INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GJS HOTELS LIMITED

Report on Standalone Ind AS Financial Statements

We have audited the accompanying financial statements of GJS HOTELS LIMITED ("the Company") which comprises the Balance Sheet as at 31st March, 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatements, 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 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 Standalone Ind AS financial statements are free from material misstatement.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the Standalone Ind AS financial statements, whether due to error or fraud. 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 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, including the Ind AS, of the financial position of the Company as at 31st March, 2017 and its financial performance 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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   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 relevant Rules issued thereunder;

e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors 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 of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company does not have any pending litigations which would impact its financial statement;

ii. The Company has no material foreseeable losses on long-term contracts including derivative contracts;

iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosure in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and on the basis of information & explanation provided these are in accordance with the books of accounts maintained by the Company. Refer Note 34 to the Ind AS financial statements.

For NSBP & CO.
Chartered Accountants
Firm Registration No. 001075N

Birjesh Kumar Bansal
Partner
Membership No. 096740

Place: Kolkata
Date: 25th May, 2017

ANNEXURE – "A"TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GJS HOTELS LIMITED

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed assets have been physically verified by the management at reasonable intervals; no material discrepancy was noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the Company.

(ii) As the Company does not have any inventory, this clause is not applicable.

(iii) The Company has not granted 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. Hence, this clause is not applicable.

(iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees or securities, wherever transacted and applicable.

(v) The Company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable.

(vi) According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.Therefore, the provision is not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues of income-tax and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) There are no particulars of dues of income tax that have not been deposited on account of any dispute.

(c) In our opinion and to the best of our knowledge and as per the explanation and information provided to us by the management upon which we have relied , the Provident fund, Employees' state Insurance, sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess enactments are presently not applicable to the Company.

(viii) The Company has no loans or borrowing from a financial institution, bank, Government or dues to debenture holders.

(ix) No money has been raised by way of initial public offer or further public offer (including debt instruments) and term loans.

NSBP & CO. New Delhi Chartered Accountants

(x) No fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year;

(xi) The Company has not paid or provided for managerial remuneration. Hence, the related provisions are not applicable.

(xii) The Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company;

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013, as applicable and the details have been disclosed in these Financial Statements as required by the applicable accounting standards;

(xiv) The Company has not made any preferential allotment or private placement of shares or fully & partly convertible debentures during the year under review. The requirement of section 42 of the Companies Act, 2013, are thus, not required to be complied with.

(xv) The Company has not entered into non-cash transactions with directors and persons connected with him. In this respect, the provisions of section 192 of Companies Act, 2013 need not be complied with;

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

For NSBP & CO.
Chartered Accountants
Firm Registration No. 001075N

Birjesh Kumar Bansal
Partner
Membership No. 096740

Place: Kolkata.
Date: 25th May' 2017

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GJS HOTELS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **GJS 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

NSBP & CO. New Delhi

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:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) 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

c) 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 NSBP & CO.
Chartered Accountants
Firm Registration No. 001075N

Birjesh Kumar Bansal
Partner
Membership No. 096740

Place: Kolkata
Date: 25th May' 2017

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

BALANCE SHEET as at 31st March 2017

Amount in ₹

Particulars	Note	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
(1) **Non - current assets**				
(a) Property, plant and equipment	3	68,539,349	68,539,349	54,539,349
(b) Capital work in progress		781,731	781,731	781,731
(c) Financial assets				
(i) Investments	4	4,606,961,373	4,878,224,109	4,668,480,685
(ii) Other financial assets	5	2,000	2,000	2,000
(d) Deferred tax assets	6	351,282	218,500	-
		4,676,635,735	4,947,765,689	4,723,803,765
(2) **Current assets**				
(a) Financial assets				
(i) Cash and cash equivalents	7	16,392	75,034	294,247
(ii) Other financial assets	5	1,395,000	1,845,000	5,616
(b) Income tax assets (net)	8	103,078	-	-
		1,514,470	1,920,034	299,863
Total assets		**4,678,150,205**	**4,949,685,723**	**4,724,103,628**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	9	109,610,000	109,610,000	109,610,000
(b) Other equity	10	1,338,293,065	1,108,592,546	897,703,423
		1,447,903,065	1,218,202,546	1,007,313,423
LIABILITIES				
(1) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	11	3,230,204,800	3,731,418,600	3,716,175,000
(ii) Other financial liabilities	12	38,470	45,745	549,431
(b) Other current liabilities	13	3,870	4,380	65,774
(c) Income tax liabilities (net)	14	-	14,452	-
		3,230,247,140	3,731,483,177	3,716,790,205
Total Equity & Liabilities		**4,678,150,205**	**4,949,685,723**	**4,724,103,628**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For ***NSBP & Co.***
Chartered Accountants
Firm Registration No. 001075N

