the Company in the Annual General meeting in place of M/s S.R. Batliboi & Co. LLP (LLP No. AAB-4294) in terms of provisions Section 139 of the Companies Act, 2013 for a period of 5 years commencing from ensuing Annual General Meeting upto 6th consecutive Annual General Meeting of the Company, subject to ratification of their appointment at every Annual General Meeting by the members of the Company. M/s Deloitte Haskins & Sells, LLP(LLP No. AAB-7837) has furnished a certificate to the effect that the proposed ratification, if made, would be in conformity with the Companies Act, 2013. Your directors recommend the appointment of M/s Deloitte Haskins & Sells, LLP (LLP No. AAB-7837), Chartered Accountants, as Auditors of the Company.

The Statutory Auditors' Report to the accounts has been duly examined, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to Accounts section of the Annual Report and do not require any further clarification/explanation.

Secretarial Auditor

The Board of Directors of the Company has appointed M/s Sanjay Grover & Associates, Practicing Company Secretaries, to conduct the Secretarial Audit for the financial year under review in accordance with Section 204 of the Companies Act, 2013. The Secretarial Auditors have submitted their report, *which is appended as* ***Annexure-'7'*** *to this Board's Report.*

SIGNIFICANT AND MATERIAL ORDERS

There are no significant or material orders passed by the regulators, courts or tribunals having an impact on the future operations of the Company or its going concern status.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company, being engaged in the hotel business, is classified as providing infrastructure facilities in terms of the Schedule VI to the Act and is exempted from the compliance for loans made, guarantees given and security provided in terms of Section 186 (11) of the Act, however, the details of Loans, guarantees and investments made by the Company form part of the notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013*, is appended as* ***Annexure-'8'*** *to this Board Report.*

EXTRACT OF ANNUAL RETURN

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management And Administration) Rules, 2014, the details forming part of the extract of the Annual Return in form MGT 9 *is annexed herewith as* ***Annexure-'9'*** *to this Board Report.*

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

PARTICULARS REGARDING CONSERVATION OF ENERGY ETC. UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 AND RULES MADE THEREIN

As per the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2013, the measures taken during the year under review for conservation of energy and technology absorption by the Company in operation of its hotels are as follows:

A. Conservation of Energy:

The rising energy cost has laid great emphasis on conservation of energy. The Company has taken various measures, including regular monitoring of consumption, reduction of losses and improved maintenance to increase the efficiency and reduce the power cost:

(a) Solar water heating systems are installed for generation of hot water in the hotel kitchens and guest rooms.
(b) Extensive use of CFL Lights in the hotels to minimize electricity consumption.

(c) Key Tag Energy Saver Systems are installed in all guest rooms to conserve energy in the un-occupied rooms.

(d) All guest room windows are glazed with heat reflective films on the panes, which reduces the load on the air conditioning system, as heat transfer from outside is minimized.

(e) Timers/sensors are provided in the lighting systems (corridors, garden, building illumination etc.) for saving energy. Ventilation fans are also put on timers to avoid wasteful running.

(f) The water supply system in use is a state of the art Hydra-Pneumatic system, which not only gives constant pressure but also reduces the load on the pump automatically in case of low demand. This is achieved by using Pressure Transducers and Variable Frequency Drives for pumps.

As alternate source of energy, the Company has been using wind power energy in few of its hotels and it is also in talks for installation of rooftop solar power plants in some of its hotels. Other than the capital investment required for the above measures, the Company has not made any capital investments.

B. Technology Absorption, Research & Development (R&D):

Technology absorption:

The Company is in the service industry and operates and manages its hotels across India. However, no knowhow and technology has been imported during the year. However, efforts have been made to imbibe various new technologies like Green Building, rain water harvesting, use of plumbing faucets, sewage treatment plants.

Research & Development:

The Company during the year 2016-17 has not carried out any activity which can be construed as Research & Development and as of now there is no specific plan for engaging into such activities. As such, there is nothing to report under this section.

C. Foreign exchange earnings and outgo:

The information regarding Foreign Exchange earnings and outgo is mentioned hereunder:

(Rupees in Lacs)

S. No.	Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
1.	Earning in Foreign Currency	**1,838.03**	**2,230.20**
2.	Outgo in Foreign Currency -Value of Capital Goods Imported on CIF basis -Commission/ Advertisement and business promotion	 **24.27** **313.15**	 **144.57** **244.11**

DIVIDEND ON EQUITY SHARES

Your Directors do not propose any dividend on the shares of the Company for the financial year ended on 31st March, 2017.

TRANSFER TO RESERVES

No transfers to reserves were made, as no appropriations were required to be made during the year.

ADEQUACY OF INTERNAL CONTROLS

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The statutory and the internal auditors routinely conduct system checks and give their report after evaluation of the efficacy and adequacy of internal control systems including controls with respect to the financial statements, its compliance with operating systems, accounting procedures and policies in the Company. Based on the report of Internal Audit, the departments undertake corrective action in their respective areas and thereby strengthen the controls. The significant audit observations and follow up actions thereon are reported to the Audit Committee as well and further corrective action taken as per the inputs received from the committee members and the auditors.

DISCLOSURE UNDER THE SEXUAL HARRASHMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no compliant was received by the Corporate Ethics Committee (CEC) formed in this regard.

APPRECIATION

Your Directors place on record their appreciation for the valuable support and cooperation of the Company's Bankers, Government Agencies, Customers, Suppliers, Shareholders, Employees and other statutory authorities, who have reposed their continued trust and confidence in the Company.

For & On behalf of the Board of Directors of
Lemon Tree Hotels Limited

DATE : 15.06.2017
PLACE: NEW DELHI

Sd/-
Patanjali G. Keswani
Chairman & Managing Director

ANNEXURE(S) TO THE BOARD'S REPORT

ANNEXURE-'1': COMPOSITION OF THE BOARD OF DIRECTORS & KMP's OF THE COMPANY AS ON 31ST MARCH, 2017:

S. No.	Name of Directors/KMP's	Designation
1	Mr. Patanjali Govind Keswani	Chairman & Managing Director
2	Mr. Rattan Keswani	Deputy Managing Director
3	Mr. Niten Malhan	Director
4	Mr. Sachin Doshi	Director
5	Mr. Ravi Kant Jaipuria	Director
6	Mr. Gopal Sitaram Jiwarjka	Independent Director
7	Mr. Sanjeev Kaul Duggal	Independent Director
8	Ms. Ila Dubey	Director
9	Mr. Aditya Madhav Keswani	Director
10	Mr. Kapil Sharma	Chief Financial Officer
11	Mr. Nikhil Sethi	Group Company Secretary & GM Legal

ANNEXURE-'2': DETAILS OF BOARD AND COMMITTEE MEETINGS HELD DURING THE YEAR UNDER REVIEW INDICATING THE NUMBER OF MEETINGS ATTENDED BY EACH DIRECTOR/MEMBER IN ACCORDANCE WITH THE REQUIREMENT OF SECRETARIAL STANDARD

A) BOARD MEETINGS

During the financial year under review, four (4) Board meetings have been held on 21st June, 2016, 7th September, 2016, 12th December, 2016 and 29th March, 2017. The maximum time gap between any two meetings of the Board was within the time period of 120 days prescribed by the Companies Act, 2013.

Attendance of Directors for the year ended 31st March, 2017:

Name of the Director	Designation	No. of Meetings attended
Mr. Patanjali Govind Keswani	Chairman & Managing Director	4
Mr. Rattan Keswani	Deputy Managing Director	2
Mr. Niten Malhan	Director	4
Mr. Sachin Doshi	Director	2
Mr. Ravi Kant Jaipuria	Director	2
Mr. Gopal Sitaram Jiwarajka	Independent Director	3
Mr. Sanjeev Kaul Duggal	Independent Director	3
Mrs. Ila Dubey	Director	1
Mr. Aditya Madhav Keswani	Director	2

B) AUDIT COMMITTEE MEETINGS

During the financial year under review, Four (4) Audit Committee meetings have been held on 21st June, 2016, 7th September, 2016, 12th December, 2016 and 29th March, 2017.

Attendance of Members for the year ended 31st March, 2017:

Name of the Member	Designation	No. of Meetings attended
Mr. Gopal Sitaram Jiwarajka	Chairman & Member	3
Mr. Sanjeev Kaul Duggal	Member	3
Mr. Niten Malhan	Member	4

C) NOMINATION & REMUNERATION COMMITTEE MEETINGS

During the financial year under review, two (2) Nomination & Remuneration Committee meetings have been held on 12th December, 2016 and 29th March, 2017.

Attendance of Members for the year ended 31st March, 2017:

Name of the Member	Designation	No. of Meetings attended
Mr. Sanjeev Kaul Duggal	Chairman & Member	1
Mr. Gopal Sitaram Jiwarajka	Member	-
Mr. Patanjali Govind Keswani	Member	1
Mr. Niten Malhan	Member	2

D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE MEETINGS

During the financial year under review, only one (1) meeting of Corporate Social Responsibility Committee meeting has been held on 29th March, 2017.

Attendance of Members for the year ended 31st March, 2017:

Name of the Member	Designation	No. of Meetings attended
Mr. Gopal Sitaram Jiwarjaka	Chairman & Member	-
Mr. Patanjali Govind Keswani	Member	1
Mr. Rattan Keswani	Member	1

E) FINANCE COMMITTEE MEETINGS

During the financial year under review, three (3) Finance Committee meeting have been held on 12th May, 2016, 8th August, 2016 and 7th October, 2016.

Attendance of Members for the year ended 31st March, 2017 :

Name of the Member	Designation	No. of Meetings Attended
Mr. Patanjali Govind Keswani	Chairman & Member	-
Mr. Rattan Keswani	Member	3
Mr. Niten Malhan	Member	3

F) <u>GENERAL MANAGEMENT COMMITTEE MEETINGS</u>

During the financial year under review, five (5) General Management Committee meetings have been held on 14th April, 2016, 13th July, 2016, 9th September, 2016, 19th December, 2016 and 6th March, 2017.

Attendance of Members for the year ended 31st March, 2017:

Name of the Member	**Designation**	**No. of Meetings attended**
Mr. Patanjali G. Keswani	Chairman & Member	5
Mr. Rattan Keswani	Member	5

G) <u>SHARE ALLOTMENT COMMITTEE MEETINGS</u>

During the financial year under review, only Two (2) Share Allotment Committee meetings have been held on 19th July, 2016 and 24th October, 2016.

Attendance of Members for the year ended 31st March, 2017:

Name of the Member	**Designation**	**No. of Meetings attended**
Mr. Patanjali G. Keswani	Chairman & Member	2
Mr. Rattan Keswani	Member	2
Mr. Niten Malhan	Member	0

H) SHARE TRANSFER COMMITTEE MEETINGS

During the financial year under review, only three (3) Share Transfer Committee meetings have been held on 22nd August, 2016, 24th October, 2016 and 31st March, 2017.

Attendance of Members for the year ended 31st March, 2017:

Name of the Member	Designation	No. of Meetings attended
Mr. Rattan Keswani	Chairman & Member	3
Mr. Patanjali G. Keswani	Member	3
Mr. Niten Malhan	Member	0

I) STAKEHOLDER RELATIONSHIP COMMITTEE MEETING & IPO COMMITTEE

The above mentioned committees have been constituted on 17th March, 2016, however no meeting has been held during the financial year under review.

ANNEXURE-'3': NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

In terms of Section 178 of the Companies Act, 2013 read with applicable rules and regulations and in pursuance of the policy of Lemon Tree Hotels Limited ('Company') to consider its human resources as its invaluable assets, the Nomination and Remuneration Committee of the Company re-constituted on 18th September 2014 has formulated this policy on nomination and remuneration of Directors, Key managerial personnel, senior management personnel and other employees of the Company (hereinafter referred as 'Policy') and which has been adopted by the Board of Directors of the Company in its meeting on 19.02.2015.

2. POLICY OBJECTIVE

The objective of this Policy is to determine the criteria for appointment, removal, evaluation of performance of Directors and remuneration of Directors, key managerial personnel, senior management personnel and other employees.

3. DEFINITIONS

In this Policy unless the context otherwise requires:

(a) "Act" means Companies Act, 2013 including the applicable Rules & regulations;

(b) "Board of Directors" or "Board", in relation to the Company, means the collective body of the directors of the Company and includes the committees of the Board;

(c) "Directors" means Directors of the Company appointed in terms of provisions of the Act;

(d) "Independent Director" means a director referred to in Section 149 (6) of the Act;

(e) "Key Managerial Personnel" or "KMP" in relation to a company, means:

(i) Chief Executive Officer ('CEO') or the Managing Director ('MD') or the Manager;
(ii) Company Secretary;
(iii) Whole-time Director ('WTD');
(iv) Chief Financial Officer; and
(v) such other officer as may be prescribed;

(f) "NRC" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board;

(g) "Rules & regulations" refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, and such other rules and provisions as applicable to the matters dealt in by this Policy;

(h) "Senior Management Personnel" for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional / vertical heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. <u>APPLICABILITY</u>

This Policy is applicable to:

(i) Directors viz. Executive, Non-executive and Independent
(ii) Key Managerial Personnel
(iii) Senior Management Personnel
(iv) Other Employees of the Company

5. <u>GENERAL</u>

This Policy is divided in three parts:

<u>Part-A</u> covers the matters to be dealt with and recommended by the NRC to the Board within Scope of Policy;

<u>Part-B</u> covers the appointment and nomination of Directors; and

<u>Part-C</u> covers remuneration etc for the Directors, Key Managerial Personnel and other employees.

<u>PART-A</u>

6. <u>SCOPE</u>

The matters to be dealt by NRC in terms of this Policy are as follows:

a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management Personnel, recommend to Board their appointment and removal;

b. Carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;

c. Determine remuneration based on the Company's size and financial position and trends and practices for remuneration prevailing in similar companies in the industry;

PART-B

7. APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

a. The NRC shall identify and ascertain the positive attributes, integrity, independence, qualification, expertise and experience of the person for appointment as Directors, or Senior Management Personnel and recommend to the Board his / her appointment.

b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The NRC has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient for the concerned position.

c. A person shall be appointed as Independent Director subject to the compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there under.

d. The Company shall not appoint or continue the employment of any person as MD/WTD/Manager who is below the age of twenty one years or has attained the age of seventy years. Provided that the appointment of a person who has attained the age of seventy years may be appointed with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for appointment of such person.

8. TERM / TENURE

a. MD / WTD / Manager

Subject to the applicable provisions of the Act and the Memorandum and Articles of Association of the Company, the Company shall appoint or re-appoint any person as its MD/WTD/Manager for a term of maximum five (5) consecutive years at a time. No re-appointment shall be made earlier than one (1) year before the expiry of term.

b. Independent Director

(i) Subject to the applicable provisions of the Act, an Independent Director shall hold office for a maximum term of five (5) consecutive years on the Board of the Company with the approval of the shareholders in general meeting and will be eligible for re-appointment on passing of a special resolution by the shareholders of the Company for another term of maximum five (5) years and disclosure of such appointment be made in the Board's report.

(ii) Any Independent Director, who has completed his two consecutive terms, shall be eligible for appointment after expiry of three (3) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

(iii) The Independent Director shall not be liable to retire by rotation.

9. DISQUALIFICATIONS FOR APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Any person who is disqualified for appointment/re-appointment as a director in terms of Section 164 of the Act shall not be eligible for appointment/re-appointment, as the case may be, as a Director of a company.

10. EVALUATION

The NRC shall carry out evaluation of performance of every Director and a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors shall be disclosed in the Board Report.

11. REMOVAL

The NRC may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Act.

12. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire/resign as per the applicable provisions of the Act and the prevailing HR policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, subject to compliance of applicable laws, for the benefit of the Company.

PART – C

13. MATTERS RELATING TO THE REMUNERATION & PERQUISITES

a. The NRC, while deciding the remuneration/compensation/profit-linked commission for the Directors, Key Managerial Personnel and other employees, to ensure :

(i) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(ii) That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(iii) That the remuneration to directors, key managerial personnel and other employees including senior management officials involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

b. The remuneration/ compensation/ profit-linked commission, etc. to the MD/WTD/Manager, Directors and Independent Directors and increments thereto will be determined by the NRC subject to the approval of the Board, shareholders of the Company and Central Government, wherever required, in accordance with the percentage / slabs / conditions in terms of the applicable provisions of the Act.

c. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

d. Determination of remuneration and increments of KMP, Senior Management officials and other employees shall be effected in terms of the HR policies of the Company.

14. REMUNERATION TO MD / WTD / MANAGER

a. Remuneration

Subject to Section 197 and Schedule V of the Act, the MD/WTD/Manager will be eligible for remuneration either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other with the approval of the Shareholders of the Company on the recommendation of the NRC and the Board. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer’s contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the NRC and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required in terms of the provisions of the Act.

b. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD/WTD/Manager in accordance with the Act and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

c. Provisions for excess remuneration

If any MD/WTD/Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

15. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR

a. Sitting Fees

The Non-executive Directors of the Company, whether Independent or not, may be paid sitting fees within maximum limit prescribed by the Act from time to time for attending meetings of the Board or Committees thereof. The quantum of sitting fees will be determined as per the recommendation of NRC and approved by the Board of Directors of the Company. The Company may make arrangement or reimburse the expenses incurred by the Non-Executive/ Independent Director(s) for travelling, boarding and lodging for participation in the Board or Committee meetings.

b. Commission

The Board, on recommendation of NRC, may consider the payment of profit based commission to the Non-Executive/ Independent Directors and such commission may be paid within the prescribed limits and subject to the Board approvals in terms of the provisions of Act from time to time. The net profits for the purposes of calculation of commission shall be computed in the manner referred to in section 198 of Act.

c. Stock Options

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. The officers or other employees of the Company and its subsidiaries will be granted stock options in terms of the Company Employees Stock Option policy subject to special resolution passed by company and such other conditions as may be prescribed by the Act.

16. REMUNERATION TO KMP, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

a. The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration, salary advance and loans etc. as per the Company's HR policies and / or as approved by the NRC. The break-up of the pay scale and quantum of perquisites including employer's contribution to P.F., pension scheme, medical expenses, club fees, etc. shall be as per the Company's HR policies.

b. As and when required by the NRC, a presentation shall be given by the HR Head detailing the performance bonus payouts as well as the proposed increments in any financial year. The NRC shall peruse and give its suggestions, if any, on the process for giving increments and performance bonus payouts for implementation by the Company.

c. This Policy shall apply to all future/continuing employment/engagement(s) with the Company. In other respects, the Policy shall be of guidance for the Board. Any departure from the Policy shall be recorded and reasoned in the NRC and Board meeting minutes.

d. The remuneration for KMP and Senior Managerial Personnel of the Company shall be approved by the NRC based on the recommendation of the Chairman & Managing Director and for other employees based on the recommendation of the HR Head in consultation with the Heads of various Department/Hotels of the Company. In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the NRC and/or the Board of Directors/Shareholders, then such approval will be accordingly obtained.

17. DISSEMINATION

The key features of the Policy shall be published on Company's website and accordingly will also be disclosed in the Annual Report as part of Board's report therein.

18. MISCELLANEOUS

a. The NRC or the Board may review the Policy as and when it deems necessary.

b. The NRC may issue the guidelines, procedures, formats, reporting mechanism for better implementation of this Policy, wherever it thinks necessary.

c. This Policy may be amended or substituted, in whole or in part, by the NRC or Board.

d. In case of any statutory change not being consistent with the provisions laid down under this Policy, then such change shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such statutory change to the Act and the Compliance Officer of the Company shall ensure that such amendment is disseminated on the website of the Company, wherever required.

ANNEXURE-'4: STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

[Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014-AOC1]

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

(Rs. in Lacs)

1	Sl. No.	1	2	3	4	5	6
2	Name of the subsidiary	Fleur Hotels P. Ltd.	Begonia Hotels P. Ltd.	Canary Hotels P. Ltd.	Carnation Hotels P. Ltd.	Dandelion Hotels P. Ltd. *	Lemon Tree Hotel Company P. Ltd. *
3	Date since when subsidiary was acquired	25.09.2009	20.11.2009	18.05.2012	18.01.2007	19.07.2007	24.01.2007
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6	#Share capital	5,928.63	146.46	59.45	9.35	1.00	3.50
7	Reserves & surplus	93,663.93	3,650.38	(780.87)	(95.87)	1,062.59	(1.87)
8	Total assets	1,16,210.87	4,114.28	4,993.40	920.07	1,108.95	1.69
9	Total Liabilities	16,618.31	317.44	5,714.82	1,006.59	45.36	0.06
10	Investments**		-	-	-	-	-
11	Turnover	4,916.42	1,592.89	1,216.50	488.72	-	-
12	Profit before taxation/ (Loss)#	828.29	536.93	(220.17)	(108.36)	44.07	(0.19)
13	Provision for taxation# (includes current Tax, deferred tax)	267.60	171.81	-	(41.69)	-	-
14	Profit after taxation/(Loss)#	560.69	365.12	(220.17)	(66.68)	44.07	(0.19)
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding***	57.98%	74.11%	100%	100%	100%	100%

(Rs. In Lacs)

1	Sl. No.	7	8	9	10	11	12
2	Name of the subsidiary	Manakin Resorts P. Ltd.	Meringue Hotels P. Ltd.*	Nightingale Hotels P. Ltd.	Oriole Dr. Fresh Hotels P. Ltd.	Pelican Facilities Management P. Ltd.*	PSK Resorts & Hotels P. Ltd.*
3	Date since when subsidiary was acquired	13.02.2009	18.01.2007	10.01.2013	10.01.2013	10.01.2013	13.02.2009
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6	#Share capital	571.43	10.90	1,303.66	20.00	01.00	86.67
7	Reserves & surplus	866.19	9,694.09	4,552.76	178.16	(1.48)	2,222.72
8	Total assets	1,515.70	19,094.23	11,531.69	4,947.57	0.59	2,340.02
9	Total Liabilities	78.08	9,389.24	5,675.27	4,749.41	1.07	30.63
10	Investments**	-	-	-	-	-	-
11	Turnover	437.84	-	2,349.64	833.62	-	-
12	Profit before taxation/ (Loss)	44.81	(5.86)	(184.65)	(45.15)	(0.16)	(1.08)
13	Provision for taxation	-	-	0.10	0.82	-	-
14	Profit after taxation/(Loss)	44.81	(5.86)	(184.75)	(45.97)	(0.16)	(1.08)
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding***	100%	80%	57.53%	100%	100%	100%

(Rs. In Lacs)

1	Sl. No.	13	14	15	16	17	18
2	Name of the subsidiary	Sukhsagar Complexes P. Ltd.	Red Fox Hotel Company P. Ltd. *	Grey Fox Project Management Company P. Ltd.	Valerian Management Services P. Ltd.	Celsia Hotels P. Ltd.	Inovoa Hotels And Resorts Ltd.
3	Date since when subsidiary was acquired	10.01.2013	10.01.2013	28.09.2012	16.09.2013	29.03.2012	16.08.2013
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6	#Share capital	49.50	1.00	5.01	1.00	3.47	2,148.00
7	Reserves & surplus	76.52	(1.09)	(91.24)	(184.93)	5,647.18	94.60
8	Total assets	5,251.29	0.08	389.33	55.04	11,872.74	5,994.62
9	Total Liabilities	5,125.27	0.17	475.56	238.97	6,222.09	3,752.02
10	Investments**	-	-	-	-	-	-
11	Turnover	1,165.74	-	303.92	97.67	2,630.97	1,670.39
12	Profit before taxation/ (Loss)	(154.08)	(0.28)	(32.69)	(18.02)	219.25	(50.33)
13	Provision for taxation	(0.62)	0.02	-	-	(5.64)	(25.50)
14	Profit after taxation/ (Loss)	(153.46)	(0.30)	(32.69)	(18.02)	224.89	(24.83)
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding***	100%	100%	74.90%	74.90%	57.98%	57.98%

(Rs. In Lacs)

1	Sl. No.	19	20	21	22
2	Name of the subsidiary	Iora Hotels P. Ltd. *	Ophrys Hotels P. Ltd.*	Hyacinth Hotels P. Ltd.	Bandhav Resorts Private Limited
3	Date since when subsidiary was acquired	14.11.2013	10.01.2014	19.07.2007	13.05.2016
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A.
6	#Share capital	450.00	2.50	71.00	23.11
7	Reserves & surplus	20,588.23	(1.41)	12,994.25	430.36
8	Total assets	22,411.78	1.15	22,014.58	541.64
9	Total Liabilities	1,373.55	0.06	8,949.33	88.17
10	Investments**	-	-	-	-
11	Turnover	-	-	5,129.03	37.62
12	Profit before taxation / (Loss)	(0.37)	(0.41)	(493.59)	(51.59)
13	Provision for taxation	-	-	(2.75)	-
14	Profit after taxation / (Loss)	(0.37)	(0.41)	(490.84)	(51.59)
15	Proposed Dividend	-	-	-	-
16	% of shareholding***	57.98%	57.98%	57.98%	57.98%

Notes:

* Subsidiaries which are yet to commence operations.

** Investments except investments in subsidiaries and non-current investments.

*** % of shareholding covers both direct and indirect shareholding in the subsidiaries.

\# Includes only equity share capital

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint ventures

Name of Associate / Joint Ventures	Name
Not Applicable	

ANNEXURE '5': DETAILS OF STOCK OPTIONS IN TERMS OF EMPLOYEES STOCK OPTION SCHEME

[Pursuant to Rule 12(9) of the Companies (Share Capital And Debentures) Rules, 2014)

Sr. No	Description	ESOP Scheme
a)	Options Granted	-
b)	Options vested	23,41,593
c)	Options Exercised	28,71,902
d)	Total Number of Shares arising as a result of exercise of option	28,71,902
e)	Options lapsed	3,83,394
f)	The exercise price (On weighted average basis)	15.74
g)	Variation of terms of options	None
h)	Money realized by exercise of options	4,63,32,502
i)	Total number of options in force	78,23,678
j)	Employee wise details for options granted to:-	
	(i) Key managerial Personnel: a)Mr. Rattan Keswani (Deputy Managing Director) b)Mr. Kapil Sharma (Chief Financial Officer) c) Mr. Nikhil Sethi(Group Company Secretary and GM Legal)	 - -
	(ii) any other employee who received a grant of options in any one year of option amounting to five percent of more of options granted during that year	-
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital(Excluding outstanding warrants and conversions) of the Company at the time of grant	-

ANNEXURE '6': REMUNERATION TO EMPLOYEES

[Pursuant to Rule 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Description	DIRECTORS	EMPLOYEES					
a)	Name of the Employee	**Mr. Patanjali G. Keswani (1)**	**Mr. Kapil Sharma (2)**	**Mr. Vikramjit Singh (3)**	**Mr. Davander Singh Tomar (4)**	**Mr. Ajai Kumar (5)**	**Ms. Aradhana Lal (6)**	**Mr. Sareena Kochhar (7)**
b)	Designation of the employee	Chairman & Managing Director	Executive Vice President-Chief Financial Officer	President & Chief Revenue Officer	Executive Vice President-Corporate Affairs	Chief Information Officer	Vice President-Sustainability Initiatives	Vice President-Housekeeping
c)	Remuneration Received (In Rs.)	3,09,69,229/-	81,67,530/-	58,27,042/-	52,56,510/-	36,83,153/-	34,29,942/-	34,13,355/-
d)	Nature of Employment, whether contractual or not	Non-contractual	Non-contractual	Non-contractual	Non-contractual	Non-contractual	Non-contractual	Non-contractual
e)	Qualifications and experience of the employee	B. Tech in Electrical Engineering from IIT Delhi and PGDBM (Finance and Marketing) from IIM Kolkata. He has a experience of over 31 years	Chartered Accountant He has a experience of over 22 years	Graduate from Sri Ram College of Commerce and a post graduate in Hospitality Management and Administration from the Taj Group of Hotels and has an experience of over 20 years	M.A & LLB from Delhi University and has a total experience of over 35 years.	B.Sc & MCA from Madan Mohan Malaviya Engineering College, Gorakhpur, UP & 25 years of rich experience in his field	MBA from IIM Ahmedabad and has over 23 years of experience in Sales, Marketing, Corporate Communication and Sustainability.	B.Sc (Home Science) and Diploma in Hotel Management with over 30 years of experience in Hospitality
f)	Date of commencement of employment with company	07.10.2002	01.12.2004	15.04.2014	25.09.2002	15.10.2010	01.06.2003	15.07.2006

g)	The age of such employee	58 Years	48 years	42 years	56 years	48 years	48 years	53 years
h)	The last employment held by such employee before joining the Company	Senior Partner A.T. Kearney Inc., India	Head-Finance and Accounts, Leroy Somer (Emerson Group)	He was an entrepreneur in Assam where he ran his own hotel	Area Security Manager-Taj Group of Hotels	General Manager-Technology with Lemon Tree Hotels Limited	Sales & Operations Manager at Hindustan Lever Network (formerly known as Aviance)	Corporate Executive Housekeeper with VLCC Health Care.
i)	The percentage of equity shares held by the employee in the Company within the meaning of Clause(iii) of sub-rule (2) above	0.25%	0.17%	0.02%	0.03%	0.02%	0.23%	0.03%
j)	Whether any such employee is a relative of any director or manager of the Company and if so, the name of such director or manager	Mr. Aditya Madhav Keswani, Directors	N.A	N.A	N.A	N.A	N.A	N.A

Note(s):

1. Gross remuneration includes basic salary, allowances, taxable value of perquisites and the Company’s contribution to Provident Fund, but excludes provision for retiring gratuity and leave benefits for which separate figures are not available.

ANNEXURE '6': REMUNERATION TO EMPLOYEES

[Pursuant to Rule 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Description	EMPLOYEES		
a)	Name of the Employee	**Ms. Ritu Ranjan (8)**	**Mr. Rajiv Tyagi (9)**	**Mr. Prashant Mehrotra (10)**
b)	Designation of the employee	Chief Design Officer	Assistant Vice President-Finance	AVP & Chief Operating Officer
c)	Remuneration Received (In Rs.)	32,89,836/-	31,34,086/-	Rs. 30,40,893
d)	Nature of Employment, whether contractual or not	Non-contractual	Non-contractual	Non-contractual
e)	Qualifications and experience of the employee	B.A (Honors) in Philosophy from Delhi University in the year 1987 and having 16 years of experience	He is commerce graduate from Delhi University and have over 27 years of experience in his field	Diploma in Hotel Management from Pusa, Delhi in the year 2004 and having 16 years of experience
f)	Date of commencement of employment with company	01.04.2014	15.07.2006	15.07.2006
g)	The age of such employee	51 years	55 years	37 years
h)	The last employment held by such employee before joining the Company	Self employed	Area Credit Manager, Taj Group of Hotels, New Delhi	Duty Manager at The Oberoi, Nariman Point, Mumbai
i)	The percentage of equity shares held by the employee in the Company within the meaning of Clause(iii) of sub-rule (2) above	0.03%	0.05%	0.02%
j)	Whether any such employee is a relative of any director or manager of the Company and if so, the name of such director or manager	N.A	N.A	N.A

Note(s):

Gross remuneration includes basic salary, allowances, taxable value of perquisites and the Company's contribution to Provident Fund, but excludes provision for retiring gratuity and leave benefits for which separate figures are not available.

SECRETARIAL AUDIT REPORT[1]

FOR THE FINANCIAL YEAR ENDED 31^{st} MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Lemon Tree Hotels Limited
(CIN: U74899DL1992PLC049022)
Asset No. 6, Aerocity Hospitality District,
New Delhi-110037

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lemon Tree Hotels Limited** (hereinafter called the Company) which is an unlisted company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied with.

During the Audit Period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

(iii) The Company is engaged in the Hotel Business and is running hotels at various locations PAN India. Following are some of the laws specifically applicable to the Company:

- The Legal Metrology Act, 2009 and rules made thereunder;
- Food Safety and Standards Act, 2006 and rules made thereunder;

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is satisfactory, which can further be strengthened to ensure compliance of laws specifically applicable to the Company.

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

Adequate notice is given to all its directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent, as may be applicable, and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that systems and processes in the Company are satisfactory, which can further be strengthened commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period-

i) Members in their Annual General Meeting held on 30th September, 2016 approved:-

a) the contribution to any national, charitable, social, benevolent, public or general and other funds/ institutions/ hospitals/ trustees/ entities not directly relating to the business of the Company or the welfare of its employees of any amounts the aggregate of which does not exceed Rs. 20,00,000/- (Rupees Twenty Lacs only) in the financial year ending 31st March, 2017; and

b) the increase in overall limit for the loans, investments, guarantees and securities to be made/given which shall not exceed Rs. 2,500 Crore (Rupees Two Thousand Five Hundred Crores), regardless that the aggregate of the loans, guarantees, securities and investments may exceed the percentages prescribed under Section 186 of the Act.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-

Priyanka
Partner
CP No. 16187

15.06.2017
New Delhi

ANNEXURE '8' : PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED WITH THE RELATED PARTIES
[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014-AOC2]

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

Sl. No/ Particulars	**Name of the related party and nature of relationship (1)**	**Nature of Contract/arrangement and transactions (2)**	**Duration of Contract/arrangements/transaction (3)**	**Salient terms of the Contracts/arrangement or transaction including the value (4)**	**Date of approval of the Board (6)**	**Amount paid as Advances, if any (7)**	**Date on which special resolution was passed in General meeting u/first proviso to S.188 (8)**
NO SUCH CONTRACT/ARRANGEMENT/ TRANSACTION WHICH WAS NOT AT ARM'S LENGTH BASIS DURING THE YEAR							

Sl. No/ Parti-culars	**Name of the related party and nature of relationship (1)**	**Nature of Contract/arrangement and transactions (2)**	**Duration of Contract/ arrangements /transaction (3)**	**Salient terms of the Contracts/ arrangement or transaction including the value (4)**	**Justification for entering into contracts or arrangements or transaction (5)**	**Date of approval of the Board (6)**	**Amount paid as Advances, if any (7)**	**Date of passing resolution u/Sec 188 of CA2013 (8)**
1	Bandhav Resorts Private Limited	Hotel Operating Agreement for Operation of the Lemon Tree Wildlife Resort, Bandhavgarh	12 years w.e.f 1st October, 2016	Base Fees: 3.5 % of Gross Income of the Hotel on a calendar monthly basis; Incentive Fees: (a) 4.0% of Gross Operating Profit of the Hotel where the AGOP Margin is less than or equal to 50%; or (b) 8.0% of Gross Operating Profit of the Hotel where the AGOP Margin is more than 50%; Reimbursements for Additional Services : (i) all traveling, telephone, telegraph, subsistence, telex, postal, and other expenses (ii) the fees and reimbursable expenses	The transaction for entering into agreement for management and operation services is advantageous for the Company and the Related Party and is in compliance with Section 188 and other applicable provisions of the Companies Act, 2013 and the rules thereto.	12.12.2016	Nil	19.12.2016

2	Fleur Hotels Private Limited	Hotel Operating Agreement for rendering services for management and operation of the Lemon Tree Hotel, Candolim Goa	12 years	**Base Fees:** 3.5 % of Gross Income of the Hotel(s) on a calendar monthly basis; **Incentive Fees:** (a) 4.0% of Gross Operating Profit of the Hotel(s) where the AGOP Margin is less than or equal to 50%; or (b) 8.0% of Gross Operating Profit of the Hotel(s) where the AGOP Margin is more than 50%; **Reimbursements for Additional Services**: (i) all traveling, telephone, telegraph, subsistence, telex, postal, and other expenses (ii) the fees and reimbursable expenses	The transaction for entering into agreement for management and operation services is advantageous for the Company and the Related Party and is in compliance with Section 188 and other applicable provisions of the Companies Act, 2013 and the rules thereto.	12.12.2016	Nil	19.12.2016
3	Fleur Hotels Private Limited	Hotel Operating Agreement for rendering services for management and operation of the Lemon Tree Hotel, Sector 60, Gurgaon	12 years	**Base Fees:** 3.5 % of Gross Income of the Hotel(s) on a calendar monthly basis; **Incentive Fees:** (a) 4.0% of Gross Operating Profit of the Hotel(s) where the AGOP Margin is less than or equal to 50%; or (b) 8.0% of Gross Operating Profit of the Hotel(s) where the AGOP Margin is more than 50%; **Reimbursements for Additional Services**: (i) all traveling, telephone, telegraph, subsistence, telex, postal, and other expenses (ii) the fees and reimbursable expenses	The transaction for entering into agreement for management and operation services is advantageous for the Company and the Related Party and is in compliance with Section 188 and other applicable provisions of the Companies Act, 2013 and the rules thereto.	12.12.2016	Nil	19.12.2016

4	Fleur Hotels Private Limited	Hotel Operating Agreement for rendering services for management and operation of the Red Fox Hotel, Sector 60, Gurgaon	12 years	**Base Fees:** 3.5 % of Gross Income of the Hotel(s) on a calendar monthly basis; **Incentive Fees:** (a) 4.0% of Gross Operating Profit of the Hotel(s) where the AGOP Margin is less than or equal to 50%; or (b) 8.0% of Gross Operating Profit of the Hotel(s) where the AGOP Margin is more than 50%; **Reimbursements for Additional Services**: (i) all traveling, telephone, telegraph, subsistence, telex, postal, and other expenses (ii) the fees and reimbursable expenses	The transaction for entering into agreement for management and operation services is advantageous for the Company and the Related Party and is in compliance with Section 188 and other applicable provisions of the Companies Act, 2013 and the rules thereto.	12.12.2016	Nil	19.12.2016
5	Bandhav Resorts Private Limited	Development Management Agreement for rendering services to related party for managing the development of the Lemon Tree Wildlife Resort, Bandhavgarh (“Project”) till the completion of the Project.		**Development Management Fee** shall be 6% of the Total Development Cost of the Project as defined below. "**Development Cost**" means the costs and fees and expenses properly paid by the Company in relation to the development and/or renovation of the Hotel Project or Hotel Projects (as appropriate) as appropriate or as set out in the Development Budget excluding Land Cost, cost of financing and all fees or payments made to the Development Manager (whether for professional services or otherwise) The Company for providing the development management	The transaction for entering into agreement for providing services with its related parties is on ‘arm’s length’ basis and is advantageous for the Company considering the experience of the related party and shall be in compliance with Section 188 and other applicable provisions of the Companies Act, 2013 and the rules thereto.	29.03.2017	Nil	19.05.2017

				services may hire external vendors and consultants, without prior approval of Bandhav Resorts Private Limited, for architecture, designing, interiors, horticulture, other services, and project management services for the Projects.				
6	Mrs. Sharanita Keswani Relative of Mr. Aditya Madhav Keswani	Service Agreement, for availing her professional services as Marketing and Brand Consultant for the Company, for the remaining tenure of 3 years	3 years	The fee for the said services for the remaining tenure shall be paid within 15 days of receipt of the invoice and the total fee payable in a year shall not exceed Rs. 50.40 Lacs for the financial year 2017-18 to F.Y 2019-20	The transaction for entering into service agreement is advantageous for the Company and the Related Party considering the expertise of the Related party in providing the services and is in compliance with Section 188 and other applicable provisions of the Companies Act, 2013 and the rules thereto	29.03.2017	N.A	19.05.2017
7	Fleur Hotels Private Limited	Addendum to the Hotel operating Agreement dated 25.04.2012 executed on 29.03.2017 for the property at Hyderabad	Remaining tenure of the agreement	The fees for the said services shall remain the same except the increase in the reimbursement of the costs incurred towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales and reservation networks and facilities (such as web-sites, reservations network, loyalty programmes, etc.) which are being administered by the Company in the interest of the Hotels. The Related party will reimburse the cost upto the maximum of 3% of the Gross Income of the Hotel on	Actual cost being incurred by the Company is more than the cost reimbursed by the related party and accordingly the cost has been increased, with the mutual consent of the parties, which is justifiable	29.03.2017	N.A	19.05.2017

				monthly basis. Such cost will be trued up at the end of each Financial year				
8	Fleur Hotels Private Limited (Related Party)	Addendum to the Hotel operating Agreement dated 19.12.2016 executed on 29.03.2017, for services rendered for Lemon Tree Hotel, Candolim Goa	Remaining tenure of the agreement	The fees for the said services shall remain the same except the increase in the reimbursement of the costs incurred towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales and reservation networks and facilities (such as web-sites, reservations network, loyalty programmes, etc.) which are being administered by the Company in the interest of the Hotels. The Related party will reimburse the cost upto the maximum of 3% of the Gross Income of the Hotel on monthly basis. Such cost will be trued up at the end of each Financial year	Actual cost of re-imbursements is expected to be more than what was envisaged at the time of entering into contract.	29.03.2017	Nil	19.05.2017
9	Celsia Hotels Private Limited (Related Party)	Addendum to the Hotel operating Agreement dated 29.06.2012 executed on 29.03.2017 for Lemon Tree Hotel, Bangalore	Remaining tenure of the agreement	The fees for the said services shall remain the same except the increase in the reimbursement of the costs incurred towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales and reservation networks and facilities (such as web-sites, reservations network, loyalty	Actual cost being incurred by the Company is more than the cost reimbursed by the related party and accordingly the cost has been increased which is justifiable	29.03.2017		19.05.2017

				programmes, etc.) which are being administered by the Company in the interest of the Hotels. The Related party will reimburse the cost upto the maximum of 3% of the Gross Income of the Hotel on monthly basis. Such cost will be trued up at the end of each Financial year				
10	Inovoa Hotels and Resorts Limited (Related Party)	Addendum to the Hotel operating Agreement dated 30.09.2013 executed on 29.03.2017 for Lemon Tree Hotel, Whitefield. Bangalore	Remaining tenure of the agreement	The fees for the said services shall remain the same except the increase in the reimbursement of the costs incurred towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales and reservation networks and facilities (such as web-sites, reservations network, loyalty programmes, etc.) which are being administered by the Company in the interest of the Hotels. The Related party will reimburse the cost upto the maximum of 3% of the Gross Income of the Hotel on monthly basis. Such cost will be trued up at the end of each Financial year	Actual cost being incurred by the Company is more than the cost reimbursed by the related party and accordingly the cost has been increased which is justifiable	29.03.2017		19.05.2017

11	Nightingale Hotels Private Limited (Related Party)	Addendum to the Hotel operating Agreement dated 01.03.2015 executed on 29.03.2017 for Lemon Tree Hotel, Gachibowli, Hyderabad	Remaining tenure of the agreement	The fees for the said services shall remain the same except the increase in the reimbursement of the costs incurred towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales and reservation networks and facilities (such as web-sites, reservations network, loyalty programmes, etc.) which are being administered by the Company in the interest of the Hotels. The Related party will reimburse the cost upto the maximum of 3% of the Gross Income of the Hotel on monthly basis. Such cost will be trued up at the end of each Financial year	Actual cost being incurred by the Company is more than the cost reimbursed by the related party and accordingly the cost has been increased which is justifiable	29.03.2017	Nil	19.05.2017
12	Begonia Hotels Private Limited (Related Party)	Addendum to the Hotel operating Agreement dated 01.08.2015 executed on 29.03.2017 for Lemon Tree Amarante Beach Resort, Goa	Remaining tenure of the agreement	The fees for the said services shall remain the same except the increase in the reimbursement of the costs incurred towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales and reservation networks and facilities (such as web-sites, reservations network, loyalty programmes, etc.) which are being administered by the Company in the interest of the Hotels.	Actual cost being incurred by the Company is more than the cost reimbursed by the related party and accordingly the cost has been increased which is justifiable	29.03.2017		19.05.2017

				The Related party will reimburse the cost upto the maximum of 3% of the Gross Income of the Hotel on monthly basis. Such cost will be trued up at the end of each Financial year				
13	Hyacinth Hotels Private Limited (Related Party)	Addendum to the Hotel operating Agreement dated 22.09.2014 executed on 29.03.2017 for Lemon Tree Premier, Delhi Aerocity	Remaining tenure of the agreement	The fees for the said services shall remain the same except the increase in the reimbursement of the costs incurred towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales and reservation networks and facilities (such as web-sites, reservations network, loyalty programmes, etc.) which are being administered by the Company in the interest of the Hotels. The Related party will reimburse the cost upto the maximum of 3% of the Gross Income of the Hotel on monthly basis. Such cost will be trued up at the end of each Financial year	Actual cost being incurred by the Company is more than the cost reimbursed by the related party and accordingly the cost has been increased which is justifiable	29.03.2017		19.05.2017
14	Bandhav Resorts Private Limited (Related Party)	Addendum to the Hotel operating Agreement dated19.12.2016 executed on 29.03.2017 for Lemon Tree Wildlife Resort,	Remaining tenure of the agreement	The fees for the said services shall remain the same except the increase in the reimbursement of the costs incurred towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales	Actual cost of re-imbursements is expected to be more than what was envisaged at the time of entering into contract.	29.03.2017		19.05.2017

		Bandhavgarh		and reservation networks and facilities (such as web-sites, reservations network, loyalty programmes, etc.) which are being administered by the Company in the interest of the Hotels. The Related party will reimburse the cost upto the maximum of 3% of the Gross Income of the Hotel on monthly basis. Such cost will be trued up at the end of each Financial year				
15	Fleur Hotels Private Limited (Related Party)	Addendum to the Hotel operating Agreement dated 09.01.2017 executed on 29.03.2017 for management and operation of the Red Fox Hotel, Sector 60, Gurgaon	Remaining tenure of the agreement	The fees for the said services shall remain the same except the increase in the reimbursement of the costs incurred towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales and reservation networks and facilities (such as web-sites, reservations network, loyalty programmes, etc.) which are being administered by the Company in the interest of the Hotels. The Related party will reimburse the cost upto the maximum of 3% of the Gross Income of the Hotel on monthly basis. Such cost will be trued up at the end of each Financial year	Actual cost of re-imbursements is expected to be more than what was envisaged at the time of entering into contract.	29.03.2017	Nil	19.05.2017

16	Fleur Hotels Private Limited (Related Party)	Addendum to the Hotel operating Agreement dated 20.01.2017 executed on 29.03.2017 for Lemon Tree Hotel, Sector 60, Gurgaon	Remaining tenure of the agreement	The fees for the said services shall remain the same except the increase in the reimbursement of the costs incurred towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales and reservation networks and facilities (such as web-sites, reservations network, loyalty programmes, etc.) which are being administered by the Company in the interest of the Hotels. The Related party will reimburse the cost upto the maximum of 3% of the Gross Income of the Hotel on monthly basis. Such cost will be trued up at the end of each Financial year	Actual cost of re-imbursements is expected to be more than what was envisaged at the time of entering into contract.	29.03.2017	Nil	19.05.2017
17	Fleur Hotels Private Limited	License Agreement for grant of use of trademarks of the Company for Lemon Tree Premier, Leisure Valley 2, Gurgaon	Term of 3 months w.e.f 1st November, 2016 which may be extended as mutually agreed between the parties.	A fee of 1.75% (One Point Seven Five Percent) of the Gross Revenue of the Hotel (as defined under Article 1.1 of the HOA) which shall be charged and accounted as follows: (a) marketing fee of 1.5% (One Point Five Percent) of Gross Revenue and (b) a Royalty Fee of 0.25% (One-Quarter Percent) of Gross Revenue.	The transaction for entering into service agreement is advantageous for the Company and the Related Party considering the expertise of the Related party in providing the services and is in compliance with Section 188 and other applicable provisions of the Companies Act, 2013 and the rules thereto	12.12.2016	N.A	N.A

ANNEXURE '9': EXTRACT OF ANNUAL RETURN

FORM NO. MGT 9
(AS ON FINANCIAL YEAR ENDED ON 31.03.2017)

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

I	**REGISTRATION & OTHER DETAILS:**	
i	CIN	**U74899DL1992PLC049022**
ii	Registration Date	**2nd June, 1992**
iii	Name of the Company	**Lemon Tree Hotels Limited**
iv	Category/Sub-category of the Company	**Public Limited Company / Company having share capital**
v	Address of the Registered office & contact details	**Asset No. 6, Aerocity Hospitality District, New Delhi-110037** **Contact: 011-46050101**
vi	Whether listed company	**Unlisted Company**
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Karvy Computershare Private Limited, Karvy Selenium, Tower-B,** **Plot No 31 & 32, Financial District,** **Nanakramguda, Serilingampally Mandal,** **Hyderabad-500032** **T+91 040 67161603**

II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY		
	All the business activities contributing 10% or more of the total turnover of the company shall be stated		
SL No	**Name & Description of main products/services**	**NIC Code of the Product /service**	**% to total turnover of the company**
1	Hotel Business	55101	100%

III	PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES				
Sl No	**Name of the Company**	**Address**	**CIN/GLN**	**HOLDING/ SUBSIDIARY/ ASSOCIATE**	**% OF SHARES HELD #**
1	Begonia Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55101DL2009PTC189339	Subsidiary	74.11%
2	Carnation Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55101DL2002PTC118180	Wholly Owned Subsidiary	100%
3	Dandelion Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55101DL2007PTC166044	Wholly Owned Subsidiary	100%
4	Lemon Tree Hotel Company Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55101DL2007PTC158376	Wholly Owned Subsidiary	100%
5	Meringue Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55101DL2006PTC144533	Indirect Subsidiary	80%

6	Nightingale Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55101DL2007PTC158178	Subsidiary	57.53%
7	Oriole Dr. Fresh Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U85110DL2004PTC128937	Wholly Owned Subsidiary	100%
8	Pelican Facilities Management Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U74140DL2009PTC195209	Wholly Owned Subsidiary	100%
9	Canary Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55101DL2006PTC144532	Wholly Owned Subsidiary	100%
10	Sukhsagar Complexes Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U70101DL1993PTC172878	Wholly Owned Subsidiary	100%
11	Red Fox Hotel Company Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55204DL2007PTC157848	Wholly Owned Subsidiary	100%
12	Grey Fox Project Management Company Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U74140DL2012PTC238272	Subsidiary	74.90%
13	Valerian Management Services Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U20296DL2007PTC169518	Indirect Subsidiary	74.90%
14	PSK Resorts & Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U74140DL2007PTC169861	Wholly Owned Subsidiary	100%

15	Manakin Resorts Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55101DL2005PTC212230	Indirect Subsidiary	100%
16	Fleur Hotels Private Limited	Asset No. 6, Aerocity Hospitality District, New Delhi-110037	U55101DL2003PTC207912	Subsidiary	57.98%
17	Celsia Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U45201DL2003PTC191326	Indirect Subsidiary	57.98%
18	Hyacinth Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55204DL2007PTC166050	Indirect Subsidiary	57.98%
19	Inovoa Hotels & Resorts Limited	Asset No. 6, Aerocity Hospitality District, New Delhi-110037	U65921DL1995PLC067686	Indirect Subsidiary	57.98%
20	Iora Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55101DL2009PTC192981	Indirect Subsidiary	57.98%
21	Ophrys Hotels Private Limited	B-6/17, Safdarjung Enclave, New Delhi-110029	U55101DL2007PTC166020	Indirect Subsidiary	57.98%
22	Bandhav Resorts Private Limited	Khasra No 3/1 Village Bijuria Tehsil Manpur Umaria MP 484665	U55100MP2008PTC021259	Indirect Subsidiary	57.98%

% of shares mentions both direct and indirect, as the case may be, shareholding in subsidiaries.

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) **Category-wise Share holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
_	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters* :									
(1) Indian ,									
a) Individual/ HUF	0	18,05,468	18,05,468	0.23	0	19,17,628	19,17,628	0.25	0.02
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	18,01,22,627	18,01,22,627	23.15	0	18,01,22,627	18,01,22,627	23.05	-0.10
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUBTOTAL (A) (1)	**0**	**18,19,28,095**	**18,19,28,095**	**23.38**	**0**	**18,20,40,255**	**18,20,40,255**	**23.30**	**-0.08**
(2) Foreign									
a) NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00

Total Share-holding of Promoters (A)=(A)(1) +(A)(2)	**0**	**18,19,28,095**	**18,19,28,095**	**23.38**	**0**	**18,20,40,255**	**18,20,40,255**	**23.30**	**-0.08**
B. PUBLIC SHAREHOLDING:									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**

Category of Share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates									
i) #Indian	0	15,71,57,054	15,71,57,054	20.20	0	15,70,32,054	15,70,32,054	20.10	-0.10
ii) Overseas									
(a)Foreign Body Corporates	0	36,94,62,520	36,94,62,520	47.48	0	38,39,26,270	38,39,26,270	49.14	1.66
(b) OCB									
- Repat Basis	0	1,36,76,250	1,36,76,250	1.75	0	-	-	-	-1.75
- Non-Repat Basis	0	7,87,500	7,87,500	0.10	0	-	-	-	-0.10
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	67,548	67,548	0.01	0	70,512	70,512	0.01	0.00
ii) ##Individuals shareholders holding nominal share capital in excess of Rs. 1	0	3,73,42,234	3,73,42,234	4.80	0	4,05,24,012	4,05,24,012	5.19	0.39

lakhs									
c) Others (specify)									
HUF	0	1,42,42,692	1,42,42,692	1.83	0	1,42,42,692	1,42,42,692	1.82	-0.01
Trust	0	61,032	61,032	0.01	0	61,032	61,032	0.01	0.00
Non-Resident Individuals (NRI's)									
-Repat Basis	0	8,23,200	8,23,200	0.11	0	8,23,200	8,23,200	0.11	0.00
-Non-repat Basis	0	25,54,038	25,54,038	0.33	0	25,54,038	25,54,038	0.33	0.00
SUB TOTAL (B)(2):	**0**	**59,61,74,068**	**59,61,74,068**	**76.62**	**0**	**59,92,33,810**	**59,92,33,810**	**76.70**	**0.08**
Total Public Share-holding (B)=(B)(1)+(B)(2)	**0**	**59,61,74,068**	**59,61,74,068**	**76.62**	**0**	**59,92,33,810**	**59,92,33,810**	**76.70**	**0.08**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**0**	**77,81,02,163**	**77,81,02,163**	**100.00**	**0**	**78,12,74,065**	**78,12,74,065**	**100.00**	**0**

* Earlier, the shareholding of promoters and promoters group was shown in the Annual Return, however Mr. Patanjali Govind Keswani and Spank Management Services Private Limited are the 'Promoters' of the Company on the basis of definition of the term "Promoter" under the under the Companies Act, 2013, as amended.

Includes shareholding aggregating to 7.25% as on 31.03.2016 and 7.22% as on 31.03.2017, of three body corporate namely Aster Hotels & Resorts Pvt Ltd, PRN Management Services Private Limited and HeadStart Institute Private Limited, forming part of promoter's group.

Includes shareholding aggregating to 0.43% as on 31.03.2016 and 0.42% as on 31.03.2017, of two individuals namely Ms. Ila Dubey and Ms. Lillette Dubey, forming part of promoter's group

(ii) **SHAREHOLDING OF PROMOTERS**

		Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
Sl No.	**Shareholders Name**	**No. of shares**	**% of total shares of the company**	**% of shares pledged / encumbered to total shares**	**No. of shares**	**% of total shares of the company**	**% of shares pledged / encumbered to total shares**	
1	Spank Management Services Pvt. Ltd.	180,122,627	23.15	9.84	180,122,627	23.05	10.78	-0.10
2	Patanjali G Keswani	1,805,468	0.23	-	19,17,628	0.25	-	0.02
	Total	**18,19,28,095**	**23.38**	**9.84**	**18,20,40,255**	**23.30**	**10.78**	**0.08**

* Earlier, the shareholding of promoters and promoters group was shown in the Annual Return, however Mr. Patanjali Govind Keswani and Spank Management Services Private Limited are the 'Promoters' of the Company on the basis of definition of the term "Promoter" under the under the Companies Act, 2013, as amended.

iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Name of the Promoter	No of Share as at 01.04.2016 / 31.03.2017	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	Cumulative Share holding during the year	
							No of shares	% of total shares of Company
1	Mr. Patanjali G. Keswani	18,05,468	0.23	01.04.2016				
				22.08.2016	86,454	Purchase	18,91,922	0.24
				31.03.2017	25,706	Purchase	19,17,628	0.25
		19,17,628	0.25	31.03.2017				

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl No.	Name of the Share-holders	No of Shares as at 01.04.2016 / 31.03.2017	% of total shares of Company	Date	Increase / Decrease in share-holding	Reason	Cumulative Share holding during the year	
							No of shares	% of total shares of Company
1	Maplewood Investment Ltd. (Non-Resident Company)	19,29,08,118	24.79	01.04.2016	Nil	No Change		
		19,29,08,118	24.69	31.03.2017				

2	**APG Strategic Real Estate Pool N.V. (Non-Resident Company)**	11,87,30,914	15.26	01.04.2016	Nil	No Change		
		11,87,30,914	15.20	31.03.2016				
3	**RJ Corp Ltd. (Formerly Arctic Drinks Ltd)**	7,87,48,368	10.12	01.04.2016	Nil	No Change		
		7,87,48,368	10.08	31.03.2017				
4	**Palms International Investments Ltd. (Non-Resident Company)**	2,38,56,072	3.07	01.04.2016				
				19.07.2016	*1,44,63,750	Through Merger of Dianmo Holdings with Palms International	3,83,19,822	4.90
		3,83,19,822	4.90	31.03.2017				
5	**Aster Hotels and Resorts Private Limited**	3,40,30,542	4.37	01.04.2016	Nil	No Change		
		3,40,30,542	4.36	31.03.2017				
6	**Five Star Hospitality Investment Ltd. (Non-Resident Company)**	2,36,49,816	3.04	01.04.2016	Nil	No Change		
		2,36,49,816	3.03	31.03.2017				

7	**PRN Management Services P Ltd**.	1,51,13,996	1.94	01.04.2016	Nil	No Change		
		1,51,13,996	1.93	31.03.2017				
8	**R K Jaipuria, Karta-M/s. R K Jaipuria & Sons (HUF)**	1,39,99,416	1.80	01.04.2016	Nil	No Change		
		1,39,99,416	1.79	31.03.2017				
9	**Whispering Resorts Pvt. Ltd.**	1,04,79,270	1.35	01.04.2016	Nil	No Change		
		1,04,79,270	1.34	31.03.2017				
10	**Citron Ltd. (Non-Resident Company)**	1,03,17,600	1.33	01.04.2016	Nil	No Change		
		1,03,17,600	1.32	31.03.2017				

* Includes 7,87,500 shares being held on Repat Basis.

(v) Shareholding of Directors & KMP

Sl. No.	Name of the Directors/KMP's	No of Share as at 01.04.2016 31.03.2017	% of total shares of Company	Date	Increase/ Decrease in share-holding	Reason	Cumulative Share holding during the year	
							No of shares	% of total shares of Company
1.	Mr. Patanjali Govind Keswani-Chairman & Managing Director	18,05,468	0.23	01.04.2016				
				22.08.2016	86,454	Purchase	18,91,922	0.24
				31.03.2017	25,706	Purchase	19,17,628	0.25
		19,17,628	0.25	31.03.2017				
2	Mr. Rattan Keswani-Deputy Managing Director	Nil	Nil	24.10.2016	3,37,270	Allotment	3,37,270	0.04
		3,37,270	0.04	31.03.2017				
3	Mr. Ravi Kant Jaipuria-Director	Nil	Nil		Nil		Nil	Nil
4	Mr. Niten Malhan-Director	Nil	Nil		Nil		Nil	Nil
5	Mr. Sachin	Nil	Nil		Nil		Nil	Nil

	Doshi-Director							
6	**Mr. Gopal Sitaram Jiwarajka-Director**	6,57,270	0.08	01.04.2016	Nil	No change		
		6,57,270	0.08	31.03.2017				
7	**Mr. Sanjeev Kaul Duggal-Director**	Nil	Nil		Nil		Nil	Nil
8	**Mr. Aditya Madhav Keswani-Director**	Nil	Nil		Nil		Nil	Nil
9	**Mrs. Ila Dubey-Director**	29,64,292	0.37	01.04.2016				
				24.10.2016	20,000	Sale	29,44,292	0.36
		29,44,292	0.36	31.03.2017				
10	**Mr. Kapil Sharma-Chief Financial Officer**	11,29,864	0.15	01.04.2016				
				24.10.2016	2,24,150	Allotment	13,54,014	0.17
		13,54,014	0.17	31.03.2017				
11	**Mr. Nikhil Sethi-Group Company Secretary & GM Legal**	Nil	Nil	Nil	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Particulars	Secured Loans excluding deposits(Amount in rupees)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,44,87,83,201	-	-	34,47,83,201
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16,41,455	-	-	16,41,455
iv) Opening adjustments as per IND-AS	(3,80,69,007)			(3,80,69,007)
Total (i+ii+iii)	**3,41,23,55,649**	-	-	**3,41,23,55,649**
Change in Indebtedness during the financial year				
Additions	8,07,14,63,243	-	-	8,07,14,63,243
Reduction	8,27,72,68,249	-	-	8,27,72,68,249
Adjustment as per IND-AS	(3,25,27,011)			(3,25,27,011)
Net Change	**(23,83,32,017)**	-	-	**(23,83,32,017)**
Indebtedness at the end of the financial year				
i) Principal Amount	3,21,04,51,184	-	-	3,21,04,51,184
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,27,193	-	-	2,27,193
Total (i+ii+iii)	**3,21,06,73,157**			**3,21,06,73,157**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Mr. Patanjali G. Keswani	**Mr. Rattan Keswani**	
1.	**Gross salary**			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2,43,21,090	20,22,131	2,63,43,221
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	46,68,067	-	46,68,067
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	
2	Stock option	-	900,000	900,000
3	Sweat Equity	-	-	
4	Commission	-	-	
	as % of profit			
	others (specify)			
5	Others#	-	-	
	Total (A)##	**2,89,89,157**	**29,22,131**	**3,19,11,288**
	Ceiling as per the Act###	-	-	-

Others include provision of bonus, wherever applicable.

Total includes the amount of stock options calculated by multiplying the number of stock options by the face value of the equity shares of the Company.

Unlisted companies can pay remuneration to its managerial personnel**,** in the event of no profit or inadequate profit beyond ceiling specified in Section II, Part II of Schedule V in terms of Rule7(2) of Companies (Appointment & Remuneration of Managerial Personnel Rules), 2014

B. **Remuneration to other directors: -- NIL –**

Sl. No	**Particulars of Remuneration**	**Name of the Directors**	**Amount**
1	Independent Directors		
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c) Others, please specify		
	Total (1)		
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c) Others, please specify.		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act.		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
1	**Gross Salary**	**CEO**	**CFO**	**CS***	**CS****	**Total**
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	N.A	59,10,466.00	11,39,058.00	3,55,613.00	**74,05,137.00**
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961		21,58,184.00	19,800.00	5,400.00	**21,83,384.00**
	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	-	-	-
2	Stock Option		18,00,000.00	-	-	**18,00,000.00**
3	Sweat Equity		-	-	-	
4	Commission		-	-	-	
	as % of profit					
	others, specify					
5	Others		-	-	-	
	Total (c) #		98,68,650.00	11,58,858.00	3,61,013.00	**1,13,88,521.00**

#Total includes the amount of stock options calculated by multiplying the number of stock options by the face value of the equity shares of the Company.

* Mr. Nikhil Sethi, Group Company Secretary and GM Legal has joined the Company w.e.f 12.12.2016

**Ms. Suman Singh, AGM and Group Company Secretary has resigned from the Company w.e.f 30.06.2016

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

Date: 15.06.2017
Place: New Delhi

For Lemon Tree Hotels Limited

Sd/-
Patanjali G. Keswani
Chairman & Managing Director

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Golf View Corporate Tower - B
Sector-42, Sector Road
Gurgaon -122 002, Haryana, India

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INDEPENDENT AUDITOR'S REPORT

To the Members of Lemon Tree Hotels Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Lemon Tree Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

S.R. BATLIBOI & CO. LLP GURGAON

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

(c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

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

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

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

S.R. BATLIBOI & CO. LLP GURGAON

iv. The Company has provided requisite disclosures in Note 39 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S.R. BATLIBOI & CO. LLP GURGAON

per Sanjay Vij
Partner
Membership Number: 95169
Place: Gurgaon
Date: 15 JUN 2017

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date
Re: Lemon Tree Hotels Limited (the Company)

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

(i)(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i)(c) According to the information and explanations given by the management, the title deeds of immovable properties included fixed assets are held in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii)(a) According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

S.R. BATLIBOI & CO. LLP
GURGAON

(vii)(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax and cess on account of any dispute, are as follows:

Name of the Statute	**Nature of dues**	**Disputed amount (Rs. in lakhs)**	**Amount paid under protest**	**Period to which the amount relates**	**Forum where dispute is pending**
Service Tax Rule, 1994	Service Tax	70.05	Nil	October 2007-March 2009	Central Excise and Service Tax Appellate tribunal
Maharashtra Luxury Tax Act, 1987	Luxury Tax	36.00	Nil	FY 2010-11	Mumbai Tribunal
Service Tax Rule, 1994	Service Tax	37.06	Nil	FY 2012-13	Central Excise and Service Tax Appellate tribunal
Service Tax Rule, 1994	Service Tax	93.67	Nil	FY 2013-14	Stay application filed at Central Excise and Service Tax Appellate tribunal

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.

(ix) According to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. Further, according to the information and explanation given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments.

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

S.R. BATLIBOI & CO. LLP
GURGAON

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sanjay

S.R. BATLIBOI & CO. LLP GURGAON

per Sanjay Vij
Partner
Membership Number: 95169
Place: Gurgaon
Date: 15 JUN 2017

Annexure 2 referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date
Re: Lemon Tree Hotels Limited (the Company)

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 Lemon Tree Hotels Limited ("the Company") as of March 31, 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. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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 as specified 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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(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 March 31, 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.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sanjay

S.R. BATLIBOI & CO. LLP
GURGAON

per Sanjay Vij
Partner
Membership Number: 95169
Place: Gurgaon
Date: 15 JUN 2017

Lemon Tree Hotels Limited
Balance Sheet as at March 31, 2017

	Note	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	**43,230.18**	45,058.43	42,929.99
(b) Capital work-in-progress	4	**587.23**	527.05	1,177.90
(c) Investment property	5	**250.10**	254.49	258.89
(d) Intangible assets	6	**51.80**	36.91	62.85
(e) Intangible assets under development	6	**140.40**	-	-
(f) Financial assets	7			
(i) Investments		**69,733.05**	69,989.25	68,151.31
(ii) Loans		**1,557.44**	2,144.72	2,267.07
(iii) Other non-current financial assets		**1,252.69**	1,124.28	1,032.49
(g) Deferred tax assets (net)	8	**-**	-	-
(h) Other non-current assets	9	**10,119.40**	8,177.65	11,383.34
		126,922.29	127,312.78	127,263.84
Current assets				
(a) Inventories	10	**202.96**	229.14	199.74
(b) Financial assets	11			
(i) Trade receivables		**1,456.71**	1,706.79	1,069.78
(ii) Cash and cash equivalents		**566.38**	509.66	421.42
(iii) Loans		**613.54**	1.11	56.06
(iv) Other current financial assets		**11.83**	13.39	14.29
(c) Other current assets	12	**847.34**	1,235.02	641.11
		3,698.76	3,695.11	2,402.40
Total Assets		**130,621.05**	131,007.89	129,666.24
EQUITY AND LIABILITIES				
Equity				
(a) Share capital	13	**78,121.30**	77,804.11	77,642.58
(b) Other equity	14	**14,601.82**	13,604.46	15,118.64
Total Equity		**92,723.12**	91,408.57	92,761.22
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	**25,762.06**	27,725.98	27,443.90
(b) Long term provisions	16	**81.44**	78.43	62.65
(c) Other non-current liabilities	17	**977.56**	831.79	683.50
		26,821.06	28,636.20	28,190.05
Current liabilities				
(a) Financial liabilities	18			
(i) Borrowings		**4,215.97**	4,419.18	4,163.66
(ii) Trade payables		**3,686.79**	3,144.66	2,958.75
(iii) Other financial liabilities		**2,224.65**	2,607.65	1,065.56
(b) Provisions	16	**106.23**	90.85	69.69
(c) Current tax liabilities (net)	19	**-**	-	1.07
(d) Other current liabilities	20	**843.23**	700.78	456.24
		11,076.87	10,963.12	8,714.97
Total Liabilities		**37,897.93**	39,599.32	36,905.02
Total Equity and Liabilities		**130,621.05**	131,007.89	129,666.24

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Sanjay Vij
Partner
Membership No. 95169

S.R. BATLIBOI & CO. LLP GURGAON

Place : Gurgaon
Date : June 15, 2017

For and on behalf of the Board of Directors of Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(Group Company Secretary & GM Legal)

Lemon Tree Hotels Ltd. New Delhi

Place : New Delhi
Date : June 15, 2017

Lemon Tree Hotels Limited
Statement of Profit and Loss for the year ended March 31, 2017

	Note	Year ended March 31, 2017 Rs in lakhs	Year ended March 31, 2016 Rs in lakhs
Revenue from operations	21	**21,842.80**	19,328.32
Other income	22	**700.48**	133.79
Total Income (I)		**22,543.28**	19,462.11
Expenses			
Cost of food and beverages consumed	23	**1,367.03**	1,299.93
Employee benefits expense	24	**5,030.33**	4,722.14
Other expenses	25	**9,480.10**	8,979.65
Total expenses (II)		**15,877.46**	15,001.72
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II) (refer note 2.2 (s))		**6,665.82**	4,460.39
Finance costs	26	**4,125.61**	4,257.84
Finance income	27	**(369.71)**	(232.12)
Depreciation and amortization expense	28	**2,119.95**	2,183.68
Profit/(loss) before tax		**789.97**	(1,749.01)
Tax expense:			
Current tax (MAT)		**122.27**	-
Adjustment of tax relating to earlier periods		**6.95**	10.91
		129.22	10.91
Profit/ (Loss) for the year		**660.75**	(1,759.92)
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		**14.88**	5.56
(ii) Income tax effect		**(3.03)**	-
		11.85	5.56
Total comprehensive income/(loss) for the year		**672.60**	(1,754.36)
Earnings per equity share			
(1) Basic	29	**0.08**	(0.23)
(2) Diluted	29	**0.08**	(0.23)
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Sanjay Vij
Partner
Membership No. 95169

S.R. BATLIBOI & CO. LLP GURGAON

Place : Gurgaon
Date : June 15, 2017

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(Group Company Secretary & GM Legal)

Place : New Delhi
Date : June 15, 2017

Lemon Tree Hotels Ltd. New Delhi

Lemon Tree Hotels Limited
Statement of Changes in Equity

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares	Amount Rs in lakhs
At 1 April 2015	776,425,740	77,642.58
Issued during the year - Exercise of ESOP	419,539	41.95
Issued during the year - other than ESOP	1,195,852	119.58
At 31 March 2016	778,041,131	77,804.11
Issued during the year - Exercise of ESOP	2,871,902	287.19
Issued during the year - other than ESOP	300,000	30.00
At 31 March 2017	781,213,033	78,121.30