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANT

Birjesh Kumar Bansal
Partner
Membership No. : 096740

Place: Kolkata
Date: 25th May 2017

For and on behalf of the Board of Directors

Umesh Saraf
Director
DIN No. - 00017985

Padam Khaitan
Director
DIN No. - 00019700

Bimal K Jhunjhunwala
Chief Financial Officer

Saumen Chatterjee
Company Secretary

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

STATEMENT OF PROFIT ANT LOSS for the year ended 31st March 2017

Amount in ₹

	Particulars	Note	Year ended 31.03.2017	Year ended 31.03.2016
I	Revenue from operations		-	-
II	Other income	15	230,533,192	211,806,024
III	**Total income**		**230,533,192**	**211,806,024**
IV	**Expenses**			
	Employee benefits expenses	16	599,791	614,956
	Other expenses	17	232,882	300,993
	Total expenses		**832,673**	**915,949**
V	Profit / (loss) before exceptional items and tax		229,700,519	210,890,075
VI	Exceptional items		-	-
VII	**Profit / (loss) before tax**		**229,700,519**	**210,890,075**
VIII	Tax expense			
	(1) Current tax		132,782	219,452
	(2) Deferred tax		-	-
	(3) MAT Credit		-132,782	-218,500
IX	**Profit / (loss) for the period**		**229,700,519**	**210,889,123**
X	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassfied to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassfied to profit or loss		-	-
			-	-
XI	**Total comprehensive income for the period**		**229,700,519**	**210,889,123**
XII	Earnings per equity share			
	(1) Basic	18	20.96	19.24
	(2) Diluted	18	20.96	19.24

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

*For **NSBP & Co.***
Chartered Accountants
Firm Registration. No. 001075N

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANT

Birjesh Kumar Bansal
Partner
Membership No. : 096740

Place: Kolkata
Date: 25th May 2017

For and on behalf of the Board of Directors

Umesh Saraf
Director
DIN No. - 00017985

Padam Khaitan
Director
DIN No. - 00019700

Bimal K Jhunjhunwala
Chief Financial Officer

Saumen Chatterjee
Company Secretary

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

STATEMENT OF CHANGES IN EQUITY for the year ended 31st March 2017

Amount in ₹

Particulars	Equity Share Capital	Other Equity						Total equity attributable to equity holders of the Company
		Reserves and Surplus				Other Comprehensive Income		
		Retained earnings	Capital reserve	Securities premium account	Other reserves	Equity instruments through other comprehensive income	Other items of other comprehensive income	
As at 01.4.2015	**109,610,000**	**-1,339,051,577**	-	**2,236,755,000**	-	-	-	**1,007,313,423**
Change in equity for the year eneded March 31, 2016								
Profit for the period	-	210,889,123	-	-	-	-	-	210,889,123
As at 31.3.2016	**109,610,000**	**-1,128,162,454**	-	**2,236,755,000**	-	-	-	**1,218,202,546**
Change in equity for the year eneded March 31, 2017								
Profit for the period	-	229,700,519	-	-	-	-	-	229,700,519
As at 31.3.2017	**109,610,000**	**-898,461,935**	-	**2,236,755,000**	-	-	-	**1,447,903,065**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For ***NSBP & Co.***
Chartered Accountants
Firm Registration. No. 001075N

Birjesh Kumar Bansal
Partner
Membership No. : 096740

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANTS

Place: Kolkata
Date: 25th May 2017

For and on behalf of the Board of Directors

Umesh Saraf
Director
DIN No. - 00017985

Padam Khaitan
Director
DIN No. - 00019700

Bimal K Jhunjhunwala
Chief Financial Officer

Saumen Chatterjee
Company Secretary

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

CASH FLOW STATEMENT for the year ended 31st March 2017

Amount in ₹

	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	229,700,519	210,890,075
	Adjustments to reconcile profit before tax to net cash flows		
	Interest income	(230,533,192)	(211,793,424)
	Liabilities written back	-	(12,600)
	Operating profit/(loss) before working capital changes	(832,673)	(915,949)
	Change in assets and liabilities		
	Other current liabilities	(7,275)	(491,086)
	Cash generated from operations	(510)	(61,394)
	Direct taxes	(840,458)	(1,468,429)
		250,312	205,000
	Net Cash generated from/(used in) Operations	**(1,090,770)**	**(1,673,429)**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Expenditure on property, plant and equipment	-	(14,000,000)
	Proceeds from redemption of debentures	500,000,000	-
	Received fractional amount on conversion of preference shares into equity shares	25	-
	Interest received on investments	2,245,903	210,616
	Net Cash flow from/(used in) Investing Activities	**502,245,928**	**(13,789,384)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from short-term borrowings	631,200	15,243,600
	Repayment of short-term borrowings	(501,845,000)	-
	Net cash flow from/(used in) Financing Activities	**(501,213,800)**	**15,243,600**
	Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	**(58,642)**	**(219,213)**
	Cash and cash equivalents at the beginning of the year	75,034	294,247
	Cash and cash equivalents at the end of the year	16,392	75,034