B. Other Equity
For the year ended March 31, 2017

Rs in lakhs

	Reserves and Surplus					Items of OCI	
	Capital redemption reserve	**Securities premium**	**Share based payments reserve**	**Other reserves**	**Surplus in the statement of profit & loss**	**Remeasurement gains /(losses) on defined benefit plans**	**Total equity**
Balance at 1 April 2015	45.00	8,604.96	26.59	3,035.24	3,406.85	-	15,118.64
Profit for the year	-	-	-	-	(1,759.92)	-	(1,759.92)
Other Comprehensive Income for the year	-	-	-	-	-	5.56	5.56
Issue of share capital	-	77.73	-	-	-	-	77.73
Share-based payments	-	-	148.74	-	-	-	148.74
Amount transferred	-	3.51	(3.51)	-	-	-	-
Exercise of share options	-	13.71	-	-	-	-	13.71
Balance at 31 March 2016	45.00	8,699.91	171.82	3,035.24	1,646.93	5.56	13,604.46
Profit for the year	-	-	-	-	660.75	-	660.75
Other Comprehensive Income for the year	-	-	-	-	-	11.85	11.85
Issue of share capital	-	34.50	-	-	-	-	34.50
Share-based payments	-	-	114.13	-	-	-	114.13
Amount transferred	-	43.83	(43.83)	-	-	-	-
Exercise of share options	-	176.13	-	-	-	-	176.13
Balance at 31 March 2017	45.00	8,954.37	242.12	3,035.24	2,307.68	17.41	14,601.82

Summary of significant accounting policies 2.2
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Vij

per Sanjay Vij
Partner
Membership No. 95169

S.R. BATLIBOI & CO. LLP GURGAON

Place : Gurgaon
Date : June 15, 2017

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Keswani

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Nikhil Sethi
(Group Company Secretary & GM Legal)

Place : New Delhi
Date : June 15, 2017

Kapil Sharma
(Chief Financial Officer)

Lemon Tree Hotels Ltd. New Delhi

Lemon Tree Hotels Limited
Cash flow statement for the year ended March 31, 2017

	For the year ended March 31, 2017 Rs in lakhs	For the year ended March 31, 2016 Rs in lakhs
A. Cash flow from operating activities		
Profit/ (Loss) before tax	789.97	(1,749.01)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	2,119.95	2,183.68
Lease equalisation reserve	145.77	159.52
Finance income (including fair value change in financial instruments)	(369.71)	(232.12)
Finance costs	3,936.44	4,107.38
Advance written off	1.22	160.51
Provision for gratuity	18.85	22.73
Provision for leave encashment	5.41	0.31
Amortization of prepayment expenses	68.76	21.95
Share based payments to employees	114.13	148.74
Excess provision/ credit balances written back	(6.36)	(13.76)
Profit on relinquishment of rights	(600.00)	-
Provision for litigation	9.01	19.46
Provision for doubtful debts	11.56	6.71
Net (gain)/ loss on sale of property plant and equipment	20.16	20.55
Operating profit before working capital changes:	6,265.16	4,856.65
Movements in working capital:		
Change in trade receivables	238.51	(643.72)
Change in loans and advances and other current assets	445.74	(197.96)
Change in inventories	26.19	(29.40)
Change in liabilities and provisions	428.93	616.73
Cash Generated from Operations	7,404.53	4,602.30
Direct taxes paid (net of refunds)	(219.06)	(392.78)
Net cash flow from operating activities (A)	7,185.47	4,209.52
B. Cash flows from/ (used in) investing activities		
Purchase of Property, Plant & Equipment including CWIP and capital advances	(2,817.92)	(465.44)
Proceeds from sale of property plant & equipment	46.28	34.83
Purchase of investment in subsidiary companies	(173.29)	(1,541.02)
Profit on relinquishment of rights	600.00	-
Loans (given)/ repaid to/ by subsidiaries	257.71	(194.25)
Interest received	369.71	232.12
Net Cash flow from/ (used in) investing activities (B)	(1,717.51)	(1,933.76)
C Cash flows from/ (used in) financing activities		
Proceeds from issuance of share capital	527.83	252.97
Proceeds from long term borrowings	2,240.41	2,321.03
Repayment of long term borrowings	(4,039.83)	(909.66)
(Repayment)/ availment of short term borrowings	(203.21)	255.51
Interest paid	(3,936.44)	(4,107.37)
Net Cash flow from/ (used in) financing activities (C)	(5,411.24)	(2,187.52)

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Lemon Tree Hotels Ltd. New Delhi

Lemon Tree Hotels Limited
Cash flow statement for the year ended March 31, 2017

	For the year ended March 31, 2017 Rs in lakhs	For the year ended March 31, 2016 Rs in lakhs
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**56.72**	88.24
Cash and cash equivalents at the beginning of the year	**509.66**	421.42
Cash and cash equivalents at the end of the year	**566.38**	509.66
Components of cash and cash equivalents		
Cash on hand	**19.35**	24.16
Balances with scheduled banks in		
- Current accounts	**547.03**	485.50
Total cash and cash equivalents	**566.38**	509.66

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Sanjay Vij
Partner
Membership No. 95169

S.R. BATLIBOI & CO. LLP GURGAON

Place : Gurgaon
Date : June 15, 2017

For and on behalf of the Board of Directors of Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(Group Company Secretary & GM Legal)

Lemon Tree Hotels Ltd. New Delhi

Place : New Delhi
Date : June 15, 2017

1. Corporate Information

Lemon Tree Hotels Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Asset No. 6, Aerocity Hospitality District, New Delhi-110037.

The principal activities of the Company is to carry out business of developing, owning, acquiring, renovating and promoting hotels, motels, resorts, restaurants, etc. under the brand name of Lemon Tree Hotel, Lemon Tree Premier and Red Fox Hotel.

The financial statements are approved for issue by the Board of directors on June 15, 2017.

2 Basis of preparation of financial statements and Significant accounting policies

2.1 Basis of preparation and Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 38 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value/ amortised cost (refer note 35 below)

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, expect where otherwise indicated.

2.2 Significant accounting policies

(a) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

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Lemon Tree Hotels Ltd. New Delhi

months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

(b) Foreign currencies

Transactions and balances

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

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

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

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

(c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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Lemon Tree Hotels Ltd. New Delhi

it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 30)
- Quantitative disclosures of fair value measurement hierarchy (note 35)
- Financial instruments (including those carried at amortised cost) (note 35)

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Lemon Tree Hotels New Delhi

(d) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rooms, Restaurant, Banquets and Other Services

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Service Tax, Value Added Taxes (VAT) and Luxury Tax. Difference of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of Sales Tax / VAT.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Management Fee

Revenue from management services comprises fixed & variable income. Fixed income is recognised pro-rata over the period of the contract as and when services are rendered. Variable income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

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Lemon Tree Hotels Ltd New Delhi

(e) **Taxes**

Tax expense represents current income tax and deferred tax.

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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asset to be recovered.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:
- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(f) Property, plant and equipment

On transition to IND AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment (See Note 38)

Capital work in progress is stated at cost. plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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Depreciation on fixed assets is provided as per Schedule II of Companies Act, 2013 on Straight Line Method over its economic useful life of fixed assets as follows:

Fixed Assets	Useful life considered (SLM)
Plant & Machinery	15 Year
Building*	60 Years
Electrical equipments and fittings	10 Years
Office Equipments	5 Years
Furniture and Fixtures	10 Years
Crockery, cutlery and soft furnishings	3 Years
Vehicles	8 Years
Computers	3 Years

* Building on leasehold land is depreciated over the primary lease period or useful life whichever is lower.

The Company, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

(g) Intangible assets

On transition to IND AS, the Company has elected to continue with the carrying value of all of its Intangible assets recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Intangible asset (See Note 38)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as 3 years and the same shall be amortised on Straight line basis over its useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually at year end either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be

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supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

(h) Investment properties

On transition to IND AS, the Company has elected to continue with the carrying value of all of its Investment properties recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Investment properties (See Note 38).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over the remaining estimated useful life on the date of purchase after considering total economic useful life of 60 years.

Though the Company measures investment property using deemed cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(i) Borrowing costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actul borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability after considering all the contractual terms of the financial instrument.

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(j) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

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

Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or
(b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Operating lease receipt are recognised as income in the statement of profit and loss on a straight-line basis over the lease term unless either:

(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the receipt from the lessee are not on that basis, or
(b) The receipts from the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If receipts from the lessee vary because of factors other than general inflation, then this condition is not met.

Stamp duties payable to local authorities on registration of lease agreements, are recognised as prepaid expense and charged off to Statement of Profit and Loss on an equitable basis over the lease term.

Conversion charges payable to local authorities on conversion of use of industrial plot for

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hotel purposes, are recognised as prepaid expense and charged off to statement of profit and loss on an equitable basis over the lease term.

(k) Inventories

Stock of food and beverages, stores and operating supplies are valued at lower of cost and net realisable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.

(l) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair valueless costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

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

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(m) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

(n) Deferred Revenue

The Company operates a loyalty point's programme, which allows customers to accumulate points when they obtain services in the Company's Hotels. The points can be redeemed for free products/ nights, subject to a minimum number of points being obtained. Consideration received is allocated between the Room Revenue and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

(o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year. Company's contribution made to Life Insurance Corporation is expenses off at the time of payment of premium.
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

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- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

The company treats leaves expected to be carried forward for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(p) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:
- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments in subsidiaries carried at cost

Debt instruments at amortised cost

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

This category is the most relevant to the Company. The difference between the transaction amount and amortized cost in case of interest free loan to subsidiaries based on the expected repayment period is considered as 'deemed investment on account of interest free loan to

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subsidiaries' (Refer Note 7(i)). After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. If there is any change in estimate for payment of loan (provided that there was no error in original estimate) , difference in carrying amount and repayment has been adjusted as return on capital by the parent, based on condition/ situation prevailing on that date. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The Company has designated compulsory redeemable preference shares investments in its subsidiaries at FVTPL. The difference between the transaction amount and amortized cost is considered as 'deemed investment in compulsory redeemable preference shares' (Refer Note 7(i)).

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

Equity instruments

All equity investments (other than equity investments in subsidiaries) in scope of Ind AS 109 are measured at fair value. Equity instruments in subsidiaries are carried at cost in separate financial statements less impairments if any. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
b) Financial assets that are debt instruments and are measured as at FVTOCI.
c) Trade receivables or any contractual right to receive cash or another financial asset.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition

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and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 15.

Financial guarantee

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

Derecognition

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

Offsetting of financial instruments

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

(q) Cash and cash equivalents

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

(r) Share-based payments

Certain employees (including senior executives) of the company receive part of their remuneration in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of equity-settled transactions with employees measured at fair value at the date at which they are granted using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will

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ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

(s) Measurement of EBITDA

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

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Notes to financial statements for the year ended March 31, 2017

3. Property, plant and equipment

Rs in lakhs

Particulars	Freehold land	Building on freehold land	Building on leasehold Land	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Crockery, cutlery and soft furnishings	Computers	Vehicles	Total
Cost or valuation												
Deemed Cost as at April 1, 2015	8,717.26	13,876.89	11,879.10	3,889.56	1,540.92	760.04	58.24	1,729.06	117.89	48.35	312.68	42,929.99
Additions	-	2,206.03	78.77	743.77	268.96	154.23	16.67	497.34	118.64	52.56	41.32	4,178.29
Disposals	-	-	-	1.81	2.78	6.61	2.32	-	-	1.10	104.45	119.07
Other adjustments												
- Borrowing Costs	-	145.33	-	-	-	-	-	-	-	-	-	145.33
As at March 31, 2016	**8,717.26**	**16,228.25**	**11,957.87**	**4,631.52**	**1,807.10**	**907.66**	**72.59**	**2,226.40**	**236.53**	**99.81**	**249.55**	**47,134.54**
Additions	-	-	-	27.98	3.49	32.56	7.16	135.47	-	16.98	97.39	321.03
Disposals	-	-	-	2.17	5.10	1.46	25.40	97.03	1.04	3.54	84.40	220.14
As at March 31, 2017	**8,717.26**	**16,228.25**	**11,957.87**	**4,657.33**	**1,805.49**	**938.76**	**54.35**	**2,264.84**	**235.49**	**113.25**	**262.54**	**47,235.43**
Depreciation												
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	243.39	329.51	386.08	318.09	126.53	36.74	479.16	89.20	33.89	97.21	2,139.80
Disposals	-	-	-	0.67	2.78	0.50	2.46	-	-	0.57	56.71	63.69
As at March 31, 2016	-	**243.39**	**329.51**	**385.41**	**315.31**	**126.03**	**34.28**	**479.16**	**89.20**	**33.32**	**40.50**	**2,076.11**
Charge for the year	-	275.74	288.72	425.10	319.45	138.80	18.29	441.92	73.76	30.66	70.40	2,082.84
Disposals	-	-	-	0.75	5.04	0.69	23.99	62.94	1.04	3.15	56.10	153.70
As at March 31, 2017	-	**519.13**	**618.23**	**809.76**	**629.72**	**264.14**	**28.58**	**858.14**	**161.92**	**60.83**	**54.80**	**4,005.25**
Net Book value												
As at March 31, 2017	8,717.26	15,709.12	11,339.64	3,847.57	1,175.77	674.62	25.77	1,406.70	73.57	52.42	207.74	43,230.18
As at March 31, 2016	8,717.26	15,984.86	11,628.36	4,246.11	1,491.79	781.63	38.31	1,747.24	147.33	66.49	209.05	45,058.43
As at April 1, 2015	8,717.26	13,876.89	11,879.10	3,889.56	1,540.92	760.04	58.24	1,729.06	117.89	48.35	312.68	42,929.99

Net book value	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Plant, property and equipment	43,230.18	45,058.43	42,929.99

Notes
a) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in note 15 on 'borrowings'.

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4. Capital work-in-progress

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Hotel at Shimla			
Material	**414.00**	362.46	319.96
Project staff expenses	**60.11**	51.60	45.63
Salary wages & bonus	**29.73**	29.72	29.72
Professional charges	**80.72**	80.60	74.00
Others	**2.67**	2.67	2.67
	587.23	527.05	471.98
Hotel at Gurgaon, City Centre			
Material	-	3,365.00	512.62
Professional charges	-	325.57	117.47
Borrowing cost	-	145.33	33.16
Salary, wages & bonus	-	98.09	29.90
Project staff expenses other than salary	-	33.40	13.87
Misc.Gov.expenses/fees	-	41.84	8.90
	-	4,009.23	715.92
Less: scrap sale	-	10.00	10.00
	-	3,999.23	705.92
Less:- Capitalised during the year	-	3,999.23	-
	-	-	705.92
	587.23	527.05	1,177.90

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5. Investment property

Particulars	Rs in lakhs	Total Rs in lakhs
Cost or valuation		
Deemed Cost as at April 1, 2015	258.89	258.89
Additions	-	-
As at March 31, 2016	**258.89**	**258.89**
Additions	-	-
As at March 31, 2017	**258.89**	**258.89**
Depreciation and Impairment		
As at April 1, 2015	-	-
Charge for the year	4.40	4.40
As at March 31, 2016	**4.40**	**4.40**
Charge for the year	4.39	4.39
As at March 31, 2017	**8.79**	**8.79**
Net Block		
As at March 31, 2017	**250.10**	**250.10**
As at March 31, 2016	254.49	254.49
As at April 1, 2015	258.89	258.89

Information regarding income and expenditure of Investment property:

	March 31, 2017 Rs in lakhs	March 31, 2016 Rs in lakhs
Rental income derived from investment property	14.42	12.91
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(0.99)	(1.13)
Profit arising from investment properties before depreciation and indirect expenses	**13.43**	**11.78**
Less – Depreciation	(4.39)	(4.40)
Profit arising from investment properties before indirect expenses	**9.04**	**7.38**

The Company's investment properties consist of a commercial property in India. The management has determined that the investment property consist of one classes of asset – office space – based on the nature, characteristics and risks of the property.
The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

As at 31 March 2017 and 31 March 2016, the fair values of the property is Rs. 258.89 lacs and Rs. 258.89 lacs respectively.
These valuations are based on valuations performed by an external independent valuer at the time of acquisition of property.
The mnagement has considered these valuations on the basis that there is no material change in the value of property since acquired.

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique	Significant unobservable Inputs
Sales comparable method	Location Size of building Quality of building Visibility of unit Furnished/unfurnished

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6. Intangible assets

Rs in lakhs

Particulars	**Software**	**Total**
Cost or valuation		
Deemed Cost as at April 1, 2015	62.85	62.85
Additions	13.54	13.54
Disposals	-	-
As at March 31, 2016	**76.39**	**76.39**
Additions	47.61	47.61
Disposals	41.29	41.29
As at March 31, 2017	**82.71**	**82.71**
Amortisation and impairment		
As at April 1, 2015	-	-
Amortisation	39.48	39.48
Disposals	-	-
As at March 31, 2016	**39.48**	**39.48**
Amortisation	32.72	32.72
Disposals	41.29	41.29
As at March 31, 2017	**30.91**	**30.91**
Net Block		
As at March 31, 2017	**51.80**	**51.80**
As at March 31, 2016	36.91	36.91
As at April 1, 2015	62.85	62.85

Net book value	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Intangible assets	51.80	36.91	62.85
Intangible assets under development	140.40	-	-

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7. Financial assets

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(i) Investments			
Investments at cost			
Unquoted equity shares of subsidiary companies			
34,374,498 (March 31, 2016: 34,374,498, April 1, 2015: 33,745,748) equity shares of Fleur Hotels Private Limited of Rs.10 each fully paid.	44,307.20	44,307.20	43,257.19
8,667,000 (March 31, 2016: 8,667,000, April 1, 2015: 8,667,000) equity shares of PSK Resorts & Hotels Private Limited of Re.1 each fully paid.	2,659.10	2,659.10	2,659.10
5,945,400 (March 31, 2016: 5,945,400, April 1, 2015: 5,945,400) equity shares of Canary Hotels Private Limited of Re.1 each fully paid.	1,824.28	1,824.28	1,824.28
495,000 (March 31, 2016: 495,000, April 1, 2015: 495,000) equity shares of Sukhsagar Complexes Pvt Ltd of Rs.10 each fully paid.	1,524.66	1,524.66	1,524.66
75,000,000 (March 31, 2016: 75,000,000, April 1, 2015: 75,000,000) equity shares of Nightingale Hotels Pvt Ltd of Re.1 each fully paid.	931.40	931.40	931.40
571,428 (March 31, 2016: 571,428, April 1, 2015: 571,428) equity shares of Manakin Resorts Pvt. Ltd. of Rs.10 each fully paid.	390.69	390.69	390.69
10,854,592 (March 31, 2016: 10,854,592, April 1, 2015: 193,832) equity shares of Begonia Hotels Private Limited of Re.1 each fully paid.	48.86	48.86	48.86
200,000 (March 31, 2016: 200,000, April 1, 2015: 200,000) equity shares of Oriole Dr Fresh Hotels Pvt Ltd of Rs.10 each fully paid.	20.02	20.02	20.02
934,580 (March 31, 2016: 700,000, April 1, 2015: 700,000) equity shares of Carnation Hotels Private Limited of Re.1 each fully paid.	9.35	7.00	7.00
375,000 (March 31, 2016: 375,000, April 1, 2015: 375,000) equity shares of Grey Fox Project Management Company Private Limited of Re.1 each fully paid.	3.75	3.75	3.75
100,000 (March 31, 2016: 100,000, April 1, 2015: 100,000) equity shares of Pelican Facilities Management Pvt Ltd of Re.1 each fully paid.	1.00	1.00	1.00
100,000 (March 31, 2016: 100,000, April 1, 2015: 100,000) equity shares of Dandelion Hotels Private Limited of Re.1 each fully paid.	1.00	1.00	1.00
350,000 (March 31, 2016: 200,000, April 1, 2015: 100,000) equity shares of Lemon Tree Hotel Company Private Limited of Re.1 each fully paid.	3.50	2.00	1.00
100,000 (March 31, 2016: 100,000, April 1, 2015: 100,000) equity shares of Red Fox Hotel Company Private Limited of Re.1 each fully paid.	1.00	1.00	1.00
Unquoted compulsory redeemable preference shares of subsidiary companies at fair value through Profit and loss			
1,790,000 (March 31, 2016: 1,790,000, April 1, 2015: 1,790,000) 5% Redeemable Cumulative Preference Shares of Oriole Dr. Fresh Hotels Private Limited of Rs.100 each fully paid.*	516.43	463.01	415.11
2,700,000 (March 31, 2016: 2,700,000, April 1, 2015: 2,700,000) 10% Redeemable Cumulative Preference shares of Canary Hotels Private Limited of Re.100 each fully paid.**	2,700.00	2,700.00	2,700.00
320,000 (March 31, 2016: 240,000, April 1, 2015: 50,000) 5% Redeemable Non Cumulative Preference shares of Canary Hotels Private Limited of Re.100 each fully paid.***	127.43	84.63	17.72
350,000 (March 31, 2016: 350,000, April 1, 2015: 350,000) 5% Redeemable Non Cumulative Preference shares of Carnation Hotels Private Limited of Re.100 each fully paid.***	155.75	139.92	125.70
Preference shares of Grey Fox Project Management Company Private Limited of Re.100 each fully paid.****	318.12	285.97	228.23
770,000 (March 31, 2016: 680,000, April 1, 2015: 430,000) 5% Redeemable Non Cumulative Preference shares of Sukhsagar Hotels Private Limited of Re.100 each fully paid.***	324.35	257.78	154.75
Deemed investment on account of interest free loan to subsidiaries			
Dandelion Hotels Private Limited	1,015.00	315.90	146.02
Meringue Hotels Private Limited	9,552.34	9,552.34	9,532.52
Oriole Dr Fresh Hotels Pvt Ltd	839.65	2,108.93	2,108.93
Deemed investment in redeemable preference shares recognised at fair value through profit and loss			
Sukhsagar Complexes Private Limited	492.83	439.73	275.25
Oriole Dr Fresh Hotels Pvt Ltd	1,376.68	1,376.68	1,376.67
Canary Hotels Private Limited	204.52	157.38	32.28
Carnation Hotels Private Limited	224.30	224.30	224.30
Grey Fox Project Management Company Private Limited	159.58	159.58	141.77
Investments at fair value through profit and loss			
Others			
2,567 (March 31, 2016: 2,567, April 1, 2015: 2,567) equity shares of SEP Energy Private Limited of Rs.10 each fully paid.	0.26	0.26	0.26
Other investments at amortised cost			
Six Years National Saving Certificates	-	0.88	0.85
	69,733.05	69,989.25	68,151.31
Aggregate book value of unquoted investments	69,733.05	69,989.25	68,151.31
Total	69,733.05	69,989.25	68,151.31

*The preference shares are to be redeemed on or after August 1, 2020 but not later than 15 years from the date of allotment.

**The preference shares are to be redeemed on October 4, 2027.

***The preference shares will be redeemed either at the option of the Company or at the option of the subsidiary at any-time after the expiry of one year or before expiry of ten years.

****The preference shares will be redeemed either at the option of the Company or at the option of the subsidiary at any-time after the expiry of one year or before expiry of five years.

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	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(ii) Loans			
(unsecured considered good unless otherwise stated)			
Loans to subsidiary companies at amortised cost	471.84	1,383.09	1,342.53
Loans to employees at amortised cost	1,085.60	761.63	924.54
	1,557.44	2,144.72	2,267.07

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(iii) Other non-current financial assets			
Security Deposits (unsecured, considered good)	871.80	771.78	701.25
Interest accrued on deposits with banks and others	127.79	99.40	75.07
Other bank balances	253.10	253.10	256.17
	1,252.69	1,124.28	1,032.49

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8. Deferred tax assets (net)

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Property, plant and equipment	3,624.70	3,406.73	3,080.49
Deferred tax liability	3,624.70	3,406.73	3,080.49
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	82.98	293.72	283.37
Effect of unabsorbed depreciation and business loss	2,640.39	2,341.02	2,137.17
Gratuity	32.44	31.09	25.26
Leave compensation	21.67	19.83	19.73
Loyalty program	1.81	2.29	6.18
Provision for contingency	9.68	-	-
Provision for slow moving inventory	10.55	-	-
Expense on account of lease equalization reserve created	332.27	282.73	228.50
Security deposits	479.22	425.10	368.13
Loan to employee	5.84	7.23	11.22
Borrowings	2.54	0.65	0.14
Provision for doubtful debts and advances	5.31	3.07	0.79
Deferred tax asset	3,624.70	3,406.73	3,080.49
Deferred tax asset (net)	-	-	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2016 and 31 March 2017:

	March 31, 2017	March 31, 2016
Profit/(loss) before tax	789.97	(1,749.01)
Tax rate	33.99%	33.99%
Tax at statutory income tax rate	268.51	(594.49)
Effect of incomes taxable at nil/lower rate	(121.02)	-
Effect of non-deductible expenses	-	18.30
Tax Effect of expenses/ income not allowed/ required to tax under Income tax charge/ (credit) in respect of earlier year	6.95	10.91
Unrecognized tax assets (net)	(25.22)	576.19
Net	129.22	10.91
As per profit and loss account	129.22	10.91

9. Other non-current assets

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Unsecured, considered good			
Capital advances	2,781.80	819.82	3,996.26
Unsecured, considered good			
Advance Income Tax (net of provision for taxation)	1,449.22	1,362.42	981.63
Prepaid stamp duty	228.29	211.16	236.93
Prepaid conversion charges	512.55	522.61	532.68
Prepaid expenses	3.82	-	-
Prepayments of security deposit	5,143.72	5,261.64	5,635.84
Total	10,119.40	8,177.65	11,383.34

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10. Inventories
(valued at lower of cost and net realisable value)

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Food and beverages (excluding liquor and wine)	**49.41**	48.03	33.46
Liquor and wine	**29.14**	38.14	27.50
Stores, cutlery, crockery, linen, provisions and others	**124.41**	142.97	138.78
Total	**202.96**	229.14	199.74

During the year ended March 31,2017 : Rs. 32.34 lakhs (March 31, 2016: Rs. 18.51 lakhs, April 1, 2015: Rs. 10.40 lakhs) was recognised as an expense for inventories carried at net realisable value

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11. Financial assets

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(i) Trade receivables			
Trade receivables	1,456.71	1,706.79	1,069.78
	1,456.71	1,706.79	1,069.78
Break-up for security details:			
Trade receivables			
Secured, considered good	-	-	-
Unsecured, considered good	1,458.55	1,706.79	1,069.78
Doubtful	13.78	9.04	2.32
	1,472.33	1,715.83	1,072.10
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	1.84	-	-
Doubtful	13.78	9.04	2.32
	15.62	9.04	2.32
Total	1,456.71	1,706.79	1,069.78

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
The interest free credit period given to customers is upto 90 days.

	As At March 31, 2017 Rs in lakhs	As At March 31, 2016 Rs in lakhs	As At April 1, 2015 Rs in lakhs
(ii) Cash and cash equivalents			
Balance with banks			
On current & cash credit accounts	547.03	485.50	381.91
Cash on hand	19.35	24.16	39.51
	566.38	509.66	421.42

At March 31, 2017, the Company had available Rs. Nil (March 31, 2016: Rs. Nil, April 1, 2015: Nil) of undrawn committed borrowing facilities.

	As At March 31, 2017 Rs in lakhs	As At March 31, 2016 Rs in lakhs	As At April 1, 2015 Rs in lakhs
(iii) Loans			
Unsecured, considered good			
Loans & advance to subsidiaries	613.54	1.11	31.06
Loans to employees	-	-	25.00
	613.54	1.11	56.06

	As At March 31, 2017 Rs in lakhs	As At March 31, 2016 Rs in lakhs	As At April 1, 2015 Rs in lakhs
(iv) Other current financial assets			
Unsecured, considered good			
Security deposits	11.42	10.51	10.51
	11.42	10.51	10.51
Others			
Commission receivable	0.41	2.88	3.78
	11.83	13.39	14.29

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12. Other current assets

	As At March 31, 2017 Rs in lakhs	As At March 31, 2016 Rs in lakhs	As At April 1, 2015 Rs in lakhs
Unsecured, considered good			
Advance to suppliers	**114.80**	111.86	101.62
Others			
Accrued revenue	**217.16**	530.80	163.31
Balance with statutory/ government authorities	**303.18**	406.12	165.59
Prepaid stamp duty	**25.51**	25.51	24.97
Prepaid conversion charges	**10.07**	10.07	10.07
Prepaid expenses	**176.62**	150.66	175.55
Total	**847.34**	1,235.02	641.11

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13. Share capital

Authorised Share Capital

	Equity shares	
	No. of shares	**Rs in lakhs**
At 1 April 2015	998,550,000	99,855.00
Increase/(decrease) during the year	-	-
At 31 March 2016	998,550,000	99,855.00
Increase/(decrease) during the year	-	-
At 31 March 2017	998,550,000	99,855.00

	5% Redeemable Cumulative Preference Shares	
	No. of shares	**Rs in lakhs**
At 1 April 2015	145,000	145.00
Increase/(decrease) during the year	-	-
At 31 March 2016	145,000	145.00
Increase/(decrease) during the year	-	-
At 31 March 2017	145,000	145.00

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

Equity shares of Rs 10 each issued, subscribed and fully paid	**No. of shares**	**Rs in lakhs**
At 1 April 2015*	776,425,740	77,642.58
Issued during the year - Exercise of ESOP	419,539	41.95
Issued during the year - other than ESOP	1,195,852	119.58
At 31 March 2016*	778,041,131	77,804.11
Issued during the year - Exercise of ESOP	2,871,902	287.19
Issued during the year - other than ESOP	300,000	30.00
At 31 March 2017*	781,213,033	78,121.30

* excluding 61,032 equity shares (March 31, 2016: 61,032 shares, April 1, 2015: 61,032 shares) held by ESOP trust which has been consolidated in accordance with the requirement of IND AS 102. The movement is expalined below :-

	Share capital		Shares held by ESOP trust		Share capital (net)	
	No. of shares	**Rs in lakhs**	**No. of shares**	**Rs in lakhs**	**No. of shares**	**Rs in lakhs**
At 1 April 2015	776,486,772	77,648.68	61,032	6.10	776,425,740	77,642.58
Issued during the year - Exercise of ESOP	419,539	41.95	-	-	419,539	41.95
Issued during the year - other than ESOP	1,195,852	119.58	-	-	1,195,852	119.58
At 31 March 2016	778,102,163	77,810.22	61,032	6.10	778,041,131	77,804.11
Issued during the year - Exercise of ESOP	2,871,902	287.19	-	-	2,871,902	287.19
Issued during the year - other than ESOP	300,000	30.00	-	-	300,000	30.00
At 31 March 2017	781,274,065	78,127.41	61,032	6.10	781,213,033	78,121.30

Details of shareholders holding more than 5% shares in the company

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Name of the shareholder	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid up						
Maplewood Investment Limited	192,908,118	24.69%	192,908,118	24.79%	192,908,118	24.84%
Spank Management Services Private Limited	180,148,333	23.06%	180,122,627	23.15%	163,266,970	21.03%
RJ Corp Limited	78,748,368	10.08%	78,748,368	10.12%	78,748,368	10.14%
APG Strategic Real Estate Pool N.V.	118,730,914	15.20%	118,730,914	15.26%	102,880,914	13.25%

Shares reserved for issue under options
For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 33

Aggregate number of bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	March 31, 2017	March 31, 2016	April 1, 2015
	No. of shares	No. of shares	No. of shares
Equity shares allotted as fully paid, pursuant to amalgamations	32,486,000	32,486,000	32,486,000
Equity shares allotted as fully paid bonus shares by capitalization of securities prem	646,125,652	646,125,652	646,125,652

In addition, the company has issued total 4,884,737 shares (March 31, 2016 : 3,048,468 April 1, 2015 : 2,656,166) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

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14. Other equity

Securities premium	Rs in lakhs
At 1 April 2015	8,604.96
Premium on issue of shares	77.73
Additions on ESOPs excercised (excluding transferred from stock options outstanding)	13.71
Transferred from stock options outstanding	3.51
At 31 March 2016	8,699.91
Premium on issue of shares	34.50
Additions on ESOPs excercised (excluding transferred from stock options outstanding)	176.13
Transferred from stock options outstanding	43.83
At 31 March 2017	8,954.37

Retained earnings	Rs in lakhs
At 1 April 2015	3,406.85
Profit/(loss) for the year	(1,754.36)
At 31 March 2016	1,652.49
Profit/(loss) for the year	672.60
At 31 March 2017	2,325.09

General reserve	Rs in lakhs
At 1 April 2015	3,035.24
Increase/(decrease) during the year	-
At 31 March 2016	3,035.24
Increase/(decrease) during the year	-
At 31 March 2017	3,035.24

Share-based payments	Rs in lakhs
At 1 April 2015	26.59
Add:- Expense for the year (Refer note 33)	148.74
Less:- transferred to securities premium on exercise of stock options	(3.51)
At 31 March 2016	171.82
Add:- Expense for the year (Refer note 33)	114.13
Less:- transferred to securities premium on exercise of stock options	(43.83)
At 31 March 2017	242.12

Capital redemption reserve	Rs in lakhs
At 1 April 2015	45.00
Increase/(decrease) during the year	-
At 31 March 2016	45.00
Increase/(decrease) during the year	-
At 31 March 2017	45.00

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Other reserves			
Securities premium	8,954.37	8,699.91	8,604.96
Retained earnings	2,325.09	1,652.49	3,406.85
General reserve	3,035.24	3,035.24	3,035.24
Share-based payments	242.12	171.82	26.59
Capital redemption reserve	45.00	45.00	45.00
Total	14,601.82	13,604.46	15,118.64

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15. Borrowings

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Non-current borrowings			
Term Loans			
Indian rupee loans from Banks (Secured)			
Kotak Mahindra Bank Limited (Refer note 1, 2 & 3 below)	1,514.00	2,216.05	746.66
Andhra Bank (Refer note 4 below)	2,171.25	2,409.34	2,647.44
The Ratnakar Bank Limited (Refer note 5 & 6 below)	4,629.47	5,154.08	5,569.84
Yes bank Limited (Refer note 7 below)	11,529.97	11,940.05	12,164.81
HDFC Bank Limited(Refer note 10 below)	2,027.38	-	-
Vehicle loans (Refer note 8 below)	98.02	83.04	127.45
Rupee term loans from financial institutions			
Tourism Finance Corporation of India Limited (Refer note 11 below)	-	2,056.91	2,246.03
Aditya Birla Finance Limited (Refer note 9 below)	3,791.97	3,866.51	3,941.67
Total non-current borrowings	25,762.06	27,725.98	27,443.90
Current borrowings			
Term Loans			
Current maturity of long term loans			
Kotak Mahindra Bank Limited (Refer note 1,2 & 3 below)	723.04	723.04	200.00
Andhra Bank (Refer note 4 below)	240.00	240.00	150.00
The Ratnakar Bank Limited (Refer note 5 & 6 below)	532.76	423.56	150.00
Yes bank Limited (Refer note 7 below)	437.50	250.00	62.50
HDFC Bank Limited(Refer note 10 below)	42.00	-	-
Vehicle loans (Refer note 8 below)	51.18	52.79	98.79
Rupee term loans from financial institutions			
Tourism Finance Corporation of India Limited (Refer note 11 below)	-	192.60	171.40
Aditya Birla Finance Limited (Refer note 9 below)	100.00	80.00	-
Total current borrowings	2,126.48	1,961.99	832.69
Less: Amount clubbed under "other current liabilities"	(2,126.48)	(1,961.99)	(832.69)
Net current borrowings	-	-	-

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Notes to financial statements for the year ended March 31, 2017

Footnotes to Note 15 "Borrowings"

Rs in lakhs

Note	Lender	Amount Sanctione	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at March 31, 2016	Repayment/ Modification of terms	Security/ Principal terms and conditions
1	Kotak Mahindra Bank Limited	1,000.00	12.30%	12.50%	The loan is repayable in 60 monthly installments of Rs 1,666,667 each along with interest subsequently after disbursement beginning from April'2013.	The Term Loan is secured by way of: a) Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon. b) Subservient charge over all existing and future current assets of the Company except current assets of the company's hotels lactated at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge. c) Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon. d) Personal Guarantee of Mr. Patanjali G. Keswani.
2	Kotak Mahindra Bank Limited	2,000.00	11.75%	11.95%	The loan is repayable in 60 monthly installments post the end of the moratorium period.	
3	Kotak Mahindra Bank Limited	700.00	11.75%	11.95%	The loan is repayable in 60 montly installments.	
4	Andhra Bank	3,000.00	interest rate @ base rate + 1.25% + 0.50% (Currently 11.45%)	interest rate @ base rate + 1.25% + 0.50% (Currently 11.50%)	The loan is repayable in scattered quarterly installment beginning from March 2014. Interest is payable monthly as and when due.	It is secured by : (i) First pari-passu charge on all the Project's immovable properties (except land), present and future. (ii) First pari-passu charge by way of hypothecation of all the project's movables, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future. (iii) First pari-passu charge on the project's book debts, operating cash flows, receivables, commissions, bank accounts (wherever held), revenues of whatever nature and wherever arising, present and future subject to prior charge of bankers on specified current assets for securing working capital facilities & subject to prior approval of the bank. (iv) First charge by way of assignment or creation of charge in favor of the lender of (a) All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; (b) All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; (c) All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents and ; (d) All insurance contracts/insurance proceeds; (v) Pari-passu charge along with the other lenders on the letter of credit/ escrow account, trust and retention account, debt service reserve account and other reserves and any other bank accounts of the company wherever maintained; (vi) Right of substitution and other rights under the substitution agreement, on pari-passu basis with other lenders.

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5	The Ratnakar Bank Limited	3,000.00	interest rate @ 1 year MCLR rate+ 0.40% (Currently 10.25%).	interest rate @ base rate + 0.85% (Currently 11.50%).	The loan is repayable in scattered quarterly installment beginning from March 2014. Interest is payable monthly as and when due.	It is secured by : (i) First charge on all the Project's immovable properties (except land), present and future subject to prior confirmation from panel advocates/Legal Department of the Bank. (ii) A first charge by way of hypothecation of all the project's movables including movable plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future. (iii) A first charge on the project's book debts, operating cash flows, receivables, commissions, bank accounts (wherever held), revenues of whatever nature and wherever arising, present and future subject to prior charge of bankers on specified current assets for securing working capital facilities. (iv) First charge by way of assignment or creation of charge in favour of the lender of - All the right, title, interest,benefits, claims and demands whatsoever of the borrower in agreements (developement agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; - All the rights,title, interest,benefits, claims and demands whatsoever of the borrower in clearances; - All the rights,title, interest,benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents - All insurance contracts/insurance proceeds; (v) Charges on the letter of credt/ escrow account, trust and retention account, debt service reserve account and other reserves and any other bank accounts of the company wherever maintained; (vi) Right of substitution and other rights under the Substituition Agreement.
6	The Ratnakar Bank Limited	3,000.00	interest rate @ 1 year MCLR rate+ 0.40% (Currently 10.25%).	interest rate @ base rate +1.55% (Currently 12.20%)	The loan is repayable in scattered quarterly installment beginning from June 2016. Interest is payable monthly as and when due	It is secured by : a) First pari passu charge on the current assets, entire movable fixed assets and immovable assets of the Hotel Lemon Tree, Udyog Vihar; Hotel Lemon Tree, Pune; Hotel Lemon Tree, Ahemdabad; Hotel Lemon Tree, Chennai; Hotel Lemon Tree, Bangalore and Red Fox Hotel, Hyderabad.
7	Yes Bank Limited	12,500.00	interest rate @ 6 month's MCLR + 0.90% (Currently 9.50%)	interest rate @ base rate +1.80% (Currently 12.05%)	The loan is repayable in scattered quarterly installment beginning from December 2015. Interest is payable monthly as and when due	It is secured by : a) First pari passu charge on the current assets, entire movable fixed assets and immovable assets of the Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahemdabad, Hotel Lemon Tree, Chennai, Hotel Lemon Tree, Bangalore and Red Fox Hotel, Hyderabad.
8	Vehicle loan (different banks)		Rate of interest of these loans ranges from 9.00 % to 14.00 %	Rate of interest of these loans ranges from 9.00 % to 14.00 %	These loans are repaid on agreed monthly installments.	
9	Aditya Birla Finance Limited	4,000.00	interest rate @ benchmark rate + 2.30% (Currently 11.55%)	interest rate @ benchmark rate + 2.30% (Currently 11.80%)	The loan is repayable in scattered quarterly installment beginning from December 2016. Interest is payable monthly as and when due.	It is secured by : a) First pari passu charge on all immovable fixed assets, movable fixed assets and current assets (both present and future) including land and building of the Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahemdabad, Hotel Lemon Tree, Chennai, Hotel Lemon Tree, Bangalore, Red Fox Hotel, Hyderabad
10	HDFC Bank Limited	2,100.00	interest rate @ for first year (MCLR for 3 years + 0.65 basis points) & 11.15% for remaing tenure of loan (MCLR for 3 years + 1.80 basis points) (Currently 9.70%)	Nil	The loan is repayable in 40 step-up quarterly installments.	It is secured by : a)First charge on all the fixed assets, both present and future, of the hotel "Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh, including hypothecation of all movables and mortgage of leasehold rights on land admeasuring 0.46 acres and buildling thereon. b) A first & exclusive charge on Projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) unencumbered-book debts,operating cash flows,receivables,comissions, banks accounts (whenever held) if any-present & future all revenues c) Mortgage of leasehold rights of the projects (Lemon Tree" at Plot No. 3 MW, Phase-
11	Tourism Finance Corporation of India Limited	2,100.00	Nil	interest rate @ TBR+0.75%P.A. (Currently 13.00%)	The loan was taken over by HDFC Bank with effect from 30.05.2016.	Below mentioned charge was satisfied on repayment of loan: a)First charge on all the fixed assets, both present and future, of the hotel "Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh, including hypothecation of all movables and mortgage of leasehold rights on land admeasuring 0.46 acres and buildling thereon

(i) The Company has not defaulted in the repayment of loans and interest as at Balance Sheet date.
(ii) Bank loans availed by the Company are subject to certain covenants relating to interest coverage ratio, debtservice coverage ratio, capital gearing ratio.
The Company has complied with the covenants as per the terms of the loan agreement.

16. Provisions

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Provision for gratuity	**95.44**	91.48	74.31
Current	**14.00**	13.05	11.66
Non-current	**81.44**	78.43	62.65

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Provision for leave benefits	**63.75**	58.34	58.03
Current	**63.75**	58.34	58.03
Non-current	-	-	-

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Provision for litigations	**28.48**	19.46	-
Current	**28.48**	19.46	-
Non-current	-	-	-
Total current	**106.23**	90.85	69.69
Total non-current	**81.44**	78.43	62.65

17. Other non-current liabilities

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Reserve for lease equalisation	**977.56**	831.79	672.27
Security deposits	-	-	11.23
Total	**977.56**	831.79	683.50

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18. Financial liabilities

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(i) Short term borrowings			
Cash credit from banks (Secured)	3,215.97	4,419.18	4,163.66
Working capital loan	1,000.00	-	-
	4,215.97	4,419.18	4,163.66

A The Cash credit facility and working capital loan from Kotak Mahindra Bank is repayable on demand and carries interest rate of 12.00% p.a. (March 31, 2016: 12.90% p.a.) and is secured by way of:

a.) Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon.

b.) Subservient charge over all existing and future current assets of the Company except current assets of the company's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge.

c) Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon.

d.) Personal Guarantee of Mr. Patanjali G. Keswani.

B The Cash credit facility from Yes Bank is repayable on demand and carries interest rate of 10.70% p.a.(March 31, 2016: 12.05% p.a.) and is secured by way of:

a) First pari passu charge on all immovable fixed assets, movable fixed assets and current assets (both present and future) including land and building of Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahemdabad, Hotel Lemon Tree, Chennai, Hotel Lemon Tree, Bangalore and Red Fox Hotel, Hyderabad

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(ii) Trade payables			
Trade Payables			
-Micro and small enterprises	-	3.87	-
-Other than Micro and small enterprises	3,686.79	3,140.79	2,958.75
	3,686.79	3,144.66	2,958.75

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
(iii) Other financial liabilities			
Current maturities of long-term borrowings	2,126.48	1,961.98	832.69
Interest accrued but not due on borrowings	2.22	16.41	16.42
Book overdraft	-	248.31	-
Other payables			
-Payable for capital goods	95.39	380.89	151.83
Outstanding dues of other creditors	0.56	0.06	64.62
Total	2,224.65	2,607.65	1,065.56

19. Current Tax Liabilities (net)

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Provision for wealth tax (Net of advance tax)	-	-	1.07
Total	-	-	1.07

20. Other current liabilities

	As at March 31, 2017 Rs in lakhs	As at March 31, 2016 Rs in lakhs	As at April 1, 2015 Rs in lakhs
Advance from customers	549.64	360.14	111.29
Deferred revenue- loyalty programme	5.32	6.72	18.19
Statutory dues	288.27	333.92	326.76
Total	843.23	700.78	456.24

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21. Revenue from operations

	For the year ended March 31, 2017 Rs in lakhs	For the year ended March 31, 2016 Rs in lakhs
Sale of products and services		
- Room rental	**13,121.19**	11,808.44
- Food and beverage (excluding liquor and wine)	**3,097.87**	2,946.56
- Liquor and wine	**323.40**	294.81
- Banquet rentals	**43.02**	72.59
- Telephone and telex	**25.47**	34.79
- Other Services (including service charge income)	**1,594.58**	1,430.40
Other Operating Revenue		
- Management fee	**3,637.27**	2,740.73
Revenue from operations	**21,842.80**	19,328.32

22. Other Income

	For the year ended March 31, 2017 Rs in lakhs	For the year ended March 31, 2016 Rs in lakhs
Income from serve for India scheme	**69.69**	93.57
Profit on relinquishment of rights (refer note 45)	**600.00**	-
Rent received	**14.42**	12.91
Excess provision/ credit balances written back	**6.36**	13.76
Miscellaneous income	**10.01**	13.55
Total	**700.48**	133.79

23. Cost of food and beverages consumed

	For the year ended March 31, 2017 Rs in lakhs	For the year ended March 31, 2016 Rs in lakhs
(a) Consumption of food & beverages excluding liquor & wine		
Inventory at the beginning of the year	**48.03**	33.46
Add: Purchases	**1,242.43**	1,203.92
	1,290.46	1,237.38
Less: Inventory at the end of the year	**49.41**	48.03
Cost of food and beverage consumed	**1,241.05**	1,189.35
(b) Consumption of liquor & wine		
Inventory at the beginning of the year	**38.14**	27.50
Add: Purchases	**116.98**	121.21
	155.12	148.71
Less: Inventory at the end of the year	**29.14**	38.13
Cost of liquor and wine consumed	**125.98**	110.58
Total	**1,367.03**	1,299.93

24. Employee benefit expense

	For the year ended March 31, 2017 Rs in lakhs	For the year ended March 31, 2016 Rs in lakhs
Salaries, wages and bonus	**4,101.45**	3,861.32
Contribution to provident fund and other funds	**173.58**	161.04
Share based payments to employees	**114.13**	148.74
Gratuity expense	**28.81**	28.75
Leave compensation expenses	**14.99**	3.95
Staff welfare expenses	**597.37**	518.34
Total	**5,030.33**	4,722.14

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25. Other expenses

	For the year ended March 31, 2017 Rs in lakhs	For the year ended March 31, 2016 Rs in lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	618.17	631.42
Power and fuel	1,799.77	1,704.75
Guest transportation	392.49	423.85
Spa expenses	41.66	30.19
Subscription charges	35.86	38.64
Repair and maintenance		
- Buildings	285.46	123.97
- Plant and machinery	348.73	297.62
- Others	298.41	277.50
Rent	1,795.74	1,702.24
Rates and taxes	398.93	423.36
Insurance	51.31	46.61
Communication costs	515.94	532.78
Printing and stationery	115.30	105.62
Traveling and conveyance	94.72	125.21
Vehicle running and maintenance	81.97	95.88
Advertisement and business promotion	172.98	118.39
Architect and design fee (Also refer Note 47)	1,140.74	997.28
Commission -other than sole selling agent	232.36	197.33
Security and cleaning expenses	401.47	310.42
Membership and subscriptions	33.48	27.01
Legal and professional fees	465.84	456.16
Advances written off	1.22	160.51
Freight and cartage	14.96	19.17
Donations	0.33	1.87
Loss on sale of property plant & equipment	20.16	20.55
Provision for doubtful debts	11.56	6.71
Payment to auditor	42.04	47.20
Miscellaneous expenses	68.50	57.41
Total	9,480.10	8,979.65

Payment to auditor

Audit fees	34.00	39.50
Other services	6.00	6.00
Reimbursement of expenses	2.04	1.70
	42.04	47.20

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26. Finance costs

	For the year ended March 31, 2017 Rs in lakhs	For the year ended March 31, 2016 Rs in lakhs
Interest		
- on term loans from banks	2,974.70	2,825.73
- on loans from others	472.47	796.42
- on vehicle loans	14.26	19.36
- on other credit facilities from banks	475.01	465.86
- on income tax	0.04	0.15
Prepayment charges	42.23	1.59
Bank charges (including commission on credit card collection)	146.90	148.73
Total	4,125.61	4,257.84

27. Finance income

	For the year ended March 31, 2017 Rs in lakhs	For the year ended March 31, 2016 Rs in lakhs
Interest Income from financial assets at amortised cost :		
-Bank Deposits	31.32	28.20
Loans		
- Interest others	338.39	203.92
Total	369.71	232.12

28. Depreciation and amortization expense

	For the year ended March 31, 2017 Rs in lakhs	For the year ended March 31, 2016 Rs in lakhs
Depreciation of tangible assets	2,082.84	2,139.80
Amortization of intangible assets	32.72	39.48
Depreciation on investment properties	4.39	4.40
Total	2,119.95	2,183.68

29. Earnings per share (Basic and Diluted)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2017	March 31, 2016
Profit/(loss) attributable to equity holders (for basic and diluted) (Rs in lakhs)	660.75	(1,759.92)
Weighted Average Number of Equity Shares (for basic and diluted)*	779,627,716	777,246,165
Basic & Diluted EPS	0.08	(0.23)

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

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30. Significant accounting judgements, estimates and assumptions

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

Judgements

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

Operating lease commitments – Company as lessee

The Company has taken certain land and land and building on long term lease basis. The lease agreements generally have an escalation clause. These leases are generally non-cancellable. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life/ remaining economic life of the property and the fair value of the asset, that it does not have all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Further, the Company based on an evaluation of the terms and conditions of the respective agreements decided that wherever the escalations (generally 15% every 3 years or 20% every 4 years) are aligned to the average expected general inflation of the lease term period, operating lease payments are not required to be provided on a straight-line basis over the lease term as an expense in the statement of profit and loss and in other cases (including structured payment terms), operating lease payments are expensed on a straight-line basis over the lease term in the statement of profit and loss.

Estimates and assumptions

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 35 for further disclosures.

Further, the management has estimated the expected future cash receipts through the expected life of the financial asset of interest free loans given to subsidiaries which is repayable on demand (generally 30 years-40 years) based on the financial position of the respective Subsidiaries and repayment period of the borrowings taken by these Subsidiaries.

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Taxes

The management based on its assessment of the industry forecasts and current year profits is hopeful of generating future taxable profits to utilize deductible temporary differences, carry forward of unabsorbed depreciation. However, considering the nature of the Company's operations and history of past tax losses, deferred tax assets (including MAT credit) are recognized to the extent that it is probable that taxable profit will be generated in future against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, it is considered prudent to recognize the deferred tax assets only to the extent of deferred tax liabilities and the Company has not recognised deferred tax assets on remaining unused tax losses/credits of Rs 3,043.92 lakhs, Rs 3,023.40 lakhs. and Rs 2,447.21 lakhs as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

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31. Gratuity

Rs. In lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Gratuity plan	**95.44**	91.48	74.31
Total	**95.44**	91.48	74.31

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.

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Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2017:

Rs.in lakhs

		Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2016	Service cost	Net interest expense/ income	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement changes arising from changes in demographic assumptions	Remeasurement changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2017
Defined benefit obligation	205.00	21.98	14.97	36.95	(8.17)	-	-	3.81	(18.46)	(14.65)	-	219.14
Fair value of plan assets	113.52	-	8.28	8.28	(6.84)	0.24	-	-	-	0.24	8.48	123.70
Benefit liability	**91.48**	**21.98**	**6.69**	**28.67**	**(1.33)**	**(0.24)**	-	**3.81**	**(18.46)**	**(14.89)**	**(8.48)**	**95.44**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2016:

Rs. in lakhs

		Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2015	Service cost	Net interest expense/ Income	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2016
Defined benefit obligation	192.45	20.79	15.01	35.80	(17.92)	-	-	2.41	(7.74)	(5.33)	-	205.00
Fair value of plan assets	118.14	-	9.21	9.21	(17.92)	0.24	-	-	-	0.24	3.85	113.52
Benefit liability	**74.31**	**20.79**	**5.80**	**26.59**	-	**(0.24)**	-	**2.41**	**(7.74)**	**(5.57)**	**(3.85)**	**91.48**

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The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Unquoted investments:			
Asset invested in insurance scheme with the LIC	100%	100%	100%
Total	**100%**	**100%**	**100%**

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

	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate:	%	%	%
Pension plan	**6.50%**	**7.30%**	7.80%
Future salary increases:			
Pension plan	**5.00%**	**5.00%**	5.00%
Life expectation for pensioners at the age of 65:	**Years**	**Years**	Years
Pension plan			
Male	**60**	**60**	60
Female	**60**	**60**	60

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below:

India gratuity plan:

	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	47.43	50.01	50.25	48.54

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	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	47.58	50.13	50.76	49.05

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

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

Rs. in lakhs

Duration (Years)	For the year ended March 31, 2017	For the year ended March 31, 2016
1	58.31	57.47
2	111.87	43.98
3	18.83	81.79
4	15.90	14.72
5	13.26	12.29
Above 5	39.33	38.92
Total expected payments	**257.50**	249.19

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2016: 5 years).

32. Commitments and contingencies

a. Leases

Operating lease commitments — Company as lessee

The Company has entered into operating leases on hotel buildings, with lease terms between twenty three and twenty five years.

The Company has recognised the following expenses as rent in the statement of profit & loss towards minimum lease payment.

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Rs. in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Lease Rent on Hotel Properties	**1,493.48**	1,412.09	1,255.33
Rent on Office Premises	**36.81**	25.17	20.77
Rent of staff hostel/Others	**119.68**	105.45	72.88
Total	**1,649.97**	1,542.71	1,348.98

Future minimum rentals payable under non-cancellable operating leases as at year end are as follows:

Rs. in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Minimum Lease Payments :			
Not later than one year	**1,070.29**	1,053.05	1,002.86
Later than one year but not later than five years	**4,565.00**	4,374.33	4,280.50
Later than five years	**35,709.15**	36,966.02	38,092.17
Total	**41,344.44**	42,393.40	43,375.53

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

Estimated amount of contracts remaining to be executed and not provided for March 31, 2017 Rs. 2,564.29 lakhs (March 31, 2016 Rs. 2,864.92 lakhs, April 1, 2015: Rs. 4,149.04 lakhs.)

c. Contingent liabilities

Legal claim contingency

Rs. in lakhs

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Matter of service tax credit	**200.78**	200.78	287.20
Luxury tax	**36.00**	36.00	36.00
Total	**236.78**	236.78	323.20

The Company's pending litigations above pertains to proceedings pending with Service tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

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(d) During the previous years, the Company had received a show cause notice dated April 25, 2014 from Collector of Stamps, Delhi ('Department'), wherein the department was of the view that prima facie the Company has not paid stamp duty as per Indian Stamp Act, 1899 on right to use the land given by Delhi International Airport (P) Ltd. (DIAL) under the Development Agreement dated May 25, 2009 ('DA'). The Company contested the matter and the Department pursuant to the response received from all the developers of area where the Company's project is located, and arguments thereon, passed a common order on July 14, 2014 ("Order") and subsequently, the Company and its directors received show cause notice dated August 14, 2014 from the Department as to why criminal prosecution for non- payment of requisite stamp duty should not be initiated against them. The Company along with certain other developers had filed a writ petition before the Honorable High Court of Delhi (HC) and the HC vide its order dated August 25, 2014 has granted ex- parte interim stay from all proceedings under the Order including the said show cause notice dated August 14, 2014. The next date of hearing before the HC is scheduled for August 28, 2017. The Company, based on advice from legal experts, is of the view that there is no likelihood of any liability devolving on the Company on this ground and further, any liability cannot be ascertained at this stage requiring any adjustment in these financial statements.

(e) **Financial guarantees**

The Company has issued financial guarantees to banks on behalf of and in respect of term loan facilities availed by its group companies for construction of new hotel project. In accordance with the policy of the Company (refer note 2.2(p)) the Company has designated such guarantees as 'Insurance Contracts'. The Company has classified financial guarantees as contingent liabilities. Accordingly, there are no assets and liabilities recognized in the balance sheet under these contracts. Refer below for details of the financial guarantees issued:

Rs. in lakhs

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Canary Hotels Private Limited	**2,500.00**	2,500.00	2,500.00
Hyacinth Hotels Private Limited	**8,605.00**	8,605.00	8,605.00
Sukhsagar Complexes Private Limited	**4,500.00**	4,500.00	4,500.00
Oriole Dr. Fresh Hotels Private Limited	**2,500.00**	2,500.00	2,200.00
Nightingale Hotels Private Limited	**6,000.00**	6,000.00	5,500.00
Fleur Hotels Private Limited	**13,500.00**	13,500.00	-
Meringue Hotels Private Limited	**22,000.00**	-	-
Total	**59,605.00**	37,605.00	23,305.00

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33. Employee Stock Option Plans:

a) Stock options granted on and after April 1, 2005.

The Company has provided various share-based payment schemes to its employees. During the year ended March 31, 2017 the following schemes were in operation:

	Plan 1 (2005)	**Plan 2 (2006)**
Date of grant	November 15, 2005 and April 1, 2006	September 1, 2006, April 1,2007, October 1, 2007, April 1, 2008, January 12, 2009, April 1, 2009, April 1, 2010, October 1, 2010, April 1, 2011, April 1, 2012, April 1, 2015
Date of Board Approval of plan	September 23' 2005	July 18' 2006
Date of Shareholder's approval of plan	November 15' 2005	August 25, 2006
Number of options granted	387,300	12,762,207
Method of Settlement	Equity	Equity
Vesting Period	12-48 months	12-48 months
Exercise Period	5 years from the date of vesting	5 years from the date of vesting
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period.	Employee remaining in the employment of the enterprise during the vesting period.

Details of vesting:

Vesting period from the grant date	**Vesting Schedule**	
	Plan 1 (2005)	**Plan 2 (2006) ***
On completion of 12 months	30%	10%
On completion of 24 months	20%	20%
On completion of 36 months	20%	30%
On completion of 48 months	30%	40%

* All ESOP's under ESOP Plan 2006 are granted as per general vesting schedule defined in the scheme except for ESOP's granted on 12th January 2009 and 328,008 ESOP's granted on April 1, 2012 for which specific vesting schedule was decided.

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The details of activity under Plan 1 (2005) have been summarized below:

	2016-17		2015-16	
	Number of options	**Weighted average exercise price (Rs.)**	Number of options	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	**9,000**	**3.38**	9,000	3.38
Granted during the year	-	-	-	-
Forfeited during the year	**9,000**	**3.38**	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	9,000	3.38
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	1.00	-
Weighted average fair value of options granted during the year	-	-	-	-

The details of activity under Plan 2 (2006) have been summarized below:

	2016-17		2015-16	
	Number of Options	**Weighted Average Exercise Price(Rs.)**	Number of Options	Weighted Average Exercise Price(Rs.)
Outstanding at the beginning of the year	**11,069,974**	**19.26**	3,456,282	14.65
Granted during the year	-	-	8,205,000	21.50
Forfeited during the year	**383,394**	**20.84**	171,769	18.10
Exercised during the year	**2,871,902**	**15.74**	419,539	12.94
Expired during the year	-	-	-	-
Outstanding at the end of the year	**7,814,678**	**20.53**	11,069,974	19.26
Exercisable at the end of the year	**2,341,593**	**20.32**	3,685,476	16.19
Weighted average remaining contractual life (in years)	**2.60**	-	3.46	-
Weighted average fair value of options granted during the year	-	-	-	-

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The details of exercise price for stock options outstanding at the end of the year are:

	Range of exercise prices (Rs.)			Number of options outstanding			Weighted average remaining contractual life of options (in years)			Weighted average exercise price (Rs.)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Plan 1	-	3.38	3.38	-	9,000	9,000	-	1	1	-	3.38	3.38
Plan 2	**10.00-21.50**	10.00-16.50	2.93-20.56	**7,814,678**	11,069,974	3,456,282	**2.60**	3.46	3.42	**15.74**	12.94	20.56

Stock Options granted
The weighted average fair value of stock options granted during the year was Rs Nil (Previous year 4.78). The Black Scholes model has been used for computing the weighted average fair value considering the following inputs:

	Plan 1 (2005)		Plan 2 (2006)	
	2017	2016	**2017**	2016
Weighted average share price	-	-	-	16.50
Exercise Price	-	-	-	21.50
Volatility	-	-	-	34%
Life of the options granted in years	-	-	-	5
Expected dividends	-	-	-	-
Average risk-free interest rate	-	-	-	7.99%
Expected dividend rate	-	-	-	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

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34. Related Party Transactions

a) Names of related parties where control exists irrespective of whether transactions have occurred or not	
Subsidiary Company	- Begonia Hotels Private Limited - Carnation Hotels Private Limited - Celsia Hotels Private Limited - Fleur Hotels Private Limited - Dandelion Hotels Private Limited - Hyacinth Hotels Private Limited - Lemon Tree Hotel Company Private Limited - Manakin Resorts Private Limited - Meringue Hotels Private Limited - PSK Resorts & Hotels Private Limited - Nightingale Hotels Private Limited. - Oriole Dr. Fresh Hotels Private Limited - Red Fox Hotel Company Private Limited - Sukhsagar Complexes Private Limited - Pelican Facilities Management Private Limited - Grey Fox Project Management Company Private Limited - Canary Hotels Private Limited - Valerian Management Services Private Limited - Ophrys Hotels Private Limited - Iora Hotels Private Limited - Inovoa Hotels and Resorts Limited -Bandhav Resorts Private Limited
b) Names of other related parties with whom transactions have taken place during the year	
Key Management Personnel	- Mr. Patanjali Govind Keswani (Chairman and Managing Director) -Mrs. Sharanita Keswani wife of Mr. Patanjali Govind Keswani- Director (upto February 19, 2015) -Mr. Rahul Pandit (President & Executive Director) upto May 8, 2015 -Mr.Rattan Keswani (Deputy Managing Director) -Mr. Sanjeev Kaul Duggal(Independent Director) - Mr. Gopal Sitaram Jiwarajka (Independent Director) -Mr. Ravi Kant Jaipuria(Director) -Mr. Niten Malhan(Director) -Mr. Sachin Doshi(Director) -Ms. Ila Dubey(Director) -Mr. Aditya Madhav Keswani(Director)

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Relatives of key management personnel	-Mrs. Sharanita Keswani relative of Mr. Aditya Madhav Keswani
Enterprises owned or significantly influenced by key management personnel or their relatives	- Spank Management Services Private Limited - Toucan Real Estates Private Limited - HeadStart Institute Private Limited - Aster Hotels and Resorts Private Limited - Buzzard Real Estates Private Limited - Crow Real Estates Private Limited - Myna Real Estates Private Limited - Unistar Hotels Private Limited - Vulture Management Services Private Limited - Sparrow Buildwell Private Limited - Garnet Hotels Private Limited

c) Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

Chief Financial Officer	: Mr. Kapil Sharma
Company Secretary	: Mrs. Suman Singh (Upto 30 June 2016)
	: Mr. Nikhil Sethi (Wef 12 December 2016)

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The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

Rs. in lakhs

Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Enterprises owned or significantly influenced by key management personnel or their relatives
Reimbursement of expenses paid on behalf of party					
Fleur Hotels Private Limited	31-Mar-17	**5.73**	-	-	-
	31-Mar-16	12.71	-	-	-
Begonia Hotels Private Limited	31-Mar-17	**0.85**	-	-	-
	31-Mar-16	15.20	-	-	-
Carnation Hotels Private Limited	31-Mar-17	**8.41**	-	-	-
	31-Mar-16	4.71	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-17	**10.86**	-	-	-
	31-Mar-16	-	-	-	-
Nightingale Hotels Private Limited	31-Mar-17	**0.10**	-	-	-
	31-Mar-16	-	-	-	-
Others	31-Mar-17	**5.14**	-	-	**0.17**
	31-Mar-16	1.63	-	-	-

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Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Enterprises owned or significantly influenced by key management personnel or their relatives
Amount Received by the Party on behalf of the company					
Fleur Hotels Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	63.61	-	-	-
Hyacinth Hotels Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	56.45	-	-	-
Nightingale Hotels Private Limited	31-Mar-17	**7.99**	-	-	-
	31-Mar-16	3.51	-	-	-
Others	31-Mar-17	**0.59**	-	-	-
	31-Mar-16	6.96	-	-	-
Loans (given)					
Meringue Hotels Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	20.00	-	-	-
Carnation Hotels Private Limited	31-Mar-17	820.50	-	-	-
	31-Mar-16	-	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-17	-	-	-	-

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Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Enterprises owned or significantly influenced by key management personnel or their relatives
	31-Mar-16	1,214.50	-	-	-
Sukhsagar Complexes Private Limited	31-Mar-17	**104.00**	-	-	-
	31-Mar-16	47.00	-	-	-
Dandelion Hotels Private Limited	31-Mar-17	**725.00**	-	-	-
	31-Mar-16	175.00	-	-	-
		-			
Others	31-Mar-17	**140.00**	-	-	-
	31-Mar-16	-	-	-	-
Repayment of Loan Given					
Carnation Hotels Private Limited	31-Mar-17	**209.00**	-	-	-
	31-Mar-16	-	-	-	-
Begonia Hotels Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	1,150.00	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-17	**2,470.00**	-	-	-
	31-Mar-16	50.00	-	-	-
Others	31-Mar-17	-	-	-	-
	31-Mar-16	47.00	-	-	-

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Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Enterprises owned or significantly influenced by key management personnel or their relatives
Services obtained(Net of TDS)			-	-	-
Spank Management Services Private Limited	31-Mar-17	-	-	-	**710.64**
	31-Mar-16	-	-	-	384.55
Grey Fox Project Management Company Private Limited	31-Mar-17	**240.45**	-	-	-
	31-Mar-16	233.15	-	-	-
Valerian Management services Private Limited	31-Mar-17	**67.25**	-	-	-
	31-Mar-16	134.73	-	-	-
Lease Rent Paid					
Hyacinth Hotels Private Limited	31-Mar-17	**173.08**	-	-	-
	31-Mar-16	178.97	-	-	-
Reimbursement of expenses incurred on company's behalf					
Fleur Hotels Private Limited	31-Mar-17	**17.10**	-	-	-
	31-Mar-16	28.08	-	-	-
Hyacinth Hotels Private Limited.	31-Mar-17	**276.25**	-	-	-
	31-Mar-16	245.67	-	-	-

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Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Enterprises owned or significantly influenced by key management personnel or their relatives
Others	31-Mar-17	-	-	-	-
	31-Mar-16	0.23	-	-	-
Amount Received on Behalf of Party by the Company					
Begonia Hotels Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	31.21	-	-	-
Fleur Hotels Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	74.57	-	-	-
Hyacinth Hotels Private Limited	31-Mar-17	-	-	-	-
	31-Mar-16	72.19	-	-	-
Others	31-Mar-17	-	-	-	-
	31-Mar-16	34.13	-	-	-
Remuneration paid					
Mr. Patanjali G Keswani	31-Mar-17	-	332.00	-	-
	31-Mar-16	-	348.34	-	-
Mr. Rahul Pandit	31-Mar-17	-	-	-	-
	31-Mar-16	-	14.08	-	-

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Transactions with Related Party	**Year Ended**	**Subsidiaries**	**Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)**	**Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)**	**Enterprises owned or significantly influenced by key management personnel or their relatives**
Mr. Rattan Keswani	31-Mar-17	-	**20.22**	-	-
	31-Mar-16	-	130.67	-	-
Mr. Kapil Sharma	31-Mar-17	-	**65.28**	-	-
	31-Mar-16	-	60.23	-	-
Mrs. Suman Singh	31-Mar-17	-	**4.68**	-	-
	31-Mar-16	-	15.23	-	-
			-		
Mr. Nikhil Sethi	31-Mar-17	-	**8.80**	-	-
	31-Mar-16	-	-	-	-
Fees for professional services					
Mrs. Sharanita Keswani	31-Mar-17	-	-	**42.00**	-
	31-Mar-16	-	-	43.58	-
Capital Advance					
Toucan Real Estates Private Limited	31-Mar-17	-	-	-	**1,866.96**
	31-Mar-16	-	-	-	385.00
Guarantees given for Loan Taken By			-	-	-
Fleur Hotels Private Limited	31-Mar-17	**13,500.00**	-	-	-
	31-Mar-16	13,500.00	-	-	-
	01-Apr-15	-	-	-	-

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Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Enterprises owned or significantly influenced by key management personnel or their relatives
Canary Hotels Private Limited	31-Mar-17	**2,500.00**	-	-	-
	31-Mar-16	2,500.00	-	-	-
	01-Apr-15	2,500.00	-	-	-
Hyacinth Hotels Private Limited	31-Mar-17	**8,605.00**	-	-	-
	31-Mar-16	8,605.00	-	-	-
	01-Apr-15	8,605.00	-	-	-
Sukhsagar Complexes Private Limited	31-Mar-17	**4,500.00**	-	-	-
	31-Mar-16	4,500.00	-	-	-
	01-Apr-15	4,500.00	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-17	**2,500.00**	-	-	-
	31-Mar-16	2,500.00	-	-	-
	01-Apr-15	2,200.00	-	-	-
Nightingale Hotels Private Limited	31-Mar-17	**6,000.00**	-	-	-
	31-Mar-16	6,000.00	-	-	-
	01-Apr-15	5,500.00	-	-	-
Meringue Hotels Private Limited	31-Mar-17	**22,000.00**	-	-	-
	31-Mar-16	-	-	-	-
	01-Apr-15	-	-	-	-

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Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Enterprises owned or significantly influenced by key management personnel or their relatives
Subscription to Share Capital					
Grey Fox Project Management Services Private Limited in Preference Shares	31-Mar-17	-	-	-	-
	31-Mar-16	50.00	-	-	-
Canary Hotels Private Limited in Preference Shares	31-Mar-17	**80.00**	-	-	-
	31-Mar-16	190.00	-	-	-
Fleur Hotels Private Limited in Equity shares	31-Mar-17	-	-	-	-
	31-Mar-16	1,050.01	-	-	-
Sukhsager Complexes Private Limited in Preference Shares	31-Mar-17	**90.00**	-	-	-
	31-Mar-16	250.00	-	-	-
Others	31-Mar-17	**3.85**	-	-	-
	31-Mar-16	1.00	-	-	-
Management Fees Received (including Service Tax)					
Celsia Hotels Private Limited	31-Mar-17	**237.88**	-	-	-
	31-Mar-16	176.72	-	-	-

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Transactions with Related Party	**Year Ended**	**Subsidiaries**	**Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)**	**Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)**	**Enterprises owned or significantly influenced by key management personnel or their relatives**
Fleur Hotels Private Limited.	31-Mar-17	**2,269.43**	-	-	-
	31-Mar-16	525.18	-	-	-
Hyacinth Hotels Private Limited.	31-Mar-17	**445.69**	-	-	-
	31-Mar-16	338.12	-	-	-
Iora Hotels Private Limited.	31-Mar-17	**977.50**	-	-	-
	31-Mar-16	1,197.00	-	-	-
Nightingale Hotels Private Limited	31-Mar-17	**210.91**	-	-	-
	31-Mar-16	136.01	-	-	-
Others	31-Mar-17	**292.27**	-	-	-
	31-Mar-16	174.18	-	-	-
Balances outstanding at the year end					
Meringue Hotels Private Limited	31-Mar-17	**9,639.65**	-	-	-
	31-Mar-16	9,639.65	-	-	-
	01-Apr-15	9,619.65	-	-	-
Oriole Dr. Fresh Hotels Private Limited	31-Mar-17	**848.34**	-	-	-
	31-Mar-16	3,318.34	-	-	-
	01-Apr-15	2,154.69	-	-	-

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Transactions with Related Party	Year Ended	Subsidiaries	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Enterprises owned or significantly influenced by key management personnel or their relatives
Carnation Hotels Private Limited	31-Mar-17	**612.43**	-	-	-
	31-Mar-16	-	-	-	-
	01-Apr-15	-	-	-	-
Hyacinth Hotels Private Limited.	31-Mar-17	**3,853.70**	-	-	-
	31-Mar-16	3,895.73	-	-	-
	01-Apr-15	3,788.25	-	-	-
Others	31-Mar-17	**1,209.14**	**0.61**	**3.68**	-
	31-Mar-16	865.58	-	-	15.68
	01-Apr-15	1,470.11	3.14	-	-

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Terms and conditions of transactions with related parties

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: RsINR Nil, April 1, 2015: RsNil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The company has not entered into any commitments with related parties during the year.

35. Fair value measurement

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument

a. Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)

Rs. in lakhs

	March 31, 2017		March 31, 2016		April 1, 2015	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets						
Trade Receivables	-	1,456.71	-	1,706.79	-	1,069.78
Security Deposits (non-current)	-	871.80	-	771.78	-	701.25
Security Deposits (current)		11.42	-	10.51	-	10.51
Other bank balances	-	253.10	-	253.10	-	256.17
Other current financial asset-commission receivable	-	0.41	-	2.88	-	3.78
Cash and Cash Equivalents	-	566.38	-	509.66	-	421.42
Interest accrued on deposit with banks	-	127.79	-	99.40	-	75.07
Loans (non-current)	-	1,557.44	-	2,144.72	-	2,267.07
Loans (current)		613.54		1.11		56.06
Investments	4,142.34	-	3,931.57	0.88	3,641.77	0.85
Total Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)	**4,142.34**	**5,458.59**	**3,931.57**	**5,500.83**	**3,641.77**	**4,861.96**

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Note: The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 101 and Ind AS 27.

b. Financial Liabilities

	March 31, 2017		March 31, 2016		April 1, 2015	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Borrowings (Non-current)	-	25,762.06	-	27,725.98	-	27,443.90
Borrowings (Current)		4,215.97		4,419.18		4,163.66
Trade Payables	-	3,686.79	-	3,144.66	-	2,958.75
Other Current Financial Liabilities	-	2,224.65	-	2,607.65	-	1,065.56
Total Financial Liabilities		**35,889.47**		**37,897.47**		**35,631.87**

c. Fair value measurement hierarchy for assets and liabilities

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

iii) Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

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The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Financial assets and liabilities measured at fair value

Rs. in lakhs

	March 31, 2017			
	Level 1	Level 2	Level 3	**Total**
Financial investments as FVTPL	-	-	-	
Unquoted equity instruments	-	-	0.26	**0.26**
Investment in compulsorily redeemable preference shares of subsidiaries	-	-	4,142.08	**4,142.08**
Total	-	-	**4,142.34**	**4,142.34**

	March 31, 2016			
	Level 1	Level 2	Level 3	**Total**
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.26	**0.26**
Investment in compulsorily redeemable preference shares of subsidiaries	-	-	3,931.31	**3,931.31**
Total	-	-	**3,931.57**	**3,931.57**

	April 1, 2015			
	Level 1	Level 2	Level 3	Total
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.26	0.26
Investment in compulsorily redeemable preference shares of subsidiaries	-	-	3,641.51	3,641.51
Total	-	-	**3,641.77**	**3,641.77**

The following methods and assumptions were used to estimate the fair values:

- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The fair values of compulsorily redeemable preference shares of subsidiaries have been estimated using the fair valuation by independent valuer. The valuation requires management to make certain assumptions about the interest rate, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

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The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2017 and 31 March 2016 are as shown below:

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range (weighted average)
FVTPL fair values of compulsorily redeemable preference shares of subsidiaries	DCF method	Discount Rate	**31 March 2017:** 11.22% - 12.12% **31 March 2016:** 11.22% - 12.12%
		Expected dividends	**31 March 2017:** 0% - 5% **31 March 2016:** 0% - 5%

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36. Financial risk management objectives and policies

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

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk

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

Rs. In lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	31,955.33	33,971.31	32,214.02
Fixed rate borrowings	149.20	135.83	226.24

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	**Increase/decrease in basis points**	**Effect on profit before tax**
		Rs. In lakhs
31-Mar-17		
Rs	50	147.30
Rs	-50	(147.30)
31-Mar-16		
Rs	50	160.18
Rs	-50	(160.18)

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Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has no exposure in foreign currency.

Credit risk

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

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company does not hold collateral as security.

Rs. in lakhs

Ageing	31-Mar-17	31-Mar-16	01-Apr-15
Not due			
0-60 days past due	947.36	1,030.83	612.58
61-120 days past due	192.29	330.91	224.55
121-180 days past due	86.80	193.73	115.32
180-365 days past due	154.20	73.29	100.60
365-730 days past due	54.65	38.29	16.73
more than 730 days	21.40	39.73	-
	1,456.70	**1,706.78**	**1,069.78**

Provision for doubtful debts (including provision for expected credit loss)

Rs. in lakhs

Ageing	31-Mar-17	31-Mar-16	01-Apr-15
Not due	-	-	-
0-60 days past due	1.84	-	-
61-120 days past due	-	-	-
121-180 days past due	-	-	-
180-365 days past due	-	-	-
more than 365 days	13.78	9.03	2.32

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Reconciliation of provision for doubtful debts – Trade receivables (including provision for expected credit loss)

Rs. in lakhs

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Provision at beginning	**9.03**	**2.32**	**2.32**
Addition during the year	8.62	6.71	-
Reversal during the year	2.03	-	-
Utilised during the year	-	-	-
Provision at closing	**15.62**	**9.03**	**2.32**

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017, 31 March 2016 and 1 April 2015 is the carrying amount as illustrated in Note 11

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Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. There are no undrawn borrowing facilities at the end of the reporting periods.

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

Rs. in lakhs

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2017						
Borrowings	4,215.97	262.20	1,864.27	15,597.81	10,164.27	32,104.52
Trade and other payables	3,686.79	-	-	-	-	3,686.79
Other Financial Liabilities	98.18	-	-	-	-	98.18
	8000.94	**262.20**	**1,864.27**	**15,597.81**	**10,164.27**	**35,889.49**
Year ended March 31, 2016						
Borrowings	4,419.18	305.69	1,656.29	13,795.31	13,930.67	34,107.14
Trade and other payables	3,144.66	-	-	-	-	3,144.66
Other Financial Liabilities	645.66	-	-	-	-	645.66
	8,209.50	**305.69**	**1,656.29**	**13,795.31**	**13,930.67**	**37,897.46**
As at April 1, 2015						
Borrowings	4,163.66	140.07	692.62	10,289.02	17,154.89	32,440.26
Trade and other payables	2,958.75	-	-	-	-	2,958.75
Financial Liabilities	232.87	-	-	-	-	232.87
	7355.28	140.07	692.62	10,289.02	17,154.89	**35,631.88**

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37. Capital management

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

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

Rs. In lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings (other than preference share)	29,978.05	32,145.16	31,607.57
Trade payables (Note 18)	3,686.79	3,144.66	2,958.75
Less: cash and cash equivalents (Note 11)	566.38	509.66	421.42
Net debt	**33,098.46**	**34,780.16**	**34,144.90**
Total capital	92,723.11	91,408.58	92,761.22
Capital and net debt	125,821.57	126,188.74	126,906.12
Gearing ratio	**26%**	**28%**	**27%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

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38. First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).
Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied

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

- Property Plant & Equipment, Intangible assets and Investment property - As permitted by IND AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant & equipment. The Same selection has been made in respect of Intangibles Assets and investment property. The Carrying value of property plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities
- Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before 1 April 2015.
- Determining whether an arrangement contain a lease:- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

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Reconciliation of equity as at March 31, 2016 and April 1, 2015 (date of transition to Ind AS)

Rs. in lakhs

		Footnotes	March 31,2016			April 1,2015		
			Indian GAAP	Adjustment	Ind AS	Indian GAAP	Adjustment	Ind AS
	ASSETS							
(1)	Non-current assets							
	(a) Property, plant and equipment	I	45,082.52	(24.07)	45,058.45	42,929.99	-	42,929.99
	(b) Capital work-in-progress		527.05	-	527.05	1,177.90	-	1,177.90
	(c) Investment Property		254.49	-	254.49	258.89	-	258.89
	(d) Intangible assets		36.90	-	36.90	62.85	-	62.85
	(e) Financial assets							-
	(i) Investments	II	57,904.55	12,084.70	69,989.25	56,363.54	11,787.77	68,151.31
	(ii) Loans	II	14,074.65	(11,929.93)	2,144.72	14,028.18	(11,761.11)	2,267.07
	(iii) Other financial assets	II	7,670.78	(6,546.49)	1,124.28	7,792.37	(6,759.88)	1,032.49
	(f) Other non-current assets	II	2,916.00	5,261.65	8,177.65	5,747.51	5,635.84	11,383.34
			128,466.93	(1,154.14)	127,312.79	128,361.23	(1,097.38)	127,263.84
(2)	Current assets				-			-
	(a) Inventories		229.14	-	229.14	199.74	-	199.74
	(b) Financial assets							-
	(i) Trade receivables		1,706.79	-	1,706.79	1,069.78	-	1,069.78
	(ii) Cash and Cash equivalents	V	504.60	5.06	509.66	420.13	1.29	421.42
	(iii) Other financial assets		13.39	-	13.39	14.29	-	14.29
	(iv) Loans		1.11	-	1.11	56.06	-	56.06
	(c) Other current assets	II	1,235.35	(0.33)	1,235.02	641.41	(0.30)	641.11
			3,690.38	4.73	3,695.11	2,401.41	0.99	2,402.40
					-			-
	Total Assets		132,157.31	(1,149.41)	131,007.90	130,762.64	(1,096.40)	129,666.24

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		Footnotes	March 31,2016			April 1,2015		
			Indian GAAP	Adjustment	Ind AS	Indian GAAP	Adjustment	Ind AS
	Equity							
	(a) Share capital	V	77,810.22	(6.10)	77,804.11	77,648.68	(6.10)	77,642.57
	(b) Other Equity	II,III,IV	14,668.02	(1,063.56)	13,604.47	16,170.12	(1,051.48)	15,118.64
	Total Equity		92,478.24	(1,069.66)	91,408.58	93,818.79	(1,057.58)	92,761.22
	Liabilities							
(1)	**Non-current liabilities**							
	(a) Financial liabilities				-			
	(i) Borrowings	III	27,724.05	1.93	27,725.98	27,443.48	0.42	27,443.91
	(b) Long term provisions		78.43	-	78.43	62.64	-	62.64
	(c) Other non-current liabilities	IV	913.53	(81.74)	831.79	723.94	(40.45)	683.50
			28,716.01	(79.81)	28,636.20	28,230.07	(40.02)	28,190.05
(2)	**Current liabilities**							
	(a) Financial liabilities							
	(i) Borrowings		4,419.18	-	4,419.18	4,163.66	-	4,163.66
	(ii) Trade payables		3,144.66	-	3,144.66	2,958.75	-	2,958.75
	(iii) Other financial liabilities	V	2,607.59	0.06	2,607.65	1,065.50	0.06	1,065.56
	(b) Other current liabilities		700.78	-	700.78	456.24	-	456.24
	(c) Provisions		90.85	-	90.85	69.69	-	69.69
	(d) Current tax liabilities (net)		-	-	-	1.07	-	1.07
			10,963.06	0.06	10,963.12	8,714.91	0.06	8,714.97
								-
	Total Liabilities		39,679.07	(79.75)	39,599.32	36,944.99	(39.97)	36,905.02
								-
	Total Equity and Liabilities		132,157.90	(1,149.01)	131,007.90	130,763.00	(1,097.00)	129,666.23

Company reconciliation of profit or loss for the year ended March 31, 2016

Rs. in lakhs

	Footnotes	Indian GAAP	Adjustments	Ind AS
Revenue From Operations		19,328.32	-	19,328.32
Other Income		133.79	-	133.79
Total Income		**19,462.11**	-	**19,462.11**
Expenses				
Cost of materials consumed		1,299.93		1,299.93
Employee benefits expense	I,VII,VIII	4,545.43	176.71	4,722.14
Other expenses	IV	8,788.23	191.42	8,979.65
				-
Total (II)		**14,633.59**	**368.13**	**15,001.72**
				-
Earnings before interest, tax, depreciation and amortisation		**4,828.52**	**(368.13)**	**4,460.39**
(EBITDA)				-
				-
Depreciation and amortization expense	I	2,183.74	(0.06)	2,183.68
Finance costs	III	4,256.34	1.51	4,257.84
Finance income	II	(29.39)	(202.74)	(232.12)
Loss before tax		**(1,582.17)**	**(166.84)**	**(1,749.01)**
Tax expense:				-
(1) Current tax		-	-	-
(2) Adjustment of tax relating to earlier periods		10.91	-	10.91
(3) Deferred tax		-	-	-
Loss for the period from continuing operations		**(1,593.08)**	**(166.84)**	**(1,759.92)**
				-
				-
Loss for the period		**(1,593.08)**	**(166.84)**	**(1,759.92)**
				-
Other comprehensive income				-
Remeasurements of defined benefit plans	IX	-	5.56	5.56
Income tax relating to items that will not be reclassified to profit or loss				-
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**(1,593.08)**	**(161.28)**	**(1,754.36)**

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Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016:

I. Property, plant and equipments

As per Ind AS 16, certain expenses pertaining to pre operating period has not been capitalised in property plant and equipment as compared to IGAAP.

II. Financial Assets

- Based on Ind AS - 109, financial Assets in the form of long term interest free deposits to landlords, and loans to employees have been accounted at fair value on the date of transition and subsequently measured at amortized cost using the effective interest rate method.
- Based on Ind AS - 109, financial Assets in the form of long term interest free loans to subsidiaries have been accounted at fair value on the date of transition and the difference is considered as deemed investment on account of interest free loan to subsidiaries. Subsequently the loan is measured at amortized cost using the effective interest rate method.
- Based on Ind AS - 109, financial Assets in the form of compulsory redeemable preference shares in subsidiaries is valued at fair value and the difference is considered as deemed investment in redeemable preference shares. Subsequently the investments are measured at fair value through profit & Loss.
- Under Indian GAAP, the Company had created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

III. Financial Liability

- Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

IV. Lease equalisation

Under Indian GAAP, operating lease excluding land leases were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. As per Ind-AS 17, Operating lease includes land leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

V. ESOP Trust

Considering the guidance given in Ind AS 110, the ESOP trust has been included as part of standalone financials statements of the Company.

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VI. Deferred tax

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments lead to temporary differences.

VII. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

VIII. Share based payments

Under Indian GAAP, the cost of equity-settled transactions is measured using the intrinsic value method. Ind AS 102 requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

IX. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS.

X. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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39. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as provided in the Table below:

Rs. in lakhs

Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand as on 08 November 2016	53.93	6.43	60.36
(+) Permitted receipts	-	96.03	96.03
(-) Permitted payments	-	49.10	49.10
(-) Amount deposited in Banks	53.93	22.06	75.99
Closing cash in hand as on 30 December 2016	-	31.30	31.30

Post demonetization, the management had directed all employees not to accept/ pay using the SBN's. Further, in view of the numerous locations where cash is collected the management has obtained direct confirmations from certain Banks confirming the collection of SBN's during the aforesaid period. For other banks, the Company has compiled the data on the basis of accounting records, bank statements and pay in slips for cash deposits during the period.

The aforesaid disclosures of SBN's have been compiled taking the management stated policy, direct bank confirmation and compilation of pay in slips.

40. Segment Reporting

The Company is into Hoteliering business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 – "Operating Segments".

Information about geographical areas

The Company has only domestic operations and hence no information required for the Company as per the requirements of Ind AS 108 – "Operating Segments".

Information about major customers

No customer individually accounted for more than 10% of the revenue

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41. The Company in the earlier years paid conversion charges of Rs. 6,03.98 lakhs in respect of land taken for lease of 60 years for construction of hotel building. The Company has amortized Rs. 10.07 lakhs (Previous year: 31st March 2016 Rs. 10.07 lakhs 1April 2015: Rs. 10.07 lakhs) during the year in accordance with its accounting policy of amortizing the conversion charges over the period of lease as mentioned in Note 2.2 (j) above. The balance amount of Rs. 5,12.55 lakhs (Previous years Rs. 31st March 2016 : Rs.5,22.61 lakhs April 1,2015 Rs. 5,32.68 lakhs) has been shown in Note 9 as 'Prepaid conversion charges.'

42. During the year, the Company has made preferential allotments of Nil (31st March 2016: Rs. 8.95 lakhs) equity shares to parties and companies covered in the register maintained under section 189 of the Act. The management has confirmed that the shares under preferential allotment are issued at fair price based on the price as determined by an independent third party valuer and approved by the shareholders in the meeting dated July 30, 2015.

43. During an earlier year, the Company had issued equity shares to APG Strategic Real Estate Pool N.V. ('the investor') and the investor had also acquired 42.02% (March 31, 2016 42.02%, April 1, 2015: 42.47%) stake of Fleur Hotels Private Limited (a subsidiary Company). As per the Shareholder's agreement, all new hotel projects will first be offered to the subsidiary. There are no other significant commitments to the investor.

44. During the earlier years, the Company had entered into a sub license agreement with M/s Hyacinth Hotels Private Limited (a subsidiary of the Company) as part of Infrastructure development and services agreement entered between M/s Hyacinth Hotels Private Limited and Delhi International Airport Limited (DIAL) to develop a hotel at Aero City, New Delhi for an initial term of 27 years, extendable at the option of the Company for an additional period of 30 years provided DIAL gets the extension from Airport Authority of India. DIAL is committed to take over the building at 'Book values', as defined in the aforesaid agreement in case the agreement is not extended further. Accordingly the building is depreciated over the estimated useful life of 22 years after reducing the expected residual value as contractually recoverable from DIAL in case the agreement is not extended.

45. During an earlier year, the Company had entered into an agreement to sell with developer to purchase certain parts of built-up structure along with proportionate interest in the land to establish and operate a four star hotel at Jaipur and had given an advance to developer of Rs. 3,519.39 lakhs (including other expenses of Rs. 375.39 lakhs). Due to the delays in the construction, the Developer earlier had also agreed to return the aforesaid amount along with interest through various communications and receipt of such amount from developer would lead to the cancellation of agreement to sell.

During the earlier year, the Company had entered into a binding agreement ('consent terms') to receive full and final settlement against the aforesaid receivable and had received Rs. 3,360 lakhs till the previous year end. As per the revised consent terms, the developer has agreed to repay the balance amount and interest for delayed payment by August 31, 2016. The Company had accordingly adjusted the amount already received amounting to Rs. 3,360 lakhs against the carrying value of advance to developer and has written off the balance amount of other expenses amounting to Rs. 160.51 lakhs as 'advances written off' in the Statement of Profit & Loss.

During the year, the company has received Rs. 600 lakhs towards relinquishment of right in the said property and recognized the same as other income. The balance amount would be recorded when the uncertainty of ultimate collectability is settled.

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46. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.

Rs. In lakhs

	March31, 2017	March31, 2016	April1, 2015
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil	Nil
the amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	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 Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	0.05	0.13
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprisefor the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil	Nil

47. During the year, the Company has incurred Rs. 1,140.74 lakhs (March 31 2016: Rs. 997.28 lakhs April 1 2015 Rs 1426.37 lakhs) on architect and design fees after taking approval from shareholders in meeting dated July 24, 2014. The management has confirmed that the same has been at arm's length and for business purpose.

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Lemon Tree Hotels Ltd. New Delhi

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No. 301003E/E300005
Chartered Accountants

S.R. BATLIBOI & CO. LLP GURGAON

per Sanjay Vij
Partner

Membership No. 95169

Place : Gurgaon
Date : June 15, 2017

For and on behalf of the Board of Directors of Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN:00002974

Kapil Sharma
(Chief financial officer)

Nikhil Sethi
(Group Company Secretary & GM Legal)

Place: New Delhi
Date : June 15, 2017

Lemon Tree Hotels Ltd. New Delhi

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Golf View Corporate Tower - B
Sector-42, Sector Road
Gurgaon -122 002, Haryana, India

Tel : +91 124 464 4000
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INDEPENDENT AUDITOR'S REPORT

To the Members of Lemon Tree Hotels Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Lemon Tree Hotels Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other Comprehensive income, consolidated Cash Flow Statement and consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS consolidated financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2017, their consolidated loss including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Company and its subsidiary companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate report in "Annexure 1" to this report;

(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:

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ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies incorporated in India.

iv. The Holding Company and subsidiaries incorporated in India, have provided requisite disclosures in Note 47 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes and on consideration of reports of the other auditors as noted in the "Other Matters" paragraph below, we report that these disclosures are in accordance with the books of accounts maintained by the Group and as produced to us by the Management of the Holding Company.

Other Matter

We did not audit the financial statements and other financial information, in respect of 20 subsidiaries, whose Ind AS financial statements include total assets of Rs. 97,382.90 lakhs and net assets of Rs. 43,484.36 lakhs as at March 31, 2017, total revenues of Rs. 12,920.00 lakhs and net cash inflows of Rs. 292.14 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements and other financial information certified by the Management.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sanjay

per Sanjay Vij
Partner
Membership Number: 95169
Place of Signature: Gurgaon
Date: June 15, 2017

S.R. BATLIBOI & CO. LLP GURGAON

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LEMON TREE HOTELS LIMTED

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

In conjunction with our audit of the consolidated Ind AS financial statements of Lemon Tree Hotels Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Lemon Tree Hotels Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 the respective 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

S.R. BATLIBOI & CO. LLP GURGAON

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 Holding Company, its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these 19 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S.R. BATLIBOI & CO. LLP
GURGAON

per Sanjay Vij
Partner
Membership Number: 95169
Place of Signature: Gurgaon
Date: June 15, 2017

Lemon Tree Hotels Limited
Consolidated Balance Sheet as at March 31, 2017

	Note	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	140,723.07	122,755.15	123,202.81
(b) Capital work-in-progress	4	34,940.66	25,924.68	16,712.06
(c) Investment Property	5	250.10	254.49	258.89
(d) Intangible assets	6	860.93	133.11	163.14
(e) Intangible assets under development	6	140.40	-	-
(f) Financial assets	7			
(i) Investments		0.26	1.14	1.11
(ii) Loans		1,085.60	761.63	924.54
(iii) Other non- current financial assets		3,970.16	3,491.85	2,680.92
(g) Other non-current assets	8	31,162.39	40,052.31	36,152.63
		213,133.57	193,374.36	180,096.10
Current assets				
(a) Inventories	9	493.67	538.51	480.76
(b) Financial assets	10			
(i) Trade receivables		3,144.53	2,448.54	1,790.54
(ii) Cash and Cash equivalents		1,759.21	1,380.65	3,003.67
(iii) Investments	7	633.89	576.56	3,123.63
(iv) Loans		46.86	64.46	79.67
(v) Other current financial assets		31.51	57.84	31.32
(c) Other current assets	11	1,930.96	2,002.75	969.50
		8,040.63	7,069.31	9,479.09
Total Assets		221,174.20	200,443.67	189,575.19
EQUITY AND LIABILITIES				
Equity				
(a) Share capital	12	78,121.30	77,804.11	77,642.57
(b) Other Equity	13	2,735.90	2,980.82	2,742.99
(c) Non-controlling interests	14	42,836.28	42,773.46	42,227.10
Total Equity		123,693.48	123,558.39	122,612.66
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	69,070.26	52,372.96	48,659.45
(ii) Other non- current financial liabilities		48.49	144.80	145.78
(b) Long term provisions	16	135.64	118.94	94.87
(c) Deferred tax liabilities (net)	17	674.18	688.95	539.11
(d) Other non-current liabilities	18	2,082.74	1,433.99	820.29
		72,011.31	54,759.64	50,259.50
Current liabilities				
(a) Financial liabilities	19			
(i) Borrowings		6,745.98	6,949.19	6,693.67
(ii) Trade payables		6,044.52	5,171.95	3,392.93
(iii) Other current financial liabilities		10,583.83	8,532.39	5,631.91
(b) Provisions	16	226.46	172.45	110.53
(c) Current tax liabilities (net)	20	-	-	1.07
(d) Other current liabilities	21	1,868.62	1,299.66	872.92
		25,469.41	22,125.64	16,703.03
Total Liabilities		97,480.72	76,885.28	66,962.53
Total Equity and Liabilities		221,174.20	200,443.67	189,575.19

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Sanjay Vij
Partner
Membership No. 95169

S.R. BATLIBOI & CO. LLP GURGAON

Place : Gurgaon
Date : June 15, 2017

For and on behalf of the Board of Directors of Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(Group Company Secretary & GM Legal)

Place : New Delhi
Date : June 15, 2017

Lemon Tree Hotels Ltd. New Delhi

Lemon Tree Hotels Limited
Consolidated Statement of Profit and Loss for the year ended 31 March, 2017

	Note	Year ended March 31, 2017 Rs. In lakhs	Year ended March 31, 2016 Rs. In lakhs
Revenue from operations	22	41,208.07	36,795.24
Other Income	23	822.72	218.24
Total Income (I)		42,030.79	37,013.48
Expenses			
Cost of food and beverages consumed	24	3,532.67	3,461.15
Employee benefits expense	25	9,688.92	8,549.10
Other expenses	26	16,339.75	14,837.54
Total Expenses (II)		29,561.34	26,847.79
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		12,469.45	10,165.69
Finance costs	27	7,757.41	7,202.37
Finance income	28	(356.25)	(370.37)
Depreciation and amortization expense	29	5,101.24	5,226.07
Profit/(loss) before tax		(32.95)	(1,892.38)
Tax expense:			
(1) Current tax		170.27	108.72
(2) Minimum Alternate Tax (MAT)		173.05	156.57
(3) Adjustment of tax relating to earlier periods		(24.65)	(1.94)
(4) Deferred tax		160.39	396.11
		479.06	659.46
Loss for the year		(512.01)	(2,551.82)
Other comprehensive income			
(i) Remeasurements of defined benefit plans		10.38	5.77
(ii) Income tax effect		(2.88)	-
		7.50	5.77
Total Comprehensive Income/ (Loss) for the year		(504.51)	(2,546.05)
Loss for the year		(512.01)	(2,551.82)
Attributable to:			
Equity holders of the parent		(616.58)	(2,691.88)
Non-controlling interests		104.57	140.06
Total comprehensive income for the year		(504.51)	(2,546.05)
Attributable to:			
Equity holders of the parent		(624.29)	(2,686.52)
Non-controlling interests		119.78	140.47
Earnings per equity share			
(1) Basic	30	(0.07)	(0.33)
(2) Diluted	30	(0.07)	(0.33)
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Sanjay Vij
Partner
Membership No. 95169

S.R. BATLIBOI & CO. LLP GURGAON

Place : Gurgaon
Date : June 15, 2017

For and on behalf of the Board of Directors of Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(Group Company Secretary & GM Legal)

Lemon Tree Hotels Ltd. New Delhi

Place : New Delhi
Date : June 15, 2017

Lemon Tree Hotels Limited
Consolidated Statement of Changes in Equity

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid

	No. of shares	Amount (Rs in lakhs)
At 1 April 2015	776,425,740	77,642.57
Issued during the year - Exercise of ESOP	419,539	41.95
Issued during the year - other than ESOP	1,195,852	119.59
At 31 March 2016	778,041,131	77,804.11
Issued during the year - Exercise of ESOP	2,871,902	287.19
Issued during the year - other than ESOP	300,000	30.00
At 31 March 2017	781,213,033	78,121.30

B. Other Equity
For the year ended 31 March, 2017

Rs in lakhs

	Reserves and Surplus						Items of OCI		Other equity
	Capital reserve	Capital redemption reserve	Securities Premium	Share Based Payments	General Reserves	Surplus in the statement of profit & loss	Remeasurement gains (losses) on defined benefit plans and income tax effect	Non-controlling interests	
Balance at 1 April 2015	5,461.42	45.00	8,604.96	26.59	3,035.24	(14,430.22)	-	42,227.10	44,970.09
Profit/(Loss) for the year	-	-	-	-	-	(2,551.82)	-	-	(2,551.82)
Other Comprehensive Income for the year	-	-	-	-	-	-	5.77	-	5.77
Total Comprehensive Income for the year attributable to non-controlling interests	-	-	-	-	-	(140.47)	-	140.47	-
Issue of share capital	-	-	77.73	-	-	-	-	-	77.73
Share-based payments	-	-	-	148.74	-	-	-	-	148.74
Exercise of share options	-	-	13.71	-	-	-	-	-	13.71
Amount transferred from share based payment reserve to securities premium	-	-	3.51	(3.51)	-	-	-	-	-
Gain on deemed disposal of subsidiary (also refer note 42)	2,696.35								2,696.35
Proportionate reduction in Goodwill on deemed disposal	(12.18)	-	-	-	-	-	-	-	(12.18)
Movement during the year due to non-controlling interest		-	-	-	-	-	-	405.89	405.89
Balance at 31 March 2016	8,145.59	45.00	8,699.91	171.82	3,035.24	(17,122.51)	5.77	42,773.46	45,754.28
Profit/(Loss) for the year	-	-	-	-	-	(512.01)	-	-	(512.01)
Other Comprehensive Income for the year	-	-	-	-	-	-	7.50	-	7.50
Total Comprehensive Income for the year attributable to non-controlling interests	-	-	-	-	-	(119.78)	-	119.78	-
Issue of share capital	-	-	34.50	-	-	-	-	-	34.50
Share-based payments	-	-	-	114.13	-	-	-	-	114.13
Amount transferred from share based payment reserve to securities premium	-	-	43.83	(43.83)	-	-	-	-	-
Exercise of share options	-	-	176.13	-	-	-	-	-	176.13
Gain on deemed disposal of subsidiary (also refer note 42)	54.61	-	-	-	-	-	-	-	54.61
Movement during the year	-	-	-	-	-	-	-	(56.96)	(56.96)
Balance at 31 March 2017	8,200.20	45.00	8,954.37	242.12	3,035.24	(17,754.30)	13.27	42,836.28	45,572.18

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Sanjay Vij
Partner
Membership No. 95169

S.R. BATLIBOI & CO. LLP GURGAON

Place : Gurgaon
Date : June 15, 2017

For and on behalf of the Board of Directors of Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Nikhil Sethi
(Group Company Secretary & GM Legal)

Place : New Delhi
Date : June 15, 2017

Kapil Sharma
(Chief Financial Officer)

Lemon Tree Hotels Ltd. New Delhi

Lemon Tree Hotels Limited
Consolidated Cash flow statement for the year ended March 31, 2017

	For the year ended March 31, 2017 Rs. In lakhs	For the year ended March 31, 2016 Rs. In lakhs
A. Cash flow from operating activities		
Profit before tax	(32.95)	(1,892.38)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	5,101.24	5,226.07
Lease equalisation reserve	648.75	672.95
Finance income (including fair value change in financial instruments)	(319.76)	(190.30)
Finance costs	6,731.10	6,614.65
Advance written off	5.19	215.67
Provision for gratuity	37.92	33.76
Provision for leave encashment	21.18	10.54
Share based payments to employees	114.13	148.74
Excess provision/ credit balances written back	(57.33)	(36.59)
Profit on relinquishment of rights	(600.00)	-
Provision for litigations	21.98	47.46
Provision for doubtful debts	22.44	12.09
Net (gain)/ loss on sale of property, plant and equipment	21.59	53.47
Net (gain)/ loss on sale of current investments	(26.55)	(170.53)
Operating profit before working capital changes:	11,688.93	10,745.60
Movements in working capital:		
(Increase) in trade receivables	(718.44)	(670.09)
(Increase) in loans and advances and other current assets	(991.69)	(7,839.34)
Decrease/ (Increase) in inventories	44.84	(57.75)
Increase in liabilities and provisions	2,560.64	3,677.05
Cash Generated from Operations	12,584.28	5,855.47
Direct taxes paid (net of refunds)	(419.51)	84.41
Net cash flow from operating activities (A)	12,164.77	5,939.88
B. Cash flows used in investing activities		
Purchase of property, plant and equipment including CWIP and capital advances	(23,042.89)	(12,618.82)
Proceeds from sale of property, plant and equipment	70.66	45.02
Profit on relinquishment of rights	600.00	-
Acquisition of shares in subsidiaries	(836.38)	-
Proceeds from sale of investments	0.88	(0.03)
(Purchase)/sale of current investments	(30.78)	2,717.60
Interest received	319.76	190.30
Net Cash flow used in investing activities (B)	(22,918.75)	(9,665.93)
C Cash flows from financing activities		
Proceeds from issuance of share capital	476.24	252.97
Proceeds from Minority Interest (issuance of share capital by Subsidiaries)	-	3,090.06
Proceeds/(Repayment) from long term borrowings	17,590.61	5,119.14
Proceeds/(Repayment) of short term borrowings	(203.21)	255.51
Interest paid	(6,731.10)	(6,614.65)
Net Cash from financing activities (C)	11,132.54	2,103.03

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Lemon Tree Hotels Ltd. New Delhi

S.R. BATLIBOI & CO. LLP GURGAON

Lemon Tree Hotels Limited
Consolidated Cash flow statement for the year ended March 31, 2017

	For the year ended March 31, 2017 Rs. In lakhs	For the year ended March 31, 2016 Rs. In lakhs
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**378.56**	**(1,623.02)**
Cash and cash equivalents at the beginning of the year	1,380.65	3,003.67
Cash and cash equivalents at the end of the year	**1,759.21**	1,380.65
Components of cash and cash equivalents		
Cash on Hand	39.46	65.74
Balances with Scheduled Banks in		
- Current accounts	1,719.75	1,314.91
Total cash and cash equivalents	**1,759.21**	1,380.65

Summary of significant accounting policies 2.3

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Sanjay Vij
Partner
Membership No. 95169

S.R. BATLIBOI & CO. GURGAON

Place : Gurgaon
Date : June 15, 2017

For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(Group Company Secretary & GM Legal)

Lemon Tree Hotels Ltd. New Delhi

Place : New Delhi
Date : June 15, 2017

1. Corporate Information

Lemon Tree Hotels Limited (the Company) and its subsidiaries (collectively, the Group)is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Asset No. 6, Aerocity Hospitality District, New Delhi-110037.

The principal activities of the Group is to carry out business of developing, owning, acquiring, renovating and promoting hotels, motels, resorts, restaurants, etc. under the brand name of Lemon Tree Hotel, Lemon Tree Premier and Red Fox Hotel.

The consolidated financial statements are approved for issue by the Board of directors on June 15, 2017.

2 Basis of preparation of financial statements and Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

For all periods up to and including the year ended March 31, 2016, the Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These consolidated financial statements for the year ended March 31, 2017 are the first the Group has prepared in accordance with Ind AS. Refer to note 40 for information on how the Group adopted Ind AS.

The consolidated financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value/ amortised cost (refer note 37).

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, expect where otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its return

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights

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Lemon Tree Hotels Ltd. New Delhi

of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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Lemon Tree Hotels Ltd. New Delhi

A change in the ownership interest of a subsidiary (including deemed acquisition/ deemed disposal), without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

(a) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree'sidentifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the

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Lemon Tree Hotels Ltd. New Delhi

separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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Lemon Tree Hotels Ltd. New Delhi

(b) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

The Group classifies all other liabilities as non-current.

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

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

(c) Foreign currencies

Transactions and balances

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

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

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

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

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(d) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Group.

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Group determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other

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relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 31)
- Quantitative disclosures of fair value measurement hierarchy (note 37)
- Financial instruments (including those carried at amortised cost) (note 37)

(e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sales tax/ value added tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rooms, Restaurant, Banquets and Other Services

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Service Tax, Value Added Taxes (VAT) and Luxury Tax. Difference of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of Sales Tax / VAT.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends

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Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Management Fee

Revenue from management services comprises fixed & variable income. Fixed income is recognised pro-rata over the period of the contract as and when services are rendered. Variable income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

(f) Taxes

Taxexpense represents current income tax and deferred tax.

Current income tax

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

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

Deferred tax

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

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

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

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

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

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extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:
- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(g) Property, plant and equipment

On transition to IND AS, the Group has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment (See Note 40)

Capital work in progress is stated at cost, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on fixed assets is provided as per Schedule II of Companies Act, 2013 on Straight Line Method over its economic useful life of fixed assets as follows:

Fixed Assets	Useful life considered (SLM)
Plant & Machinery	15 Year
Building*	60 Years
Electrical installations and fittings	10 Years
Office Equipments	5 Years
Furniture and Fixtures	10 Years
Crockery, cutlery and soft furnishings	3 Years
Vehicles	8 Years
Computers	3 Years

* Building on leasehold land is depreciated over the primary lease period or useful life whichever is lower.

The Group, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

(h) Intangible assets

On transition to IND AS, the Group has elected to continue with the carrying value of all of its Intangible assetsrecognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Intangible asset (See Note 40)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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The useful lives of intangible assets are assessed as 3 years and the same shall be amortised on Straight line basis over its useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually at each year end either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

(i) Investment properties

On transition to IND AS, the Group has elected to continue with the carrying value of all of its Investment propertiesrecognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties (See Note 40).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

Though the Groupmeasures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(j) Borrowing costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance aproject, the amount capitalised represents the actualborrowing costs incurred. Where surplus funds areavailable out of money borrowed specifically to financea project, the income generated from such currentinvestments is deducted from the total capitalizedborrowing cost. Where the funds used to finance aproject form part of general borrowings, the amountcapitalised is calculated using a weighted average ofrates applicable to relevant general borrowings of thecompany during the year. Capitalisation of borrowingcosts is suspended and charged to profit and loss duringthe extended periods when the active development onthe qualifying assets is interrupted.

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EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expectedlife of the financial liability or a shorter period, whereappropriate, to the amortised cost of a financial liability after considering all the contractual terms of the financial instrument.

(k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

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

Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease termunless either:

(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or

(b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Operating lease receipt are recognised as income in the statement of profit and loss on a straight-line basis over the lease termunless either:

(a) Another systematic basis is more representative of the time pattern of the user's benefit even if the receipt from the lessee are not on that basis, or

(b) The receiptsfrom the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If receipts from the lessee vary because of factors other than general inflation, then this condition is not met.

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Stamp duties payable to local authorities on registration of lease agreements, are recognised as prepaid expense and charged off to Statement of Profit and Loss on an equitable basis over the lease term.

Conversion charges payable to local authorities on conversion of use of industrial plot for hotel purposes, are recognised as prepaid expense and charged off to statement of profit and loss on an equitable basis over the lease term.

(l) Inventories

Stock of food & beverages, stores and operating supplies are valued at lower of cost and net realisable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.

(m) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair valueless costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the

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asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(n) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

(o) Deferred Revenue

The Group operates a loyalty point's programme, which allows customers to accumulate points when they obtain services in the Group's Hotels. The points can be redeemed for free products/ nights, subject to a minimum number of points being obtained. Consideration received is allocated between the Room Revenue and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

(p) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of gratuity is a defined benefit scheme.Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year. Group's contribution made to Life Insurance Corporation is expenses off at the time of payment of premium.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

The Group treats leaves expected to be carried forward for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(q) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group.After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.3 The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables etc. For more information on receivables, refer to Note 7.

Debt instrument at FVTOCI

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L. Equity instruments in subsidiaries are carried at cost in separate consolidated financial statements less impairments if any.

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Derecognition

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Trade receivables or any contractual right to receive cash or another financial asset

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

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Loans and borrowings

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

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

This category generally applies to borrowings. For more information refer Note 15.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Offsetting of financial instruments

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

(r) Cash and cash equivalents

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

(s) Share-based payments

Certain employees (including senior executives) of the Group receive part of their remuneration in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over share (equity-settled transactions).

The cost of equity-settled transactions with employees is determined measured at fair value at the date at which they are granted using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in

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employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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3. Property, plant & equipment

Rs. In lakhs

Particulars	Freehold land	Building on freehold land	Building on leasehold land	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Crockery, cutlery and soft furnishings	Computers	Vehicles	Total (Tangible Assets)
	Tangible Assets											
Deemed cost as at April 1, 2015	28,075.27	44,361.30	27,670.23	11,085.64	3,867.15	2,151.92	273.37	4,507.89	599.03	137.76	473.25	123,202.81
Additions	-	2,215.65	126.29	874.92	283.41	199.12	45.81	657.63	119.69	63.97	71.63	4,658.12
Disposals	-	-	-	1.81	48.60	7.59	2.32	66.36	-	1.10	120.16	247.94
Other adjustments												
- Exchange Differences		1.02		0.22	0.03	1.98	0.17	0.49				3.91
- Borrowing Costs	-	145.33	-	-	-	-	-	-	-	-	-	145.33
As at March 31, 2016	28,075.27	46,723.30	27,796.52	11,958.97	4,101.99	2,345.43	317.03	5,099.65	718.72	200.63	424.72	127,762.23
Additions	8,665.34	10,019.65	-	2,276.39	16.15	68.78	41.52	871.59	376.40	77.34	165.61	22,578.77
Additions on inclusion of new subsidiary (refer note 44)	110.00	353.11	-	17.85	-	20.19	1.88	12.52	-	0.41	18.40	534.36
Disposals	-	-	-	3.53	5.10	1.46	25.40	116.97	1.04	3.54	99.01	256.05
As at March 31, 2017	36,850.61	57,096.06	27,796.52	14,249.68	4,114.04	2,432.94	335.03	5,866.79	1,094.08	274.84	509.72	150,619.31
Depreciation												
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	782.20	586.56	1,059.51	683.01	347.61	91.71	1,071.77	322.82	77.82	134.64	5,157.65
Disposals	-	-	-	0.67	32.14	1.65	1.96	49.79	-	0.56	63.80	150.57
As at March 31, 2016	-	781.20	586.56	1,058.84	650.87	344.96	89.75	1,021.98	322.82	77.26	70.84	5,007.08
Charge for the year	-	821.32	545.08	1,138.59	665.09	362.11	8.58	1,047.67	273.71	68.68	111.72	5,042.55
On account of inclusion of new subsidiary (refer note 44)	-	4.11	-	1.19	-	1.36	0.12	1.29	-	0.15	3.23	11.45
Disposals	-	-	-	1.21	5.03	0.69	23.98	69.70	1.04	3.16	60.03	164.84
As at March 31, 2017	-	1,607.63	1,131.64	2,197.41	1,310.93	707.74	74.47	2,001.24	595.49	142.93	125.76	9,896.24
Net Block												
As at March 31, 2017	36,850.61	55,488.43	26,664.88	12,052.27	2,803.11	1,724.20	260.56	3,865.55	497.59	131.91	383.96	140,723.07
As at March 31, 2016	28,075.27	45,941.10	27,209.96	10,900.13	3,451.12	1,999.47	227.28	4,077.67	394.90	123.37	353.88	122,755.15
As at April 1, 2015	28,075.27	44,361.30	27,670.23	11,085.64	3,867.15	2,151.92	273.37	4,507.89	599.03	137.76	473.25	123,202.81

Net book value	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Plant, property and equipment	140,723.07	122,755.15	123,202.81

Notes

a). Certain property, plant and equipments are pledged as collateral against borrowings, the details related to which have been described in Note no. 15 on "Borrowings".

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Notes to Consolidated financial statements for the year ended March 31, 2017

4. Capital work-in-progress

	As at March 31, 2017 (Rs in lakhs)	As at March 31, 2016 (Rs in lakhs)	As at April 1, 2015 (Rs in lakhs)
Hotel at Shimla			
Material	414.00	362.46	319.96
Project staff expenses	60.11	51.60	45.63
Project staff			
-Salary wages & bonus	29.73	29.72	29.72
Professional charges	80.72	80.59	74.00
Others	2.67	2.67	2.67
	587.23	527.04	471.98
Hotel at Gurgaon, City Centre			
Material	-	3,365.00	512.62
Professional charges	-	325.57	117.46
Borrowing cost	-	145.33	33.16
Project staff			
-Salary wages & bonus	-	98.09	29.90
Project staff expenses other than salary	-	33.40	13.87
Misc.Gov.expenses/fees	-	41.84	8.90
	-	4,009.23	715.91
Less: scrap sale	-	10.00	10.00
	-	3,999.23	705.91
Less:- Capitalised during the year	-	3,999.23	-
	-	-	705.91
Hotel at Guragon Sector 60 (Lemon Tree)			
Material	4,125.57	1,368.28	91.63
Professional charges	827.33	162.90	130.84
Borrowing cost	368.10	276.07	-
Project staff			
-Salary wages & bonus	150.78	28.51	3.62
Project staff expenses other then salary	81.13	8.16	0.88
Rates and Taxes	477.36	-	-
Others	237.53	1.64	0.46
	6,267.80	1,845.56	227.43
Less Capitalised during the year	6,267.80	-	-
	-	1,845.56	227.43
Hotel at Guragon Sector 60 (Red Fox)			
Material	1,931.95	906.82	67.07
Professional charges	407.77	111.02	88.22
Borrowing cost	119.83	-	-
Rates and Taxes	393.89	-	-
Project staff			
-Salary wages & bonus	124.99	25.20	3.87
Project staff expenses other then salary	45.54	-	-
Others	128.95	1.08	0.26
	3,152.92	1,044.12	159.42
Less Capitalised during the year	3,152.92	-	-
	-	1,044.12	159.42
Hotel at City Center Pune			
Material	4,200.43	2,326.93	849.61
Professional charges	1,242.39	1,079.12	639.04
Borrowing cost	782.00	602.45	602.45
Project staff			
-Salary wages & bonus	129.54	79.89	59.88
Project staff expenses other then salary	47.61	44.50	35.22
Travelling	8.92	7.09	4.44
Rates and taxes	571.12	305.70	274.10
Others	11.10	5.23	2.62
	6,993.11	4,450.91	2,467.36

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	As at March 31, 2017 (Rs in lakhs)	As atMarch 31, 2016(Rs in lakhs)	As atApril 1, 2015(Rs in lakhs)
Hotel at Mumbai			
Material	6,347.79	3,937.11	3,906.91
Professional charges	1,541.80	817.80	795.06
Borrowing cost	231.29	145.15	183.50
Project staff			
-Salary wages & bonus	186.94	168.37	84.12
Project staff expenses other then salary	226.31	192.94	161.48
Travelling	36.28	32.47	28.93
Rates and taxes	4,274.86	4,250.07	4,218.88
Stock in Hand	-	72.78	72.77
Others	181.85	139.01	130.99
	13,027.12	9,755.70	9,582.64
Hotel at Gachibowli, Hyderabad			
Material	-	-	8,044.69
Professional charges	-	-	1,065.25
Borrowing cost	-	-	495.08
Project staff			
-Salary wages & bonus	-	-	87.13
Project staff expenses other then salary	-	-	84.86
Travelling	-	-	27.31
Rates and taxes	-	-	35.89
Others	-	-	196.70
Total	-	-	10,036.91
Less:- Capitalised during the year	-	-	10,036.91
	-	-	-
Hotel at Udaipur			
Material	5,268.15	3,332.48	1,080.75
Professional charges	936.02	486.62	376.37
Borrowing cost	240.72	-	-
Project staff			
-Salary wages & bonus	85.47	40.53	14.77
Project staff expenses other then salary	28.14	17.69	10.19
Travelling	12.22	9.03	5.10
Rates and taxes	30.55	25.00	31.75
Others	0.26	0.26	-
	6,601.53	3,911.61	1,518.93
Hotel at Kolkata			
Material	1,293.55	98.26	3.73
Professional charges	522.39	435.44	405.68
Borrowing cost	34.10	-	-
Project staff			
-Salary wages & bonus	52.28	12.19	-
Project staff expenses other then salary	39.22	5.27	0.03
Travelling	4.20	1.74	0.97
Others	1.06	1.06	1.06
	1,946.80	553.96	411.47
Hotel at MIAL Aerocity, Mumbai			
Material	4.12	2.62	1.89
Professional charges	2,436.97	2,049.60	670.96
Lease rent	2,723.29	1,420.16	174.96
Project staff			
-Salary wages & bonus	5.97	1.99	-
Project staff expenses other then salary	4.14	0.78	0.10
Travelling	16.22	14.50	2.89
Rates and taxes	345.83	328.31	304.99
Others	24.49	17.82	11.13
	5,561.03	3,835.78	1,166.92
Hotel at Bandhavgarh, Madhya Pradesh			
Material	206.53	-	-
Professional charges	2.28	-	-
Project staff	-		
-Salary wages & bonus	8.46	-	-
Project staff expenses other than salary	0.05	-	-
Travelling	3.38	-	-
Rates and taxes	0.66	-	-
Others	2.48	-	-
	223.84	-	-
Total	34,940.66	25,924.68	16,712.06

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5. Investment Property

Rs. In lakhs

Particulars	Total
Cost or valuation	
Deemed Cost as at April 1, 2015	258.89
Additions	-
As at March 31, 2016	**258.89**
Additions	-
As at March 31, 2017	**258.89**
Depreciation and Impairment	
As at April 1, 2015	-
Charge for the year	4.40
As at March 31, 2016	**4.40**
Charge for the year	4.39
As at March 31, 2017	**8.79**
Net Block	
As at March 31, 2017	**250.10**
As at March 31, 2016	254.49
As at April 1, 2015	258.89

Information regarding income and expenditure of Investment property:

	March 31, 2017	March 31, 2016
	Rs in lakhs	Rs in lakhs
Rental income derived from investment property	14.42	12.91
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(0.99)	(1.13)
Profit arising from investment properties before depreciation and indi	**13.43**	11.78
Less – Depreciation	(4.39)	(4.40)
Profit arising from investment properties before indirect expenses	**9.04**	7.38

The Group's investment properties consist of a commercial property in India. The management has determined that the investment property consist of one classes of asset – office space – based on the nature, characteristics and risks of the property. The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

As at 31 March 2017 and 31 March 2016, the fair values of the property is Rs. 258.89 lacs and Rs. 258.89 lacs respectively. These valuations are based on valuations performed by an external independent valuer at the time of acquisition of property. The management has considered these valuations on the basis that there is no material change in the value of property since acquired.

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique	Significant unobservable Inputs
Sales comparable method	Location Size of building Quality of building Visibility of unit Furnished/unfurnished

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6. Intangible Assets

Rs. In lakhs

Particulars	Software	Goodwill	Total
Cost or valuation			
Deemed Cost as at April 1, 2015	163.14	-	163.14
Additions	35.12	-	35.12
Disposals	-	-	-
As at March 31, 2016	**198.26**	-	**198.26**
Additions (refer note 44)	109.76	673.42	783.18
Disposals	41.29	-	41.2939
As at March 31, 2017	**266.73**	**673.42**	**940.15**
Amortisation and impairment			
As at April 1, 2015		-	-
Amortisation	65.15	-	65.15
Disposals	-	-	-
As at March 31, 2016	**65.15**	-	**65.15**
Amortisation	55.37	-	55.37
Disposals	41.30	-	41.30
As at March 31, 2017	**79.22**	-	**79.22**
Net Block			
As at March 31, 2017	**187.51**	**673.42**	**860.93**
As at March 31, 2016	133.11	-	133.11
As at April 1, 2015	163.14	-	163.14

Net book value	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Intangible assets	860.93	133.11	163.14
Intangible assets under development	140.40	-	-

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Notes to Consolidated financial statements for the year ended March 31, 2017

7 Financial assets

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
(i) Investments			
Government Securities at amortised cost			
Six Years National Saving Certificates	-	0.88	0.85
Investments at fair value through Profit & Loss			
Mutual funds			
10,422 (March 31, 2016: 13,299, April 1, 2015: Nil) units of Reliance Money Manager Fund-Direct Plan-Growth Option	237.26	282.21	-
11,016.85 (March 31, 2016: Nil, April 1, 2015: Nil) Units of Reliance Money Manager Fund-Direct Growth Plan Growth Option	250.80	-	-
Nil (March 31, 2016: 393,973, April 1, 2015: Nil) units of Reliance Quarter Interval Fund-Series II	-	81.74	-
5648 (March 31, 2016: 6,777, April 1, 2015: 14,671) units of Reliance liquid fund treasury plan	128.59	196.55	500.47
703 (March 31, 2016: 703, April 1, 2015: 27,517) units of Reliance liquid fund direct plan	17.24	16.06	580.24
Nil (March 31, 2016: Nil, April 1, 2015: 203,809) units of ICICI Prudential Liquid Direct Plan Growth	-	-	422.09
Nil (March 31, 2016: Nil, April 1, 2015: 180,312) units of Birla Sun Life Cash Plus Growth Direct Plan	-	-	404.97
Nil (March 31, 2016: Nil, April 1, 2015: 8,432) units of Axis Liquid Fund	-	-	130.78
Nil (March 31, 2016: Nil, April 1, 2015: 14,895) units of Principal Cash Management Fund-Regular Plan Growth	-	-	202.35
Nil (March 31, 2016: Nil, April 1, 2015: 803,737) units of DWS Insta Cash Plus Fund - Bonus plan	-	-	882.73
Other investments at fair value through Profit and Loss			
2,567 (March 31, 2016: 2,567, April 1, 2015: 2,567) equity shares of SEP Energy Private Limited of Rs.10 each fully paid.	0.26	0.26	0.26
	634.15	577.70	3,124.74
Aggregate book value of quoted investments	633.89	576.56	3,123.63
Aggregate market value of quoted investments	633.89	576.56	3,123.63
Aggregate amount of impairement in value of investments	-	-	-
Current	**633.89**	576.56	3,123.63
Non-Current	**0.26**	1.14	1.11
	634.15	577.70	3,124.74

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
(ii) Loans			
Unsecured, considered good			
Loans to employees at amortised cost	**1,085.60**	761.63	924.54
	1,085.60	761.63	924.54

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
(iii) Other Non- current financial assets			
Unsecured, considered good			
Security Deposits	**2,904.65**	2,503.64	1,785.56
Interest accrued on deposits with banks and others	**276.58**	216.18	153.09
Other bank balances	**788.93**	772.03	742.27
	3,970.16	3,491.85	2,680.92

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8 Other non-current assets	**As at March 31, 2017 Rs. In lakhs**	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
Unsecured, considered good			
Capital Advances	**6,968.13**	16,086.01	17,737.96
Unsecured, considered good			
Balance with statutory/ government authorities	**66.83**	66.83	18.74
Advance Income Tax (net of provision for taxation)	**2,100.78**	1,950.26	1,592.51
Prepaid stamp duty	**228.29**	211.16	236.93
Prepaid conversion charges (Also refer note 42)	**512.55**	522.61	532.68
Prepaid expenses	**304.46**	-	28.29
Advances recoverable in cash or kind or for value to be received	-	-	13.47
Prepayments of security deposit	**20,981.35**	21,215.44	15,992.05
	24,194.26	23,966.30	18,414.67
Total	**31,162.39**	40,052.31	36,152.63

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9 Inventories **(Valued at lower of cost or net realisable value)**	**As at March 31, 2017 Rs. In lakhs**	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
(valued at lower of cost and net realisable value)			
Food and beverages (excluding liquor and wine)	**102.47**	100.07	77.17
Liquor and wine	**111.86**	115.86	77.49
Stores, cutlery, crockery, linen, provisions and others	**279.34**	322.58	326.10
Total	**493.67**	538.51	480.76

During the year ended March 31, 2017: Rs. 44.50 lakhs, (March 31, 2016: Rs. 27.78 lakhs, March 31, 2015: Rs. 10.40 lakhs) was recognised as an expense for inventories carried at net realisable value

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10 Financial assets

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
(i) Trade receivables			
Trade receivables	**3,144.53**	2,448.54	1,790.54
	3,144.53	2,448.54	1,790.54
Break-up for security details:			
Trade receivables			
Secured, considered good	**1.18**	1.05	-
Secured, considered doubtful	**1.18**	5.53	-
Unsecured, considered good	**3,143.35**	2,447.48	1,790.54
Unsecured, considered doubtful	**35.47**	25.57	33.60
	3,181.18	2,479.63	1,824.14
Impairment Allowance (allowance for bad and doubtful debts)			
Secured, considered doubtful	**1.18**	5.53	-
Unsecured, considered doubtful	**35.47**	25.57	33.60
	36.65	31.10	33.60
Total Trade receivables	**3,144.53**	2,448.54	1,790.54

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

	As At March 31, 2017 Rs. In lakhs	As At March 31, 2016 Rs. In lakhs	As At April 1, 2015 Rs. In lakhs
(ii) Cash and cash equivalents			
Balance with banks			
On current & cash credit accounts	**1,719.75**	1,314.91	2,936.34
Cash on hand	**39.46**	65.74	67.33
	1,759.21	1,380.65	3,003.67

At March 31, 2017, the Group had available Rs. 25,900 lakhs (March 31, 2016: Rs. 2,480 lakhs, April 1, 2015: Nil) of undrawn committed borrowing facilities.

	As At March 31, 2017 Rs. In lakhs	As At March 31, 2016 Rs. In lakhs	As At April 1, 2015 Rs. In lakhs
(iii) Other current financial assets			
Other bank balances	**2.00**	-	-
Security deposits	**29.10**	54.92	27.54
Others			
Commission receivable	**0.41**	2.92	3.78
	31.51	57.84	31.32

	As At March 31, 2017 Rs. In lakhs	As At March 31, 2016 Rs. In lakhs	As At April 1, 2015 Rs. In lakhs
(iv) Loans			
Loans & advances to director	**46.86**	64.46	54.67
Loans to employees	-	-	25.00
	46.86	64.46	79.67

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11 Other current assets	**As At March 31, 2017 Rs. In lakhs**	As At March 31, 2016 Rs. In lakhs	As At April 1, 2015 Rs. In lakhs
Advances recoverable in cash or kind			
- Employee Advance	**1.77**	0.50	0.6040
- Others	**375.63**	591.72	112.41
	377.40	592.22	113.01
Provision for doubtful advances	**8.75**	-	-
	368.65	592.22	113.01
Accrued revenue	**308.49**	300.08	212.49
Balance with statutory/ government authorities	**653.41**	730.23	278.30
Prepaid stamp duty	**25.51**	25.51	24.97
Prepaid conversion charges (Also refer note 42)	**10.07**	10.07	10.07
Prepaid Expenses	**564.83**	344.64	330.66
Total	**1,930.96**	2,002.75	969.50

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Lemon Tree Hotels Ltd. New Delhi

12 Share capital

Authorised Share Capital

	Equity shares	
	No. of shares	Rs. In lakhs
At 1 April 2015	998,550,000	99,855.00
Increase/(decrease) during the year	-	-
At 31 March 2016	998,550,000	99,855.00
Increase/(decrease) during the year	-	-
At 31 March 2017	998,550,000	99,855.00

	5% Redeemable Cumulative Preference Shares	
	No. of shares	Rs. In lakhs
At 1 April 2015	145,000	145.00
Increase/(decrease) during the year	-	-
At 31 March 2016	145,000	145.00
Increase/(decrease) during the year	-	
At 31 March 2017	145,000	145.00

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares	Rs. In lakhs
At 1 April 2015*	776,425,740	77,642.57
Issued during the year - Exercise of ESOP	419,539	41.95
Issued during the year - other than ESOP	1,195,852	119.59
At 31 March 2016*	778,041,131	77,804.11
Issued during the year - Exercise of ESOP	2,871,902	287.19
Issued during the year - other than ESOP	300,000	30.00
At 31 March 2017*	781,213,033	78,121.30

* excluding 61,032 equity shares (March 31, 2016: 61,032 shares, March 31, 2015: 61,032 shares) held by ESOP trust which has been consolidated in accordance with the requirement of IndAS 102. The movement is explained below :-

	Share capital		Shares held by ESOP trust		Share capital (net)	
	No. of shares	Rs. In lakhs	No. of shares	Rs. In lakhs	No. of shares	Rs. In lakhs
At 1 April 2015*	776,486,772	77,648.68	61,032	6.10	776,425,740	77,642.57
Issued during the year - Exercise of ESOP	419,539	41.95	-	-	419,539	41.95
Issued during the year - other than ESOP	1,195,852	119.59	-	-	1,195,852	119.59
At 31 March 2016*	778,102,163	77,810.22	61,032	6.10	778,041,131	77,804.11
Issued during the year - Exercise of ESOP	2,871,902	287.19	-	-	2,871,902	287.19
Issued during the year - other than ESOP	300,000	30.00	-	-	300,000	30.00
At 31 March 2017*	781,274,065	78,127.41	61,032	6.10	781,213,033	78,121.30

Details of shareholders holding more than 5% shares in the company

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid up						
Maplewood Investment Limited	192,908,118	24.69%	192,908,118	24.79%	192,908,118	24.84%
Spank Management Services Private Limited	180,122,627	23.06%	180,122,627	23.15%	163,266,970	21.03%
RJ Corp Limited	78,748,368	10.08%	78,748,368	10.12%	78,748,368	10.14%
APG Strategic Real Estate Pool N.V.	118,730,914	15.20%	118,730,914	15.26%	102,880,914	13.25%

Shares reserved for issue under options
For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 35

Aggregate number of bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	March 31, 2017 No. of shares	March 31, 2016 No. of shares
Equity shares allotted as fully paid, pursuant to amalgamations	32,486,000	32,486,000
Equity shares allotted as fully paid bonus shares by capitalization of securities premium and capital redemption reserve	646,125,652	646,125,652

In addition, the company has issued total 4,884,737 shares (March 31, 2016 : 3,048,468, April 1, 2015: 2,656,166) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

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13 Other equity

Securities Premium	Rs. In lakhs
At 1 April 2015	8,604.96
Add: On issue of shares	77.73
Add: additions on ESOPs excercised (excluding transferred from stock options outstanding)	13.71
Add: transferred from stock options outstanding	3.51
At 31 March 2016	8,699.91
Add: premium on issue of shares	34.50
Add: additions on ESOPs excercised (excluding transferred from stock options outstanding)	176.13
Add: transferred from stock options outstanding	43.83
At 31 March 2017	8,954.37

Retained Earnings	Rs. In lakhs
At 1 April 2015	(14,430.22)
Profit/(loss) for the year	(2,686.52)
At 31 March 2016	(17,116.74)
Profit/(loss) for the year	(624.29)
At 31 March 2017	(17,741.03)

Capital Reserve	Rs. In lakhs
At 1 April 2015	5,461.42
Add: Gain on deemed disposal of subsidiary (Also refer Note 43)	2,696.35
Less: Proportionate reduction in Goodwill on deemed disposal (Also refer Note 43)	(12.18)
At 31 March 2016	8,145.59
Increase/(decrease) during the year	54.61
At 31 March 2017	8,200.20

General Reserve	Rs. In lakhs
At 1 April 2015	3,035.24
Increase/(decrease) during the year	-
At 31 March 2016	3,035.24
Increase/(decrease) during the year	-
At 31 March 2017	3,035.24

Share-based payments	Rs. In lakhs
At 1 April 2015	26.59
Add:- Expense for the year (Refer note 35)	148.74
Less:- transferred to securities premium on exercise of stock options	(3.51)
At 31 March 2016	171.82
Add:- Expense for the year (Refer note 35)	114.13
Less:- transferred to securities premium on exercise of stock options	(43.83)
At 31 March 2017	242.12

Capital redemption reserve	Rs. In lakhs
At 1 April 2015	45.00
Increase/(decrease) during the year	-
At 31 March 2016	45.00
Increase/(decrease) during the year	-
At 31 March 2017	45.00

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
Other reserves			
Securities Premium	8,954.37	8,699.91	8,604.96
Retained Earnings	(17,741.03)	(17,116.74)	(14,430.22)
Capital Reserve	8,200.20	8,145.59	5,461.42
General Reserve	3,035.24	3,035.24	3,035.24
Share-based payments	242.12	171.82	26.59
Capital redemption reserve	45.00	45.00	45.00
	2,735.90	2,980.82	2,742.99

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
14 Non-controlling interest			
Non-controlling interest	42,836.28	42,773.46	42,227.10

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15 Borrowings

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
Non-current borrowings			
Term Loans			
Indian rupee loans from Banks (Secured)			
Punjab National Bank (Refer note 1 below)	-	-	5,466.45
Axis Bank Limited (Refer note 15 below)	6,414.37	7,233.33	7,913.23
Kotak Mahindra Bank Limited (Refer note 3, 4, 5 & 6 below)	6,647.53	3,931.46	792.28
Andhra Bank (Refer note 4 below)	2,171.25	2,409.34	2,647.44
The Ratnakar Bank Limited (Refer note 5, 6 & 7 below)	10,593.45	11,593.67	12,353.60
Yes bank Limited (Refer note 18 below)	31,966.34	15,762.41	12,164.81
Hdfc Bank Limited (Refer note 12 below)	2,027.38	-	-
Vehicle loans (Refer note 9 below)	159.95	115.91	171.44
Rupee term loans from financial institutions			
Tourism Finance Corporation of India Limited (Refer note 13 & 14 below)	-	2,056.91	3,208.53
Aditya Birla Finance Limited (Refer note 10 & 11 below)	9,089.99	9,269.93	3,941.67
Total non-current borrowings	69,070.26	52,372.96	48,659.45
Current borrowings			
Term Loans			
Current maturity of long term loans			
Punjab National Bank (Refer note 1 below)	-	-	13.75
Axis Bank Limited (Refer note 15 below)	720.00	660.00	452.00
Kotak Mahindra Bank Limited (Refer note 3, 4, 5 & 6 below)	1,218.96	834.89	210.00
Andhra Bank (Refer note 4 below)	240.00	240.00	150.00
The Ratnakar Bank Limited (Refer note 5, 6 & 7 below)	1,023.76	772.56	290.00
Yes bank Limited (Refer note 18 below)	544.00	250.00	62.50
Hdfc Bank Limited (Refer note 12 below)	42.00	-	-
Vehicle loans (Refer note 9 below)	73.86	83.19	126.96
Rupee term loans from financial institutions			
Tourism Finance Corporation of India Limited (Refer note 13 & 14 below)	-	192.60	446.40
Aditya Birla Finance Limited (Refer note 10 & 11 below)	188.00	124.00	-
Total current borrowings	4,050.58	3,157.24	1,751.61
Less: Amount clubbed under "other current liabilities"	(4,050.58)	(3,157.24)	(1,751.61)
Net current borrowings	-	-	-
	73,120.84	55,530.20	50,411.06

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
(ii) Other financial liabilities			
Security deposits	48.49	144.80	145.78
	48.49	144.80	145.78

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Lemon Tree Hotels Ltd. New Delhi

Rs in million

Footnotes to Note 15 "Borrowings"

Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at March 31, 2016	Repayment/ Modification of terms	Security/ Principal terms and conditions
1	Punjab National Bank	550.00	Nil	Nil	Loan is repayable in 38 Quarterly ballooning Installments payable back ended and commencing from 31.01.2016 after allowing moratorium period.	First charge of all movables including fixed assets, current assets, capital goods/capex goods and mortgage by way of deposit of title deeds of its property at Gachi bowli, Hyderabad, Andhra Pradesh is created in favour of Punjab National Bank to secure the credit facilities.
2	Kotak Mahindra Bank Limited	75.00	11.95%	11.95%	The loan is repayable in 60 monthly installments of Rs 1,666,667 each along with interest subsequently after disbursement beginning from April2013.	The Term Loan is secured by way of: a) Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon. b) Subservient charge over all existing and future current assets of the Company except current assets of the company's hotels lactated at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge. c) Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon. d) Personal Guarantee of Mr. Patanjali G. Keswani.
3	Kotak Mahindra Bank Limited	200.00	11.95%	11.95%	The loan is repayable in 20 quarterly installments post the end of the moratorium period.	
4	Andhra Bank	300.00	interest rate @ base rate + 3.50% (Currently 11.50%)	interest rate @ base rate + 1.25% + 0.50% (Currently 11.50%)	The loan is repayable in scattered quarterly installment beginning from March 2014. Interest is payable monthly as and when due.	It is secured by : (i) First pari-passu charge on all the Project's immovable properties (except land), present and future. (ii) First pari-passu charge by way of hypothecation of all the project's movables, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future. (iii) First pari-passu charge on the project's book debts, operating cash flows, receivables, commissions, bank accounts (wherever held), revenues of whatever nature and wherever arising, present and future subject to prior charge of bankers on specified current assets for securing working capital facilities & subject to prior approval of the bank. (iv) First charge by way of assignment or creation of charge in favor of the lender of (a) All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; (b) All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; (c) All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents and ; (d) All insurance contracts/insurance proceeds; (v) Pari-passu charge along with the other lenders on the letter of credit/ escrow account, trust and retention account, debt service reserve account and other reserves and any other bank accounts of the company wherever maintained; (vi) Right of substitution and other rights under the substitution agreement, on pari-passu basis with other lenders.
5	The Ratnakar Bank Limited	300.00	interest rate @ base rate +2.75% (Currently 11.50%)	interest rate @ base rate +2.75% (Currently 13.65%)	The loan is repayable in scattered quarterly installment beginning from December 2013.	It is secured by : (i) First charge on all the Project's immovable properties (except land), present and future subject to prior confirmation from panel advocates/Legal Department of the Bank. (ii) A first charge by way of hypothecation of all the project's movables including movable plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future. (iii) A first charge on the project's book debts, operating cash flows, receivables, commissions, bank accounts (wherever held), revenues of whatever nature and wherever arising, present and future subject to prior charge of bankers on specified current assets for securing working capital facilities. (iv) First charge by way of assignment or creation of charge in favour of the lender of - All the right, title, interest,benefits, claims and demands whatsoever of the borrower in agreements (developement agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; - All the rights,title, interest,benefits, claims and demands whatsoever of the borrower in clearances; - All the rights,title, interest,benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents - All insurance contracts/insurance proceeds; (v) Charges on the letter of credit/ escrow account, trust and retention account, debt service reserve account and other reserves and any other bank accounts of the company wherever maintained; (vi) Right of substitution and other rights under the Substituition Agreement.
6	The Ratnakar Bank Limited	300.00	interest rate @ base rate +1.55% (Currently 12.20%)	interest rate @ base rate +1.55% (Currently 12.20%)	The loan is repayable in scattered quarterly installment beginning from June 2016. Interest is payable monthly as and when due	It is secured by : a) First pari passu charge on the current assets, entire movable fixed assets and immovable assets of the Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahemdabad; Hotel Lemon Tree, Chennai; Hotel Lemon Tree, Bangalore and Red Fox Hotel, Hyderabad.
7	The Ratnakar Bank Limited	450.00	12.20%	12.55%	The Loan is repayable in 32 quarterly installments starting from Dec'15.	The Loan is secured by a exclusive charge on all the movable fixed assets of the company situated at at EDM mall, East Delhi, built on Plot no. 1, Kaushambi, Ghaziabad, exclusive charge on the current assets of Company's hotel including book debts, operating cash flows, intagible revenues both present and future and exclusive charge by way of equitable mortgage over land and building of company's hotel (cross collateralised with the exposure granted to Sukhsagar Complexes Pvt. Ltd) and exclusive charge on the property at at Khasra No.102/103/433, Village Jhalana , J.L.N. Marg , Jaipur (cross collateralised with the exposure granted to Sukhsagar Complexes Pvt. Ltd). Further it is secured by Coporate Guarantee of parent company.
8	Yes Bank Limited	1,250.00	interest rate @ base rate +0.28% (Currently 10.78%)	interest rate @ base rate +1.80% (Currently 12.05%)	The loan is repayable in scattered quarterly installment beginning from April 2017.	a) Exclusive charge on all immoveable fixed assets of Lemon tree hotels Premier, Hyderabad. b) Exclusive charge on all moveable fixed assets and current assets both present and future of LTH, Hyderabad. c) Corporate guarantee of the Company
9	Vehicle loan (different banks)	-	Rate of interest of these loans ranges from 9.00 % to 14.00 %	Rate of interest of these loans ranges from 9.00 % to 14.00 %	These loans are repaid on agreed monthly installments.	
10	Aditya Birla Finance Limited	400.00	interest rate @ benchmark rate + 2.30% (Currently 11.55%)	interest rate @ benchmark rate + 2.30% (Currently 11.80%)	The loan is repayable in scattered quarterly installment beginning from December 2016. Interest is payable monthly as and when due.	It is secured by : a) First pari passu charge on all immovable fixed assets, movable fixed assets and current assets (both present and future) including land and building of the Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahemdabad, Hotel Lemon Tree, Chennai, Hotel Lemon Tree, Bangalore, Red Fox Hotel, Hyderabad
11	Aditya Birla Finance Limited	550.00	Base Rate Plus 2.15%	Base Rate Plus 2.15%	The Loan is repayable in 56 Structured Quarterly Installments payable after moratorium period of 12 months from the date of first disbursement.	a) first exclusive charge of all immovables fixed assets (both present and future) of the LTH Gachibowli hyderabad hotel b) first exclusive charge on all the movable fixed assets (both present and future) of LT Gachibowli hyderabad hotel. c) first exclusive charge on escrow account of entire cash flow of LT Gachibowli hyderabad hotel. d) Corporate guarantee of the Company.
12	HDFC Bank Limited	210.00	interest rate @ for first year (MCLR for 3 years + 0.65 basis points) & 11.15% for remaing tenure of loan (MCLR for 3 years + 1.80 basis points) (Currently 9.70%)	Nil	The loan is repayable in 40 step-up quarterly installments.	It is secured by : a)First charge on all the fixed assets, both present and future, of the hotel "Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh, including hypothecation of all movables and mortgage of leasehold rights on land admeasuring 0.46 acres and buildling thereon. b) A first & exclusive charge on Projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) unencumbered-book debts,operating cash flows,receivables,comissions, banks accounts (whenever held) if any-present & future all revenues c) Mortgage of leasehold rights of the projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) land admeasuring 0.46 acre (2241.38 sq yrd) and building thereon.
13	Tourism Finance Corporation of India Limited	120.00	prime lending rate + 0.50% (currently 13.0%)	prime lending rate + 0.50% (currently 13.0%)	The loan is repayable in quarterly installment of 4,285,000 each along with interest beginning from April'2010.	a.) first charge by way of hypothecation of all the movables (save and except book debts) of the Company at Aurangabad Hotel subject to prior charge of bankers on specified movable assets for securing working capital facilities. b) Corporate Guarantee of Meringue Hotels Private Limited and Personal Guarantee of Mr. Patanjali G. Keswani.
14	Tourism Finance Corporation of India Limited	210.00	Nil	interest rate @ TBR+0.75%P.A. (Currently 13.00%)	The loan was taken over by HDFC Bank with effect from 30.05.2016.	Below mentioned charge was satisfied on repayment of loan: a)First charge on all the fixed assets, both present and future, of the hotel "Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh, including hypothecation of all movables and mortgage of leasehold rights on land admeasuring 0.46 acres and buildling thereon.
15	Axis Bank Limited	1,000.00	base rate + 3.25% (Currently 11.85%)	base rate + 3.25% (Currently 13.25%)	The Loan is repayable in 40 quarterly instalments with first installment falling due after a period of 3 years from first disbursement.	It is secured by way of (a) A first pari passu charge on the Borrower's properties & assets, both present & future, pertaining to the Lemon Tree Hotel project of the Company at Delhi Aerocity Hospitality District (Except Project Land). (b) A first pari passu charge on Company's bank accounts and all revenues of the Company. (c) Right of substitution provided by DIAL under tripartite agreement with the Company and SBI as lender's agent. (d) Pledge of 51% equity shares of the Company held by the Holding Company. (e) Corporate guarantee of the Company.

(i) The Company has not defaulted in the repayment of loans and interest as at Balance Sheet date.
(ii) Bank loans availed by the Company are subject to certain covenants relating to interest coverage ratio, debtservice coverage ratio, capital gearing ratio.
(iii) The Company has complied with the covenants as per the terms of the loan agreement.

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Lemon Tree Hotels Ltd. New Delhi

16 Provisions

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
Provision for gratuity	**171.54**	143.99	116.00
Current	**35.90**	25.05	21.13
Non-current	**135.64**	118.94	94.87

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
Provision for leave benefits	**121.12**	99.94	89.40
Current	**121.12**	99.94	89.40
Non-current	-	-	-

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
Provision for litigations	**69.45**	47.46	-
Current	**69.45**	47.46	-
Non-current	-	-	-

Total current	**226.46**	172.45	110.53
Total non-current	**135.64**	118.94	94.87

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Lemon Tree Hotels Ltd. New Delhi

Lemon Tree Hotels Limited
Notes to Consolidated financial statements for the year ended March 31, 2017

17 Deferred tax liability (net)	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
Property, plant and equipments	**5,545.46**	5,296.36	4,832.55
Fair value of investments	**0.60**	1.16	-
Revaluation of land	**401.77**	436.61	481.74
Deferred tax liability	**5,947.83**	5,734.13	5,314.29
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	**120.15**	311.98	65.61
Effect of unabsorbed depreciation and business loss	**3,125.40**	3,035.45	4,043.45
Provision for gratuity	**35.70**	34.45	28.26
Provision for leave compensation	**26.43**	23.78	22.57
loyalty program	**1.81**	2.29	6.18
Provision for litigation	**9.68**	-	-
Provision for slow moving inventory	**10.55**	-	-
Expense on account of lease equalization reserve created	**332.27**	282.72	228.50
Security deposits	**222.98**	196.57	174.12
Loan to employee recorded at amortized cost	**5.84**	7.23	11.22
Borrowings	**0.40**	0.10	0.14
Prepaid expenses	**1.85**	-	-
Provision for expected credit losses	**5.67**	3.40	0.79
MAT credit entitlement receivable	**1,374.92**	1,147.21	194.34
Deferred tax asset	**5,273.65**	5,045.18	4,775.18
Deferred tax liability (net)	**674.18**	688.95	539.11

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2016 and 31 March 2017:

	March 31, 2017	March 31, 2016
Profit/(loss) before tax	**(32.95)**	(1,892.38)
Tax rate	**33.99%**	33.99%
Tax at statutory income tax rate	**(11.20)**	(643.22)
Effect of incomes taxable at nil/lower rate	**(161.86)**	(92.22)
Effect of non-deductible expenses	**(100.08)**	54.39
Tax Effect of expenses/ income not allowed/ required to tax under	**(24.65)**	2.91
Income tax charge/ (credit) in respect of earlier year		
Unrecognized tax assets (net)	**776.86**	1,337.60
Net	**479.06**	659.46
As per profit and loss account	**479.06**	659.46

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18 Other Non-current liabilities

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
Reserve for lease equalisation	**2,082.74**	1,433.99	761.04
Security deposits	-	-	11.23
Advance from customers (earnest advance)	-	-	48.02
	2,082.74	1,433.99	820.29

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Lemon Tree Hotels Limited
Notes to Consolidated financial statements for the year ended March 31, 2017

19 Financial liabilities

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
(i) Borrowings			
Cash credit from banks (Secured)	3,215.97	4,419.18	4,163.66
Working capital loan (Secured)	1,000.00	-	-
0% loan from shareholders and directors repayable on demand (Unsecured)	2,530.01	2,530.01	2,530.01
	6,745.98	6,949.19	6,693.67

A The Cash credit facility and working capital loan from Kotak Mahindra Bank is repayable on demand and carries interest rate of 12.00% p.a. (March 31, 2016: 12.90% p.a.) and is secured by way of:

a.) Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon.

b.) Subservient charge over all existing and future current assets of the Company except current assets of the company's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge.

c) Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon.

d.) Personal Guarantee of Mr. Patanjali G. Keswani.

B The Cash credit facility from Yes Bank is repayable on demand and carries interest rate of 10.70% p.a.(March 31, 2016: 12.05% p.a.) and is secured by way of:

a) First pari passu charge on all immovable fixed assets, movable fixed assets and current assets (both present and future) including land and building of Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahemdabad, Hotel Lemon Tree, Chennai, Hotel Lemon Tree, Bangalore and Red Fox Hotel, Hyderabad

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
(ii) Trade payables			
Trade Payables			
-Micro and small enterprises	-	3.87	-
-Other than Micro and small enterprises	6,044.52	5,168.08	3,392.93
	6,044.52	5,171.95	3,392.93

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
(iii) Other financial liabilities			
Current maturities of long-term borrowings	4,050.58	3,157.24	1,751.61
Interest accrued but not due on borrowings	41.39	39.29	24.38
Retention Money Payable	-	110.84	161.44
Book overdraft	468.65	619.73	47.32
Other payables			
-Payable for capital goods	2,013.57	1,284.89	613.88
-Sundry Deposits	0.75	23.25	21.16
-Payable to employees	15.10	13.69	12.16
Outstanding dues of other creditors	3,993.79	3,283.46	2,999.96
	10,583.83	8,532.39	5,631.91

20 Current Tax Liabilities (net)

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
Provision for wealth tax (Net of advance tax)	-	-	1.07
	-	-	1.07

21 Other current liabilities

	As at March 31, 2017 Rs. In lakhs	As at March 31, 2016 Rs. In lakhs	As at April 1, 2015 Rs. In lakhs
Advance from customers	949.97	637.53	235.34
Deferred revenue- loyalty programme	5.32	6.73	18.19
Statutory Dues	913.33	655.40	619.39
	1,868.62	1,299.66	872.92

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Lemon Tree Hotels Limited
Notes to Consolidated financial statements for the year ended March 31, 2017

22 Revenue From Operations

	March 31, 2017 Rs. In lakhs	March 31, 2016 Rs. In lakhs
Revenue from operations		
Sale of products and services		
- Room rental	27,168.83	24,111.83
- Food and beverage (excluding liquor and wine)	7,856.93	7,431.15
- Liquor and wine	966.30	887.62
- Banquet rentals	168.32	111.19
- Telephone and telex	103.14	72.62
- Other Services (including service charge income)	4,395.57	4,077.57
Other Operating Revenue		
- Management fee	543.76	95.98
- Commission income	5.22	7.28
Revenue from operations	41,208.07	36,795.24

23 Other income

	March 31, 2017 Rs. In lakhs	March 31, 2016 Rs. In lakhs
Income from serve for India scheme	73.93	97.67
Profit on relinquishment of rights (refer note 46)	600.00	-
Rent received	54.31	51.29
Excess provision/ credit balances written back	57.33	36.59
Exchange difference (net)	0.60	-
Miscellaneous income	36.55	32.69
	822.72	218.24

24 Cost of food and beverages consumed

	March 31, 2017 Rs. In lakhs	March 31, 2016 Rs. In lakhs
(a) Consumption of food & beverages excluding liquor & wine		
Inventory at the beginning of the year	100.07	77.17
Add: Purchases	3,188.02	3,173.32
	3,288.09	3,250.49
Less: Inventory at the end of the year	102.47	100.07
Cost of food and beverage consumed	3,185.62	3,150.42
(b) Consumption of liquor & wine		
Inventory at the beginning of the year	115.86	77.49
Add: Purchases	343.05	349.10
	458.91	426.59
Less: Inventory at the end of the year	111.86	115.86
Cost of liquor and wine consumed	347.05	310.73
	3,532.67	3,461.15

25 Employee Benefit Expense

	March 31, 2017 Rs. In lakhs	March 31, 2016 Rs. In lakhs
Salaries, wages and bonus	7,998.47	7,121.83
Contribution to provident fund and other funds	322.28	296.15
Share based payments to employees	114.13	148.74
Gratuity expense	50.24	43.55
Leave compensation expenses	35.17	17.68
Staff welfare expenses	1,168.63	921.15
Total	9,688.92	8,549.10

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Notes to Consolidated financial statements for the year ended March 31, 2017

26 Other Expenses

	March 31, 2017 Rs. In lakhs	March 31, 2016 Rs. In lakhs
Consumption of stores, cutlery, crockery, linen, provisions and others	1,048.37	1,013.11
Lease rent	2,346.60	1,648.51
License fee	403.97	382.91
Power and fuel	3,840.87	3,702.18
Linen & uniform washing and laundry expenses	252.17	224.21
Guest transportation	882.20	891.41
Spa expenses	151.51	128.12
Subscription charges	99.52	92.69
Repair and maintenance		
- Buildings	633.68	535.88
- Plant and machinery	648.19	578.49
- Others	719.30	552.24
Rates and taxes	871.30	924.72
Insurance	96.63	92.46
Communication costs	828.71	867.65
Printing and stationery	220.49	200.92
Traveling and conveyance	206.41	243.56
Vehicle running and maintenance	172.23	176.43
Advertisement and business promotion	302.45	281.59
Commission -other than sole selling agent	556.89	370.21
Security and cleaning expenses	717.24	587.56
Membership and subscriptions	41.70	33.20
Legal and professional fees	857.91	680.49
Advances written off	5.19	215.67
Freight and cartage	15.35	19.89
Exchange difference (net)	-	0.31
Donations	8.93	15.37
Loss on sale of property, plant & equipment (net)	21.58	53.47
Provision for doubtful debts	22.44	12.09
Payment to auditor	83.90	85.66
Miscellaneous expenses	284.02	226.54
	16,339.75	14,837.54

Payment to auditor		
Audit fee	56.90	61.25
Other services	24.00	22.00
Reimbursement of expenses	3.00	2.41
	83.90	85.66

27 Finance Costs

	March 31, 2017 Rs. In lakhs	March 31, 2016 Rs. In lakhs
Interest		
- on term loans from banks	6,223.17	5,324.11
- on loans from financial institutions	639.33	252.79
- on loans from others	7.81	796.55
- on vehicle loans	21.03	25.24
- on other credit facilities from banks	475.01	465.86
- on income tax	2.95	1.96
- on others	4.08	2.89
Prepayment charges	42.23	1.59
Bank charges (including commission on credit card collection)	341.80	331.38
	7,757.41	7,202.37

28 Finance income

	March 31, 2017 Rs. In lakhs	March 31, 2016 Rs. In lakhs
Profit on sale of investment	26.55	170.53
Interest Income on :		
-Bank Deposits	81.96	79.14
-Interest on income tax refund	0.68	3.63

-Others	**237.81**	111.16
Fair value loss on financial instruments at fair value through profit or loss	**9.25**	5.91
	356.25	370.37

29 Depreciation and Amortization Expense	March 31, 2017 Rs. In lakhs	March 31, 2016 Rs. In lakhs
Depreciation of tangible assets	**5,041.49**	5,156.52
Amortization of intangible assets	**55.36**	65.15
Depreciation on investment properties	**4.39**	4.40
Total	**5,101.24**	5,226.07

30 Earnings per share (Basic and Diluted)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2017	March 31, 2016
Profit/ (loss) attributable to equity holders (for basic and diluted)	**(512.01)**	(2,551.82)
Weighted Average Number of Equity Shares (for basic and diluted)*	**781,213,033**	778,041,131
Basic & Diluted EPS	**(0.07)**	(0.33)

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

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31. Significant accounting judgements, estimates and assumptions

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

Judgements

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

Operating lease commitments – Group as lessee

The Group has taken certain land and land and building on long term lease basis.The lease agreements generally have an escalation clause.These leases are generally non-cancellable. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life/ remaining economic life of the property and the fair value of the asset, that it does not have all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Further, the Group based on an evaluation of the terms and conditions of the respective agreements decided that wherever the escalations (generally 15% every 3 years or 20% every 4 years) are aligned to the average expected general inflation of the lease term period, operating lease payments are not required to be provided on a straight-line basis over the lease term as an expense in the statement of profit and loss and in other cases (including structured payment terms), operating lease payments are expensed on a straight-line basis over the lease term in the statement of profit and loss.

Estimates and assumptions

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

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Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 35 for further disclosures.

Taxes

The management based on its assessment of the industry forecasts and current year profits is hopeful of generating future taxable profits to utilize deductible temporary differences, carry forward of unabsorbed depreciation. However, considering the nature of the Group's operations and history of past tax losses, deferred tax assets (including MAT credit) are recognized to the extent that it is probable that taxable profit will be generated in future against which the deductible temporary differences, carry forward of unabsorbed depreciation and tax losses can be utilised. Accordingly, it is considered prudent to recognize the deferred tax assets only to the extent of deferred tax liabilitiesand the Group has not recognised deferred tax assets on remaining unused tax losses/credits of Rs 3,043.92 lakhs, Rs3,023.40 lakhs. andRs2,447.21 lakhs as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively.

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32. Group information

The consolidated financial statements of the Group include subsidiaries listed in the table below:

a) Subsidiaries under Direct Control

S. No.	Name of the Company	Principal activities	Country of Incorporation	% of equity interest		
				March 31, 2017	March 31, 2016	April 1, 2015
1.	Begonia Hotels Private Limited	Hotel Business	India	**74.11%**	74.11%	100%
2.	Carnation Hotels Private Limited	Hotel Business	India	**100%**	74.90%	74.90%
3.	Fleur Hotels Private Limited	Hotel Business	India	**57.98%**	57.98%	57.53%
4.	Dandelion Hotels Private Limited	Hotel Business	India	**100%**	100%	100%
5.	Lemon Tree Hotel Company Private Limited	Hotel Business	India	**100%**	100%	100%
6.	PSK Resorts & Hotels Private Limited	Hotel Business	India	**100%**	100%	100%
7.	Canary Hotels Private Limited	Hotel Business	India	**100%**	100%	100%
8.	Grey Fox Project Management Company Private Limited	Project management services	India	**74.90%**	74.90%	80%
9.	Nightingale Hotels Private Limited	Hotel Business	India	**57.53%**	57.53%	57.53%
10.	Oriole Dr Fresh Hotels Private Limited	Hotel Business	India	**100%**	100%	100%
11.	Red Fox Hotel Company Private Limited	Hotel Business	India	**100%**	100%	100%
12.	Sukhsagar Complexes Private Limited	Hotel Business	India	**100%**	100%	100%
13.	Manakin Resorts Private Limited (Subsidiary of PSK Resorts & Hotels Private Limited)	Hotel Business	India	**10%**	10%	10%
14.	Pelican Facilities Management Private Limited	Hotel Business	India	**100%**	100%	100%

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b) Subsidiaries under Indirect Control

S. No.	Name of the Company	Principal activities	Country of Incorporation	% of equity interest		
				March 31, 2017	March 31, 2016	April 1, 2015
1.	Manakin Resorts Private Limited (Subsidiary of PSK Resorts & Hotels Private Limited)	Hotel Business	India	**90%**	90%	90%
2.	Celsia Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	**57.98%**	57.98%	57.53%
3.	Inovoa Hotels & Resorts Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	**57.98%**	57.98%	57.53%
4.	IORA Hotels Private Limited(Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	**57.98%**	57.98%	57.53%
5.	Hyacinth Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited))	Hotel Business	India	**57.98%**	57.98%	57.53%
6.	Bandhav Resorts Private Limited (Subsidiary of Fleur Hotels Private Limited))	Hotel Business	India	**57.98%**	-	-
7.	Ophrys Hotels Private Limited(Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	**57.98%**	57.98%	57.53%
8.	Valerian Management Services Private Limited (Subsidiary of Grey Fox Project Management Company Private Limited)	Hotel Business	India	**74.90%**	74.90%	80%
9.	Meringue Hotels Private Limited (Subsidiary of Dandelion Hotels Private Limited)	Hotel Business	India	**80%**	80%	80%

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c) Statutory Group Information

	Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Rs in lakhs	As % of consolidated profit and loss	Rs in lakhs	As % of consolidated other comprehensive income	Rs in lakhs	As % of total comprehensive income	Rs in lakhs
Parent									
	Lemon Tree Hotels Limited								
	Balance as at 31 March, 2017	14.67%	18,148.42	377.48%	(1,932.76)	158.11%	11.85	380.74%	(1,920.91)
	Balance as at 31 March, 2016	12.76%	15,760.05	140.67%	(3,589.78)	96.51%	5.57	140.78%	(3,584.21)
Subsidiaries									
1	Fleur Hotels Private Limited								
	Balance as at 31 March, 2017	0.80%	984.21	-131.59%	673.76	-4.55%	(0.34)	-133.48%	673.42
	Balance as at 31 March, 2016	-2.85%	(3,522.08)	-20.68%	527.72	14.97%	0.86	-20.76%	528.59
2	Celsia Hotels Private Limited								
	Balance as at 31 March, 2017	-0.02%	(29.06)	-66.49%	340.43	0.18%	0.01	-67.48%	340.44
	Balance as at 31 March, 2016	3.56%	4,392.87	-16.70%	426.10	-4.04%	(0.23)	-16.73%	425.86
3	Mezereon Hotels LLP								
	Balance as at 31 March, 2017	0.00%	0.91	0.01%	(0.05)	0.00%	-	0.01%	(0.05)
	Balance as at 31 March, 2016	0.00%	0.96	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
4	Inovoa Hotels & Resorts Limited								
	Balance as at 31 March, 2017	1.99%	2,463.89	-23.95%	122.63	2.81%	0.21	-24.35%	122.84
	Balance as at 31 March, 2016	4.96%	6,128.74	-5.96%	152.14	6.73%	0.39	-5.99%	152.53
5	PSK Resorts & Hotels Private Limited								
	Balance as at 31 March, 2017	0.00%	(0.60)	0.21%	(1.08)	0.00%	0.00	0.21%	(1.08)
	Balance as at 31 March, 2016	0.00%	0.47	0.00%	(0.06)	0.00%	-	0.00%	(0.06)
6	Manakin Resorts Private Limited								

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	Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Rs in lakhs	As % of consolidated profit and loss	Rs in lakhs	As % of consolidated other comprehensive income	Rs in lakhs	As % of total comprehensive income	Rs in lakhs
	Balance as at 31 March, 2017	0.81%	996.96	-8.60%	44.03	10.28%	0.77	-8.88%	44.80
	Balance as at 31 March, 2016	0.77%	952.16	0.53%	(13.43)	-25.44%	(1.47)	0.59%	(14.90)
7	Canary Hotels Private Limited								
	Balance as at 31 March, 2017	1.92%	2,370.75	41.97%	(214.91)	0.97%	0.07	42.58%	(214.84)
	Balance as at 31 March, 2016	1.91%	2,365.59	9.40%	(239.90)	-25.13%	(1.45)	9.48%	(241.35)
8	Meringue Hotels Private Limited								
	Balance as at 31 March, 2017	8.33%	10,298.30	0.91%	(4.68)	0.00%	0.00	0.93%	(4.68)
	Balance as at 31 March, 2016	7.75%	9,577.98	0.39%	(9.87)	0.00%	0.00	0.39%	(9.87)
9	Hyacinth Hotels Private Limited								
	Balance as at 31 March, 2017	14.75%	18,240.17	-37.67%	192.85	-6.01%	(0.45)	-38.14%	192.40
	Balance as at 31 March, 2016	14.71%	18,170.80	-2.59%	65.97	6.18%	0.36	-2.60%	66.32
10	Sukhsagar Complexes Private Limited								
	Balance as at 31 March, 2017	0.71%	878.89	27.35%	(140.03)	-1.24%	(0.09)	27.77%	(140.12)
	Balance as at 31 March, 2016	0.67%	825.01	8.95%	(228.32)	8.28%	0.48	8.95%	(227.85)
11	Oriole Dr Fresh Hotels Private Limited								
	Balance as at 31 March, 2017	0.68%	839.85	1.86%	(9.54)	-1.88%	(0.14)	1.92%	(9.68)
	Balance as at 31 March, 2016	2.69%	3,319.54	-2.70%	68.85	22.50%	1.30	-2.76%	70.15
12	Nightingale Hotels Private Limited								
	Balance as at 31 March, 2017	1.86%	2,305.90	-15.33%	78.51	-2.40%	(0.18)	-15.53%	78.33
	Balance as at 31 March, 2016	1.95%	2,411.02	6.01%	(153.33)	-19.30%	(1.11)	6.07%	(154.45)
13	Dandelion Hotels Private Limited								
	Balance as at 31 March, 2017	0.31%	386.64	0.04%	(0.19)	0.00%	0.00	0.04%	(0.19)
	Balance as at 31 March, 2016	0.06%	80.13	0.01%	(0.21)	0.00%	0.00	0.01%	(0.21)
14	Carnation Hotels Private Limited								
	Balance as at 31 March, 2017	0.68%	835.32	8.09%	(41.41)	-272.60%	(20.43)	12.26%	(61.83)
	Balance as at 31 March, 2016	0.18%	227.77	-4.83%	123.21	0.00%	0.00	-4.84%	123.21

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	Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Rs in lakhs	As % of consolidated profit and loss	Rs in lakhs	As % of consolidated other comprehensive income	Rs in lakhs	As % of total comprehensive income	Rs in lakhs
15	Greyfox Project Management Company Private Limited								
	Balance as at 31 March, 2017	0.08%	97.14	3.07%	(15.74)	4.37%	0.33	3.06%	(15.41)
	Balance as at 31 March, 2016	0.12%	145.55	-1.78%	45.51	-5.30%	(0.31)	-1.78%	45.20
16	Pelican Facilities Management Private Limited								
	Balance as at 31 March, 2017	0.00%	0.52	0.03%	(0.16)	0.00%	0.00	0.03%	(0.16)
	Balance as at 31 March, 2016	0.00%	0.68	0.01%	(0.16)	0.00%	0.00	0.01%	(0.16)
17	Red Fox Hotel Company Private Limited								
	Balance as at 31 March, 2017	0.00%	0.02	0.06%	(0.30)	0.00%	0.00	0.06%	(0.30)
	Balance as at 31 March, 2016	0.00%	0.32	0.00%	0.11	0.00%	0.00	0.00%	0.11
18	Lemon Tree Hotel Company Private Limited								
	Balance as at 31 March, 2017	0.00%	1.63	0.04%	(0.19)	0.00%	0.00	0.04%	(0.19)
	Balance as at 31 March, 2016	0.01%	13.27	0.02%	(0.41)	0.00%	0.00	0.02%	(0.41)
19	Valerian Management Services Private Limited								
	Balance as at 31 March, 2017	0.01%	10.75	3.52%	(18.03)	0.00%	0.00	3.57%	(18.03)
	Balance as at 31 March, 2016	0.00%	(4.23)	1.68%	(42.88)	0.00%	0.00	1.68%	(42.88)
20	IORA Hotels Private Limited								
	Balance as at 31 March, 2017	16.11%	19,932.55	0.04%	(0.21)	0.00%	0.00	0.04%	(0.21)
	Balance as at 31 March, 2016	15.61%	19,289.08	-0.61%	15.55	0.00%	0.00	-0.61%	15.55
21	Ophrys Hotels Private Limited								
	Balance as at 31 March, 2017	0.00%	1.38	0.05%	(0.24)	0.00%	0.00	0.05%	(0.24)
	Balance as at 31 March, 2016	0.00%	0.12	0.00%	(0.02)	0.00%	0.00	0.00%	(0.02)
22	Begonia Hotels Private Limited								
	Balance as at 31 March, 2017	0.55%	674.72	-69.77%	357.25	8.95%	0.67	-70.94%	357.92

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Name of the entity in the group		Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Rs in lakhs	As % of consolidated profit and loss	Rs in lakhs	As % of consolidated other comprehensive income	Rs in lakhs	As % of total comprehensive income	Rs in lakhs
	Balance as at 31 March, 2016	0.53%	649.15	-6.32%	161.39	0.00%	0.00	-6.34%	161.39
23	Bandhav Resorts Private Limited								
	Balance as at 31 March, 2017	1.15%	1,417.90	9.09%	(46.53)	0.00%	0.00	9.22%	(46.53)
	Balance as at 31 March, 2016	0.00%	-	0.00%	0.00	16.88%	0.97	-0.04%	0.97
Non-controlling interests in all subsidiaries									
	Balance as at 31 March, 2017	34.63%	42,836.28	-20.42%	104.56	203.01%	15.21	-23.74%	119.77
	Balance as at 31 March, 2016	34.62%	42,773.46	-5.49%	140.05	7.15%	0.41	-5.52%	140.47
Total	**Balance as at 31 March, 2017**	**100.00%**	**123,693.45**	**100.00%**	**(512.02)**	**100.00%**	**7.49**	**100.00%**	**(504.53)**
	Balance as at 31 March, 2016	**100.00%**	**123,558.39**	**100.00%**	**(2,551.82)**	**100.00%**	**5.77**	**100.00%**	**(2,546.05)**

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33. Gratuity and other post-employment benefit plans

Rs. In lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Gratuity plan	**171.54**	143.99	116.00
Total	**171.54**	143.99	116.00

The Group has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Group makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

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Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2017:

Rs. In lakhs

	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2016	Service cost	Net interest expense/income	Sub-total included in profit or loss (Note 25)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurementchanges arising from changes in demographic assumptions	Remeasurement changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2017
Defined benefit obligation	264.08	39.44	19.69	59.13	(11.52)	-	-	5.62	(15.75)	(10.13)	-	301.56
Fair value of plan assets	120.09	-	8.77	8.77	(7.59)	0.25	-	-	-	-	8.50	130.02
Benefit liability	**143.99**	**39.44**	**10.92**	**50.36**	**(3.93)**	**(0.25)**	-	**5.62**	**(15.75)**	**(10.13)**	**(8.50)**	**171.54**

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2016:

Rs. In lakhs

	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	April 1, 2015	Service cost	Net interest expense/I ncome	Sub-total included in profit or loss (Note 25)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributio ns by employer	March 31, 2016
Defined benefit obligation	239.31	31.20	18.59	49.78	(20.59)	-	-	2.73	(7.16)	(4.43)	-	264.08
Fair value of plan assets	123.31	-	9.61	9.61	(17.92)	0.29	-	-	-	-	4.79	120.09
Benefit liability	**116.00**	**31.20**	**8.98**	**40.18**	**(2.67)**	**(0.29)**	-	**2.73**	**(7.78)**	**(4.43)**	**(4.79)**	**143.99**

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The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Unquoted investments:			
Asset invested in insurance scheme with the LIC	100%	100%	100%
Total	**100%**	**100%**	**100%**

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

	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate:	%	%	%
Pension plan	6.50	7.30	7.80
Future salary increases:			
Pension plan	5.00	5.00	5.00
Life expectation for pensioners at the age of 65:	**Years**	**Years**	Years
Pension plan			
Male	**60**	**60**	60
Female	**60**	**60**	60

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below:

India gratuity plan:

Rs. In lakhs

	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	6.88	7.28	7.31	7.11

	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016
Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	6.35	6.60	6.88	6.62

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

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

Rs. in lakhs

Duration (Years)	**For the year ended March 31, 2017**	For the year ended March 31, 2016
1	**82.48**	71.88
2	**127.83**	58.66
3	**32.29**	91.04
4	**28.07**	22.88
5	**22.52**	19.20
Above 5	**68.20**	61.04
Total expected payments	**361.40**	324.71

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2016: 5 years).

34. Commitments and contingencies

a. Leases

Operating lease commitments — Group as lessee

The Group has taken office premises and hotel properties under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms except for few properties (including hotel property at Indore, Aurangabad, Gurgaon, New Delhi and Chandigarh). The lease for hotel property at Indore, Aurangabad, Gurgaon, New Delhi and Chandigarh are non-cancellable for a period of twenty-nine, twenty-two, thirty and sixty years respectively.

The Group has recognised the following expenses as rent in the statement of Profit & Loss towards minimum lease payment.

Rs. in lakhs

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Lease Rent on Hotel Properties	2,117.62	1,701.39	1,518.26
Rent on Office Premises	36.81	25.17	20.77
Rent of staff hostel/Others	119.68	105.45	72.88
Total	**2,274.11**	**1,832.01**	**1,611.91**

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Future minimum rentals payable under non-cancellable operating leases as at year end are, as follows:

Rs. in lakhs

Particulars	As at March 31, 2017	As at March 31, 2015	As at April 1, 2015
Minimum Lease Payments :			
Not later than one year	3,016.37	1,655.36	1,574.77
Later than one year but not later than five years	12,963.98	7,121.42	6,888.84
Later than five years	106,574.21	63,298.77	65,165.97
Total	**122,554.56**	**72,075.55**	**73,629.58**

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

Estimated amount of contracts remaining to be executed and not provided for March 31, 2017 Rs.22,092.12 lakhs (March 31,2016 Rs. 11,090.84 lakhs, April 1,2015: Rs. 14,900.25 lakhs.)

c. Contingent liabilities

(i) Legal claim contingency

Rs. in lakhs

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Counter Guarantees given in respect of guarantees issued by Company's Bankers	**1,759.67**	1,759.67	1,645.02
Differential amount of custom duty including interest on goods imported under EPCG Scheme	**74.79**	91.23	91.23
Service Tax Demand	**113.94**	113.94	102.38
Matter of service tax credit	**200.78**	200.78	287.20
Luxury tax	**36.00**	36.00	36.00
Vat Demands	**51.40**	51.40	45.49
Income tax Case AY 2011-12	**7.19**	7.19	7.19
Demand for entry tax 2010-11	-	-	2.50
Matters pending with consumer court	**22.75**	22.75	22.75
Property Tax Case 2010-11	**69.34**	-	-

The Group's pending litigations above pertains to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax and other authorities. The Group has reviewed all its pending litigations and proceedingsand has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in

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its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(ii) During the previous years, the Company had received a show cause notice dated April 25, 2014 from Collector of Stamps, Delhi ('Department'), wherein the department was of the view that prima facie the Company has not paid stamp duty as per Indian Stamp Act, 1899 on right to use the land given by Delhi International Airport (P) Ltd. (DIAL) under the Development Agreement dated May 25, 2009 ('DA'). The Company contested the matter and the Department pursuant to the response received from all the developers of area where the Company's project is located, and arguments thereon, passed a common order on July 14, 2014 ("Order") and subsequently, the Company and its directors received show cause notice dated August 14, 2014 from the Department as to why criminal prosecution for non- payment of requisite stamp duty should not be initiated against them. The Company along with certain other developers had filed a writ petition before the Honorable High Court of Delhi (HC) and the HC vide its order dated August 25, 2014 has granted ex- parte interim stay from all proceedings under the Order including the said show cause notice dated August 14, 2014. The next date of hearing before the HC is scheduled for August 28, 2017. The Company, based on advice from legal experts, is of the view that there is no likelihood of any liability devolving on the Company on this ground and further, any liability cannot be ascertained at this stage requiring any adjustment in these consolidated financial statements.

(iii) One of the Subsidiary Company has received a demand from South Delhi Municipal Corporation ('the Authority') wherein the Authority has called upon the Subsidiary Company to pay an amount of Rs. 68.20 lakhs (for the financial Years 2010-11 to financial years 2013-2014) towards annual value in respect of the hotel property situated in Hospitality District, Aerocity. The Subsidiary Company filed a writ petition in the high court against the said order. Pending adjudication, the High Court had given interim stay directing the Subsidiary Company to deposit Rs 25 lakhs. The management based upon its assessment and expert's advice believes that any further liability against the aforesaid demand (including the demand for any subsequent year) is improbable to crystallize.

35. Employee Stock Option Plans:

a) Stock options granted on and after April 1, 2005.

The Group has provided various share-based payment schemes to its employees. During the year ended March 31, 2016 the following schemes were in operation:

	Plan 1 (2005)	**Plan 2 (2006)**
Date of grant	November 15, 2005 and April 1, 2006	September 1, 2006, April 1,2007, October 1, 2007, April 1, 2008, January 12, 2009, April 1, 2009, April 1, 2010, October 1, 2010, April 1, 2011, April 1, 2012, April 1, 2015
Date of Board Approval of plan	September 23' 2005	July 18' 2006
Date of Shareholder's approval of plan	November 15' 2005	August 25, 2006
Number of options granted	387,300	12,762,207
Method of Settlement	Equity	Equity
Vesting Period	12-48 months	12-48 months
Exercise Period	5 years from the date of vesting	5 years from the date of vesting
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period.	Employee remaining in the employment of the enterprise during the vesting period.

Details of vesting:

Vesting period from the grant date	**Vesting Schedule**	
	Plan 1 (2005)	**Plan 2 (2006) ***
On completion of 12 months	30%	10%
On completion of 24 months	20%	20%
On completion of 36 months	20%	30%
On completion of 48 months	30%	40%

* All ESOP's under ESOP Plan 2006 are granted as per general vesting schedule defined in the scheme except for ESOP's granted on 12th January 2009

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and 328,008 ESOP's granted on April 1, 2012 for which specific vesting schedule was decided.

The details of activity under Plan 1 (2005) have been summarized below:

	2016-17		2015-16		2014-15	
	Number of options	**Weighted average exercise price (Rs.)**	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	**9,000**	**3.38**	9,000	3.38	1,500	20.25
Granted during the year	-	-	-	-	-	-
Bonus issued during the year	-	-	-	-	7,500	-
Forfeited during the year	**9,000**	**3.38**	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	-	-	9,000	3.38	9,000*	3.38*
Exercisable at the end of the year	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	1.00	-	1.00	-
Weighted average fair value of options granted during the year	-	-	-	-	-	-

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The details of activity under Plan 2 (2006) have been summarized below:

	2015-16		2015-16		2014-15	
	Number of Options	**Weighted Average Exercise Price(Rs.)**	Number of Options	Weighted Average Exercise Price(Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	**11,069,974**	**19.26**	3,456,282	14.65	710,494	90.73
Granted during the year	-	-	8,205,000	21.50	-	-
Bonus issued during the year	-	-	-	-	3,495,047*	-
Forfeited during the year	**383,394**	**20.84**	171,769	18.10	691,836	18.03
Exercised during the year	**2,871,902**	**15.74**	419,539	12.94	57,423	20.56
Expired during the year	-	-	-	-	-	-
Outstanding at the end of the year	**7,814,678**	**20.53**	11,069,974	19.26	3,456,282	14.65
Exercisable at the end of the year	**2,341,593**	**20.32**	3,685,476	16.19	2,071,607	14.32
Weighted average remaining contractual life (in years)	**2.60**	-	3.46	-	3.42	-
Weighted average fair value of options granted during the year	-	-	-	-	-	-

*During the year 2014-15, the Group has issued equity shares twice as bonus issue in the proportion of 2 equity shares for every 1 fully paid up equity share and 1 equity share for every 1 fully paid up equity share respectively. As per the aforesaid plan, the number of options not yet vested as on the balance sheet date has been accordingly increased and weighted average exercise price has been accordingly decreased.

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The details of exercise price for stock options outstanding at the end of the year are:

	Range of exercise prices (Rs.)			Number of options outstanding			Weighted average remaining contractual life of options (in years)			Weighted average exercise price (Rs.)		
	As at March 31, 2017	**As at March 31, 2016**	As at March 31, 2015	**As at March 31, 2017**	**As at March 31, 2016**	As at March 31, 2015	**As at March 31, 2017**	**As at March 31, 2016**	As at March 31, 2015	**As at March 31, 2017**	**As at March 31, 2016**	As at March 31, 2015
Plan 1	-	3.38	3.38	-	9,000	9,000	-	1	1	-	3.38	3.38
Plan 2	**10.00-21.50**	10.00-16.50	2.93-20.56	**7,814,678**	11,069,974	3,456,282	**2.60**	3.46	3.42	**15.74**	12.94	20.56

Stock Options granted

The weighted average fair value of stock options granted during the year was Rs Nil (Previous year 4.78). The Black Scholes model has been used for computing the weighted average fair value considering the following inputs:

	Plan 1 (2005)		Plan 2 (2006)	
	2017	2016	**2017**	2016
Weighted average share price	-	-	-	**16.50**
Exercise Price	-	-	-	**21.50**
Volatility	-	-	-	**34%**
Life of the options granted in years	-	-	-	**5**
Expected dividends	-	-	-	-
Average risk-free interest rate	-	-	-	**7.99%**
Expected dividend rate	-	-	-	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

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36. Related Party Transactions

a) Names of related parties where control exists irrespective of whether transactions have occurred or not	
a) Names of other related parties with whom transactions have taken place during the year	
Key Management Personnel	- Mr. PatanjaliGovindKeswani (Chairman and Managing Director) -Mrs. SharanitaKeswani relative of Mr. AdityaMadhavKeswani- Director (upto February 19, 2015) - Rahul Pandit -President & Executive Director(Upto May 8, 2015) - Rattan Keswani (Deputy Managing Director) - Mr. Sanjeev Kaul Duggal(Independent Director) - Mr. Gopal SitaramJiwarajka (Independent Director) -Mr. Ravi Kant Jaipuria(Director) -Mr. NitenMalhan(Director) -Mr. SachinDoshi(Director) -Ms. Ila Dubey(Director) -Mr. AdityaMadhavKeswani(Director)
Key Management Personnel/Individuals having significant influence and their relatives (in Subsidiaries)	- Bhushan Arora (Director of Oriole Dr. Fresh Hotels Private Limited) (up to August 19, 2014) - Rattan Keswani (Whole Time Director of Carnation Hotels Private Limited) (From July 1,2015) - J. K. Chawla (Individual having significant influence in Grey Fox Project Management Company Private Limited) - Mr. AlokRanjan (Director of Valerian Management Services Private Limited) - Mr. Rajesh Kumar (Whole Time Director of Canary Hotels Private Limited)(From June 1, 2015) - Mr. SumantJaidka (Whole Time Director of Inovoa Hotels & Resorts Limited)(From June 1,2015) - Mr. Rajeev Janveja (Whole Time Director of Nightingale Hotels Private Limited(From November 5,2015) - Mr. TarunLakhanpal (Whole Time Director of Oriole Dr. Fresh Hotels Private Limited) (Upto July 17,2015) - Ms. Natasha Yashpal (Whole Time Director of Oriole Dr. Fresh Hotels Private Limited(From January 1,2016)

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Relatives of key management personnel	-Mrs. SharanitaKeswani relative of Mr. AdityaMadhavKeswani
Enterprises owned or significantly influenced by key management personnel or their relatives	- Buzzard Real Estates Private Limited - Crow Real Estates Private Limited - Myna Real Estates Private Limited - Unistar Hotels Private Limited - Vulture Management Services Private Limited - Sparrow Buildwell Private Limited - Garnet Hotels Private Limited - Pony Tale Hotels Private Limited - Spank Management Services Private Limited - Toucan Real Estates Private Limited - Headstart Institute Private Limited - Aster Hotels and Resorts Private Limited

c) Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year:

Chief Financial Officer	: Mr. Kapil Sharma
Company Secretary	: Mrs. Suman Singh(Upto 30 June 2016)
	: Mr. Nikhil Sethi(W.e.f 12 December 2016)

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The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

(Rs. in lakhs.)

Transactions with Related Party	Year Ended	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives
Reimbursement of Expenses done on behalf of party					
Spank Management Services Private Limited	31-Mar-17	-	-	-	**0.17**
	31-Mar-16	-	-	-	-
Loans (given)					
Mr. Rajesh Kumar	31-Mar-17	-	-	-	-
	31-Mar-16	-	-	18.50	-
	1-Apr-15	-	-	-	-
Interest Received (gross)					
Mr.JK Chawla	31-Mar-17	-	-	**0.80**	-
	31-Mar-16	-	-	1.04	-
Mr, Rajesh Kumar	31-Mar-17	-	-	**0.21**	-
	31-Mar-16	-	-	0.07	-

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Transactions with Related Party	Year Ended	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives
Repayment of Loan Given					
JK Chawla	31-Mar-17	-	-	**12.00**	-
	31-Mar-16	-	-	12.00	-
	01-Apr-15	-	-	12.00	-
Mr. Rajesh Kumar	31-Mar-17	-	-	**8.25**	-
	31-Mar-16	-	-	-	-
	01-Apr-15	-	-	-	-
Services obtained					
Spank Management Services Private Limited	31-Mar-17	-	-	-	**1,285.15**
	31-Mar-16	-	-	-	384.55
Capital Advances					
Toucan Real Estate Private Limited	31-Mar-17	-	-	-	**3,624.52**
	31-Mar-16	-	-	-	1,882.56
	1-Apr-15	-	-	-	2,760.57
Remuneration paid*					
Mr. Patanjali G Keswani	31-Mar-17	**332.00**	-	-	-

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Transactions with Related Party	Year Ended	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives
	31-Mar-16	348.34	-	-	-
Mr. Rattan Keswani	31-Mar-17	**20.22**	-	**193.54**	-
	31-Mar-16	130.67	-	85.50	-
Mr. JK Chawla	31-Mar-17	-	-	**112.12**	-
	31-Mar-16	-	-	111.41	-
Mr. Rahul Pandit	31-Mar-17	-	-	-	-
	31-Mar-16	14.08	-	-	-
Mr. SumantJaidka	31-Mar-17	-	-	**45.47**	-
	31-Mar-16	-	-	31.56	-
Mr. AlokRanjan	31-Mar-17	-	-	**38.55**	-
	31-Mar-16	-	-	95.82	-
Mr. Rajesh Kumar	31-Mar-17	-	-	**35.81**	-
	31-Mar-16	-	-	22.69	-
Mr.RajeevJanveja	31-Mar-17	-	-	**37.10**	-
	31-Mar-16	-	-	14.57	-

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Transactions with Related Party	Year Ended	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives
Mr. Kapil Sharma	31-Mar-17	**65.28**	-	-	-
	31-Mar-16	60.23	-	-	-
Others	31-Mar-17	**13.48**	-	**34.71**	-
	31-Mar-16	15.23	-	25.72	-
Fees for professional services					
Mrs. SharanitaKeswani	31-Mar-17	-	**42.00**	-	-
	31-Mar-16	-	43.58	-	-
Balances outstanding at the year end - Trade Payable/Other Current Liabilities					
Toucan Real Estates Private Limtied	31-Mar-17	-	-	-	-
	31-Mar-16	-	-	-	96.71
	01-Apr-15	-	-	-	34.88
Rattan Keswani	31-Mar-17	-	-	**3.26**	-
	31-Mar-16	-	-	13.42	-
	01-Apr-15	2.71	-	-	-

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Transactions with Related Party	Year Ended	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives
SumantJaidka	31-Mar-17	-	-	**3.48**	-
	31-Mar-16	-	-	1.48	-
	01-Apr-15	-	-	-	-
JK Chawla	31-Mar-17		-	**3.16**	-
	31-Mar-16	-	-	1.44	-
	01-Apr-15	-	-	-	-
SharanitaKeswani	31-Mar-17	-	**3.68**	-	-
	31-Mar-16	-	-	-	-
	01-Apr-15	-	-	-	-
Others	31-Mar-17	**0.61**	-	**1.36**	-
	31-Mar-16	-	-	5.13	-
	01-Apr-15	-	-	1.88	-
Balances outstanding at the year end - Loans & Advances					
Rajesh Kumar	31-Mar-17	-	-	**10.25**	-
	31-Mar-16	-	-	18.50	-
	01-Apr-15	-	-	-	-
JK Chawla	31-Mar-17	-	-	**40.00**	-
	31-Mar-16	-	-	52.00	-
	01-Apr-15	-	-	64.37	-

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Transactions with Related Party	Year Ended	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)	Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel) of Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives
Balances outstanding at the year end - Borrowings					
Hiten V Parekh	31-Mar-17	-	-	**759.00**	-
	31-Mar-16	-	-	759.00	-
	01-Apr-15	-	-	759.00	-
Nayan S Parekh	31-Mar-17	-	-	**1,012.00**	-
	31-Mar-16	-	-	1,012.00	-
	01-Apr-15	-	-	1,012.00	-

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Terms and conditions of transactions with related parties

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: Rs Nil, April 1, 2015: RsNil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The Group has not entered into any commitments with related parties during the year.

37. Fair value measurement

a. Financial assets

Rs. in lakhs

	March 31, 2017		March 31, 2016		April 1, 2015	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets						
Trade Receivables	-	3,144.53	-	2,448.54	-	1,790.54
Investments	634.15	-	577.70	-	3,124.74	
Security Deposits	-	2,933.75	-	2,558.57	-	1,813.10
Other bank balances	-	790.93	-	772.03	-	742.27
Cash and Cash Equivalents	-	1,759.21	-	1,380.65	-	3,003.67
Interest accrued on deposit with banks	-	276.58	-	144.38	-	153.09
Loans	-	1,132.46	-	897.89		1,004.21
Other amount recoverable	-	0.41	-	2.88	-	17.24
Total Financial Assets	**634.15**	**10,037.86**	**577.70**	**8,204.93**	**3,124.74**	**8,524.13**

	March 31, 2017		March 31, 2016		April 1, 2015	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities						
Borrowings	-	75,816.24	-	59,322.14	-	55,353.13
Trade Payables	-	6,044.49	-	5,171.93	-	3,392.93
Other Financial Liabilities	-	10,632.32	-	8,677.19	-	5,777.69
Total Financial Liabilities	-	**92,493.05**	-	**73,171.27**	-	**64,523.74**

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Note: The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 101, Ind AS 27 and Ind AS 28.

b. Fair value measurement hierarchy for assets and liabilities

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

iii) Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Financial assets and liabilities measured at fair value

Rs. in lakhs

	March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	633.89		0.26	634.15

	March 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	576.57	-	0.26	576.83

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	April 1, 2015			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	3,123.64	-	0.26	3,123.90

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

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

The following methods and assumptions were used to estimate the fair values:

- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The fair values of the investment in mutual funds have been estimated based on NAV of the assets at each reporting date

38. Financial risk management objectives and policies

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

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of: interest rate risk. Financial instruments affected by market risk include loans and borrowings.

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Interest rate risk

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

Rs. In lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	**72,887.04**	55,331.10	50,112.66
Fixed rate borrowings	**6,979.78**	7,148.29	6,992.07

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	**Effect on profit before tax**
		Rs. In lakhs
31-Mar-17		
INR	50	324.77
INR	-50	(324.77)
31-Mar-16		
INR	50	285.57
INR	-50	(285.57)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has no exposure in foreign currency.

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Credit risk

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

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Group does not hold collateral as security.

Rs. in lakhs

Ageing	31-Mar-17	31-Mar-16	01-Apr-15
Not due	44.18	47.17	30.85
0-60 days past due	2,103.89	1,325.09	1,074.56
61-120 days past due	397.34	518.14	324.01
121-180 days past due	170.15	256.43	185.94
180-365 days past due	278.25	173.08	136.84
365-730 days past due	112.16	82.03	27.46
more than 730 days	38.56	46.60	10.87

Provision for doubtful debts (including provision for expected credit loss)

Rs. In lakhs

Ageing	31-Mar-17	31-Mar-16	01-Apr-15
Not due	-	-	-
0-60 days past due	10.66	7.26	5.08
61-120 days past due	-	-	-
121-180 days past due	-	-	-
180-365 days past due	4.94	-	2.32
More than 365 days	21.05	23.84	26.19

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Reconciliation of provision for doubtful debts - Trade receivables (including provision for expected credit loss)

	31-Mar-17	31-Mar-16	01-Apr-15
Provision at beginning	31.10	33.60	28.52
Addition during the year	11.69	14.39	5.08
Reversal during the year	2.04	-	-
Utilised during the year	4.11	16.89	-
Provision at closing	36.65	31.10	33.60

Reconciliation of provision for doubtful debts - Loans and deposits

	31-Mar-17	31-Mar-16	01-Apr-15
Provision at beginning	-	-	-
Addition during the year	-	-	-
Reversal during the year	-	-	-
Utilised during the year	-	-	-
Provision at closing	-	-	-

Liquidity risk

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

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

Rs. in lakhs

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2017						
Borrowings (other than convertible preference shares)	6,745.98	420.45	3,538.38	33,123.14	36,038.88	79,866.82
Trade and other payables	6,044.49	-	-	-	-	6,044.49
Other Financial Liabilities	6,581.74	-	-	-	-	6,581.74
	19,372.21	**420.45**	**3,538.38**	**33,123.14**	**36,038.88**	**92,493.05**
Year ended March 31, 2016						
Borrowings (other than convertible preference shares)	6,949.19	403.93	2,876.16	24,838.74	27,411.37	62,479.39
Trade and other payables	5,171.93	-	-	-	-	5,171.93
Other Financial Liabilities	5,519.95	-	-	-	-	5,519.95
	17,641.07	**403.93**	**2,876.16**	**24,838.74**	**27,411.37**	**73,171.27**
As at April 1, 2015						
Borrowings (other than convertible preference shares)	6,693.67	192.53	1,558.68	19,097.47	29,562.39	57,104.73
Trade and other payables	3,392.93	-	-	-	-	3,392.93
Other Financial Liabilities	4,026.08	-	-	-	-	4,026.08
	14,112.68	**192.53**	**1,558.68**	**19,097.47**	**29,562.39**	**64,523.74**

39. Capital management

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

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

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payables, less cash and cash equivalents.

	31 March 2017	31 March 2016	*Rs. In lakhs* 1 April 2015
Borrowings (other than preference share)	75,816.24	59,322.14	55,353.13
Trade payables (Note 19)	6,044.49	5,171.93	3,392.93
Less: cash and cash equivalents (Note 10)	1,759.21	1,380.65	3,003.67
Net debt	**80,101.52**	**63,113.42**	**55,742.38**
Total capital	123,010.17	123,548.53	123,036.72
Capital and net debt	203,111.69	186,661.95	178,779.09
Gearing ratio	**39%**	**34%**	**31%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

40. First-time adoption of Ind AS

These consolidated financial statements, for the year ended 31 March 2017, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).
Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at 1 April 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP consolidated financial statements, including the balance sheet as at 1 April 2015 and the consolidated financial statements as at and for the year ended 31 March 2016.

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

- Property Plant & Equipment, Intangible assets and Investment property - As permitted by IND AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant & equipment. The Same selection has been made in respect of Intangibles Assets and investment property. The Carrying value of property plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities
- Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before 1 April 2015.

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- Determining whether an arrangement contain a lease:- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

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Reconciliation of equity as at March 31, 2016 and April 1, 2015 (date of transition to Ind AS)

Rs. in lakhs

		31-Mar-16				01-Apr-15		
	Note No.	Indian GAAP	Adjustment	Ind AS		Indian GAAP	Adjustment	Ind AS
ASSETS								
Non-current assets								
(a) Property, plant and equipment		123,033.71	(278.56)	122,755.15		123,461.70	(258.89)	123,202.81
(b) Capital work-in-progress		24,778.77	1,145.91	25,924.68		16,572.63	139.43	16,712.06
(c)Investment Property		-	254.49	254.49		-	258.89	258.89
(c)Intangible assets		133.11	-	133.11		163.14	-	163.14
(e)Intangible assets under development								
(d) Financial assets								
(i) Investments	I	0.81	0.33	1.14		0.81	0.30	1.11
(ii) Loans	I	907.30	(145.67)	761.63		1,218.51	(293.97)	924.54
(iii) Other financial assets	I	26,534.76	(23,042.91)	3,491.85		19,826.07	(17,145.15)	2,680.92
(iii) Dues from Related Parties								
(g) Deferred tax assets (net)								
(h) Other non-current assets		18,939.24	21,113.07	40,052.31		19,945.19	16,207.44	36,152.63
		194,327.70	**(953.34)**	**193,374.36**		**181,188.05**	**(1,091.95)**	**180,096.10**
Current assets								
(a) Inventories		538.51	-	538.51		480.76	-	480.76
(b) Financial assets								
(i) Trade receivables		2,434.65	13.89	2,448.54		1,782.65	7.89	1,790.54
(ii) Cash and Cash equivalents	IV	1,375.59	5.06	1,380.65		3,003.55	0.12	3,003.67
(iii) Investments		568.90	7.66	576.56		2,983.07	140.56	3,123.63
(iv) Other financial assets		166.35	(108.51)	57.84		171.40	(140.08)	31.32
(iv) Loans		70.50	(6.04)	64.46		64.00	15.67	79.67
(v) Dues from related parties								
(c)Other current assets		2,067.55	(64.80)	2,002.75		1,089.86	(120.36)	969.50
		7,222.05	**(152.74)**	**7,069.31**		**9,575.29**	**(96.20)**	**9,479.09**
Total Assets		**201,549.75**	**(1,106.08)**	**200,443.67**		**190,763.34**	**(1,188.15)**	**189,575.19**

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Rs. in lakhs

	Note No.	31-Mar-16			01-Apr-15		
		Indian GAAP	Adjustment	Ind AS	Indian GAAP	Adjustment	Ind AS
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	IV	77,810.22	(6.11)	77,804.11	77,648.68	(6.11)	77,642.57
(b) Other Equity		5,027.45	(2,046.63)	2,980.82	4,537.27	(1,794.28)	2,742.99
Equity attributable to equity holders of the parent		82,837.67	(2,052.74)	80,784.93	82,185.94	(1,800.38)	80,385.56
Non-controlling interests		43,392.43	(618.97)	42,773.46	42,763.54	(536.44)	42,227.10
Total Equity		**126,230.10**	**(2,671.71)**	**123,558.39**	**124,949.48**	**(2,336.82)**	**122,612.66**
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	II	55,084.26	(2,711.30)	52,372.96	51,268.15	(2,608.70)	48,659.45
(ii) Other financial liabilities		144.80	-	144.80	145.78	-	145.78
Long term provisions		118.94	-	118.94	94.87	-	94.87
Deferred tax liabilities (net)		260.14	428.81	688.95	67.24	471.87	539.11
Deferred revenue							
Other non-current liabilities	III	115.88	1,318.11	1,433.99	64.80	755.49	820.29
		55,724.02	**(964.38)**	**54,759.64**	**51,640.84**	**(1,381.34)**	**50,259.50**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings		4,419.18	2,530.01	6,949.19	4,163.66	2,530.01	6,693.67
(ii) Trade payables		5,171.95	-	5,171.95	3,392.93	-	3,392.93
(iii) Other financial liabilities		8,532.39	-	8,532.39	5,631.91	-	5,631.91
(b) Other current liabilities		1,292.93	6.73	1,299.66	854.73	18.19	872.92
(c) Provisions		179.18	(6.73)	172.45	128.72	(18.19)	110.53
(d) Current tax liabilities (net)		-	-	-	1.07	-	1.07
		19,595.63	**2,530.01**	**22,125.64**	**14,173.02**	**2,530.01**	**16,703.03**
Total Liabilities		**75,319.65**	**1,565.63**	**76,885.28**	**65,813.86**	**1,148.67**	**66,962.53**
Total Equity and Liabilities		**201,549.75**	**(1,106.08)**	**200,443.67**	**190,763.34**	**(1,188.15)**	**189,575.19**

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Group reconciliation of profit or loss for the year ended March 31, 2016

Rs. in lakhs

Particulars		Indian GAAP	Adjustments	Ind AS
		Rs.	Rs.	Rs.
Revenue From Operations		36,786.10	9.15	36,795.24
Other Income		529.88	(311.64)	218.24
Total Income		**37,315.98**	**(302.49)**	**37,013.49**
Expenses				
Cost of materials consumed		3,461.15	-	3,461.15
Employee benefits expense		8,425.41	123.69	8,549.10
Other expenses		14,434.58	402.96	14,837.54
Total expenses		**26,321.14**	**526.65**	**26,847.79**
Earnings before interest, tax, depreciation and amortisation		**10,994.84**	**(829.14)**	**10,165.70**
(EBITDA)				
Finance costs		7,222.65	(20.28)	7,202.37
Finance income		(97.17)	(273.21)	(370.37)
Depreciation and amortization expense		5,226.13	(0.06)	5,226.07
Profit/(loss) before tax		**(1,356.77)**	**(535.59)**	**(1,892.37)**
Tax expense:				
(1) Current tax (MAT)		510.97	(402.24)	108.72
(2) Minimnum Alternate tax (MAT)		(375.13)	531.70	156.57
(3) Adjustment of tax relating to earlier periods		(577.46)	575.52	(1.94)
(4) Deferred tax		1,146.82	(750.71)	396.11
		705.20	**(45.73)**	**659.46**
Profit/ (loss) for the period		**(2,061.96)**	**(489.85)**	**(2,551.82)**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plans		-	5.77	5.77
Total Comprehensive Income for the year		**(2,061.96)**	**(484.08)**	**(2,546.05)**
Profit/ (loss) for the year		(2,061.97)	(489.86)	(2,551.82)
Attributable to:		-	-	-
Equity holders of the parent		(2,290.64)	(401.24)	(2,691.88)
Non-controlling interests		228.67	(88.62)	140.06
		-	-	-
Total comprehensive income for the year		(2,061.97)	(484.09)	(2,546.05)
Attributable to:		-	-	-
Equity holders of the parent		(2,290.64)	(395.88)	(2,686.52)
Non-controlling interests		228.67	(88.21)	140.47

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Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

I. Financial Assets

- Based on Ind AS - 109, financial Assets in the form of long term interest free deposits to landlords and loans to employees have been accounted at fair value on the date of transition and subsequently measured at amortized cost using the effective interest rate method.

- Under Indian GAAP, the Company had created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

II. Financial Liability

- Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

III. Lease equalisation

As per Ind-AS 17, Operating lease includes land leases and are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either (a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or (b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

IV. ESOP Trust

Considering the guidance given in Ind AS 110, the ESOP trust has been included as part of standalone financials statements of the Company.

V. Deferred tax

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments lead to temporary differences.

VI. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding

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amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

VII. Share based payments

Under Indian GAAP, the cost of equity-settled transactions is measured using the intrinsic value method. Ind AS 102 requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

VIII. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS.

IX. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

41. Segment Reporting

The Group is into Hoteliering business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 – "Operating Segments".

Information about geographical areas

The Company has only domestic operations and hence no information required for the Company as per the requirements of Ind AS 108 – "Operating Segments".

Information about major customers

No customer individually accounted for more than 10% of the revenue

42. The Group in the earlier years paid conversion charges of Rs. 603.98 lakhs in respect of land taken for lease of 60 years for construction of hotel building. The Company has amortized Rs. 10.07 lakhs (Previous year Rs. 10.07 lakhs) during the year in accordance with its accounting policy of amortizing the conversion charges over the period of lease as mentioned in Note 2.1 (k) above. The balance amount of Rs. 512.55 lakhs (March 31, 2016: Rs. 522.61 lakhs) has been shown in Note 8 &11 as 'Prepaid conversion charges.'

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43.a During the previous year, the shareholding of M/s APG Strategic Real Estate Pool N.V. ('the investor') in Fleur Hotels Private Limited (along with its subsidiaries) were reduced to 42.02% from earlier 42.47%and the Company had recognized deemed disposal gain of Rs. 407.35 lakhs (net of proportionate reduction in goodwill on deemed disposal of Rs. 12.18 lakhs) of the aforesaid change in shareholding as an equity transaction. As per the Shareholder's agreement, all new hotel projects will first be offered to Fleur Hotels Private Limited. There are no other significant commitments to the investor.

b. During the Previous year, the above said investor had also acquired 25.89% stake of Begonia Hotels Private Limited (another subsidiary Company). The Company had recognized deemed disposal gain of Rs. 2,278.73 lakhs as an equity transaction due to change in shareholding in subsidiary without loss of control.

c. During theyear, the Company has acquired 25.10% additional stake of Carnation Hotels Private Limited (a subsidiary Company). The Company had recognized gain of Rs. 54.61 lakhs as an equity transaction due to change in shareholding in existing subsidiary.

44. Business combination

During the year, on 13th May, 2016, one of the subsidiary Company, M/s. Fleur Hotels Private Limited purchased 23,110 shares of Bandhav Resorts Private Limited, constituting 100% stake, from its previous owners. On acquisition of Bandhav hotels, the Group has recognized Rs. 673.42 lakhs being the excess of amount paid for the transfer amounting to Rs. 834.04 lakhs and net assets taken over amounting to INR 160.62 lakhs as Goodwill under Intangible assets.

The fair value of assets and liabilities of Bandhav Resorts Private Limited taken over as at the date of business combination were as follows:

Particulars	**Fair value of assets and liabilities (Rs. In lakhs)**
Property plant & equipment	522.90
Other Non-current assets	18.01
Other non-financial assets	0.71
Cash and short term deposits	2.69
Total assets (A)	**544.32**
Interest-bearing loans and borrowings	364.86
Other non-financial liabilities	18.84
Total liabilities (B)	**383.70**
Net asset taken over (A-B)	**160.62**
Amount paid	**834.04**
Goodwill	**673.42**

Cash acquired on acquisition	2.69
Cash paid	834.04
Net cash on acquisition	**831.35**

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45. During the earlier years, one of the subsidiary had entered into an Infrastructure development and services agreement with Delhi International Airport Limited to develop two hotels at Aero City, New Delhi for an initial term of 27 years, extendable at the option of the subsidiary for an additional period of 30 years provided DIAL gets the extension from Airport Authority of India. DIAL is committed to take over the building at 'Book values', as defined in the aforesaid agreement in case the agreement is not extended further. Accordingly the building is depreciated over the estimated useful life of 22 years after reducing the expected residual value as contractually recoverable from DIAL in case the agreement is not extended.

46. During an earlier year, the Company had entered into an agreement to sell with developer to purchase certain parts of built-up structure along with proportionate interest in the land to establish and operate a four star hotel at Jaipur and had given an advance to developer of Rs. 3519.39 lakhs (including other expenses of Rs. Rs. 3519.39 lakhs). Due to the delays in the construction, the Developer earlier had also agreed to return the aforesaid amount along with interest through various communications and receipt of such amount from developer would lead to the cancellation of agreement to sell.

During the earlier year, the Company has entered into a binding agreement ('consent terms') to receive full and final settlement against the aforesaid receivable and has already received Rs. 3,360 lakhs till the year end. As per the revised consent terms, the developer has agreed to repay the balance amount and interest for delayed payment by August 31, 2016. The Company has accordingly adjusted the amount already received amounting to Rs. 3,360 lakhs against the carrying value of advance to developer and has written off the balance amount of other expenses amounting to Rs. 160.51 lakhs as 'advances written off' in the Statement of Profit & Loss. The balance amount would be recorded when the uncertainty of ultimate collectability is settled.

During the year, the company has received Rs. 600 lakhs towards relinquishment of right in the said property

47. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as provided in the Table below:

Rs. In lakhs

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	109.65	14.98	124.63
(+) Permitted receipts	-	212.36	212.36
(-) Permitted payments	-	106.98	106.98
(-) Amount deposited in Banks	109.65	38.14	147.79
Closing cash in hand as on 30 December 2016	-	82.22	82.22

Post demonetization, the management had directed all employees not to accept/ pay using the SBN's. Further, in view of the numerous locations where cash is collected the management has obtained direct confirmations from certain Banks confirming the collection of SBN's during the aforesaid period. For other banks, the Group has compiled the data on the basis of accounting records, bank statements and pay in slips for cash deposits during the period.

The aforesaid disclosures of SBN's have been compiled taking the management stated policy, direct bank confirmation and compilation of pay in slips.

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48. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006.

Rs. In lakhs

	March31, 2017	March31, 2016	April1, 2015
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil	Nil
the amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	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 Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil
the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	0.05	0.13
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprisefor the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil	Nil

As per our report of even date

For S.R. Batliboi& Co. LLP
ICAI Firm Registration No. 301003E/E300005
Chartered Accountants

S.R. BATLIBOI & CO. LLP GURGAON

per Sanjay Vij
Partner

Membership No. 95169

Place : Gurgaon
Date : June 15, 2017

For and on behalf of the Board of Directors of Lemon Tree Hotels Limited

Patanjali G. Keswani
(Chairman & Managing Director)
DIN:00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
Group Company Secretary & GM Legal

Lemon Tree Hotels Ltd. New Delhi

Place: New Delhi
Date : June 15, 2017