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached

For ***NSBP & Co.***
Chartered Accountants
Firm Registration No. 001075N

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANT

Birjesh Kumar Bansal
Partner
Membership No. : 096740

Place: Kolkata
Date : 25th May 2017

For and on behalf of the Board of Directors

Umesh Saraf
Director
DIN No. - 00017985

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DIN No. - 00019700

Bimal K Jhunjhunwala
Chief Financial Officer

Saumen Chatterjee
Company Secretary

GJS HOTELS LIMITED

CIN: U55101WB2002PLC160608

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

1. Company Overview and Significant Accounting Policies

1.1 Company overview

The Company is a wholly Owned subsidiary of Asian Hotels (East) Limited which is listed in Bombay Stock Exchange and National Stock Exchange. The Company possess leasehold land in Bhubaneswar (Odisha) for setting up a hotel. The Company has a subsidiary, Robust Hotels Private Limited that is also into hospitality business and presently operating Hyatt Regency, Chennai.

1.2. Basis of preparation of financial statement

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and the provisions of the Companies Act , 2013 (`Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards . The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 2.1.

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

1.3 Functional & Presentation Currency

These Financial statements are presented in Indian Rupees (INR) which is also the company's functional currency.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Significant accounting estimates

Property Plant & Equipment:

Under the previous Indian GAAP, property plant and equipment were carried in the balance sheet on the basis of historical cost. The company has regarded the same as deemed cost & presented same values in Ind- AS complaint financials.

Plant and equipment are 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 recognized 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 recognized 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 is calculated on a straight-line basis over the estimated useful lives of the assets .

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANT

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.

Financials Asset

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

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

(i) Financial Asset at amortized cost

(ii)Financial Asset At Fair Value through OCI

(iii)Financial Asset at Fair value through P&L

Financial Asset at amortized cost

A 'Financial Asset' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit or loss.

Financial Asset at Fair value through OCI

A 'Financial Asset' 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.Financial Asset 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).

Financial Asset at fair value through profit or loss

FVTPL is a residual category for Financial Assets. Any financial asset, 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 Financial asset, 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').

Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable if the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

The Company's investment in the equity shares of its subsidiaries is recognised at cost. The Company has elected to apply previous GAAP carrying amount of its equity investment in subsidiaries, associates and joint ventures as deemed cost as on the date of transition to Ind AS. However, the debt instruments in subsidiaries, associates and joint ventures are recognized at fair value.

NSBP & CO. ★ NEW DELHI ★ CHARTERED ACCOUNTANT

Derognisition of Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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) Lease receivables under Ind AS 17.

d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables)

e) Loan commitments which are not measured as at FVTPL

f) Financial guarantee contracts which are not measured as at FVTPL

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 entity 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.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For financial liabilities maturing within one year from the balance sheet date, the carrying amount approximate fair value due to the short maturity of these instruments.

Subsequent Measurement

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

Financial Liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

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Cash and Cash Equivalents

Cash and Cash Equivalent in 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.

Provisions, Contingent liabilities

Provisions are recognized 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.

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

A contingent liability is disclosed in case of;

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible ;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, 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 gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Borrowing Costs

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

Income Tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

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Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

Earnings per share

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of equity shares to the extent that they are entitled to participate in dividends relative to a fully paid equity shares during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

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 1 April 2014, 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. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing cost. 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.

Fair Value Measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that

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

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2.1 First-time adoption of Ind-AS

These are the company's first financial statements prepared in accordance with Ind AS. For the year ended 31st March 2016, the company had prepared its financial statements in accordance with Companies (Accounting Standard) Rules 2006, notified under Section 133 of the Act and other relevant provisions of the Act (previous GAAP).

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, including the comparative information for the year ended 31 March 2016 and then opening Ind AS balance sheet on the date of transition i.e. 1st April 2015.

In preparing its Ind AS balance sheet as at 1st April 2015 and in presenting the comparative information for the year end 31st March 2016, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet and Statement of Profit and Loss, is set out in note 2.2, 2.3 & 2.4.

Exemptions and exceptions availed

Exemptions

Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition .

Accordingly, the Company has elected to measure all of its property, plant and equipment at previous IGAAP value.

Investments in subsidiaries

The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiaries as deemed cost as on the date of transition to Ind AS. However, the debt instruments in subsidiaries, associates and joint ventures are recognized at fair value.

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 the following items where application of Indian GAAP did not require estimation:

FVTOCI – unquoted equity shares

Amortised cost – debt securities

Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

Exceptions

Classification and measurement of financial assets

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exists at the date of transition to Ind -AS.

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GJS HOTELS LIMITED

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RECONCILIATION OF BALANCE SHEET as at 1st April 2015

Note: 2.2

Amount in ₹

Particulars	IGAAP as at 31.03.2015	Effects of transition to IndAS	Ind AS as at 01.04.2015
ASSETS			
(1) **Non - current assets**			
(a) Property, plant and equipment	54,539,349	-	54,539,349
(b) Capital work in progress	781,731	-	781,731
(b) Financial assets			
(i) Investments	6,023,242,553	(1,354,761,868)	4,668,480,685
(ii) Other financial assets	2,000	-	2,000
	6,078,565,633	(1,354,761,868)	4,723,803,765
(2) **Current assets**			
(a) Financial assets			
(i) Cash and cash equivalents	294,247	-	294,247
(ii) Other financial assets	5,616	-	5,616
	299,863	-	299,863
Total assets	**6,078,865,496**	**(1,354,761,868)**	**4,724,103,628**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	109,610,000	-	109,610,000
(b) Other equity	2,252,465,291	-1,354,761,868	897,703,423
	2,362,075,291	-1,354,761,868	1,007,313,423
LIABILITIES			
(1) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3,716,175,000	-	3,716,175,000
(ii) Other financial liabilities	549,431	-	549,431
(b) Other current liabilities	65,774	-	65,774
	3,716,790,205	-	3,716,790,205
Total Equity & Liabilities	**6,078,865,496**	**-1,354,761,868**	**4,724,103,628**

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to INDAS

Investments

Investments in debentures and preference shares are carried at amortised cost in Ind AS compared to being carried at cost under IGAAP.

Other equity

Adjustments to retained earnings has been made in accordance with Ind AS, for the above mentioned line item.

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GJS HOTELS LIMITED

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RECONCILIATION OF BALANCE SHEET as at 31st March 2016

Note: 2.3

Amount in ₹

Particulars	IGAAP as at 31.03.2016	Effects of transition to IndAS	Ind AS as at 31.03.2016
ASSETS			
(1) **Non - current assets**			
(a) Property, plant and equipment	68,539,349	-	68,539,349
(b) Capital work in progress	781,731	-	781,731
(c) Financial assets			
(i) Investments	6,023,242,553	(1,145,018,444)	4,878,224,109
(ii) Other financial assets	2,000	-	2,000
(d) Deferred tax assets	218,500	-	218,500
	6,092,784,133	(1,145,018,444)	4,947,765,689
(2) **Current assets**			
(a) Financial assets			
(i) Cash and cash equivalents	75,034	-	75,034
(ii) Other financial assets	1,845,000	-	1,845,000
	1,920,034	-	1,920,034
Total assets	**6,094,704,167**	**(1,145,018,444)**	**4,949,685,723**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	109,610,000	-	109,610,000
(b) Other equity	2,253,610,990	-1,145,018,444	1,108,592,546
	2,363,220,990	-1,145,018,444	1,218,202,546
LIABILITIES			
(1) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3,731,418,600	-	3,731,418,600
(ii) Other financial liabilities	45,745		45,745
(b) Other current liabilities	4,380	-	4,380
(c) Income tax liabilities (net)	14,452	-	14,452
	3,731,483,177	-	3,731,483,177
Total Equity & Liabilities	**6,094,704,167**	**-1,145,018,444**	**4,949,685,723**

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to INDAS

Investments

Investments in debentures and preference shares are carried at amortised cost in Ind AS compared to being carried at cost under IGAAP.

Other equity

Adjustments to retained earnings has been made in accordance with Ind AS, for the above mentioned line item.

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RECONCILIATION OF STATEMENT OF PROFIT & LOSS for the year ended 31st March 2016

Note: 2.4

Amount in ₹

	Particulars	IGAAP Year ended 31.03.2016	Effects of transition to IndAS	Ind AS Year ended 31.03.2016
I	Revenue from operations	-	-	-
II	Other income	2,062,600	209,743,424	211,806,024
III	Total income	2,062,600	209,743,424	211,806,024
IV	Expenses			
	Employee benefits expenses	614,956	-	614,956
	Other expenses	300,993	-	300,993
	Total expenses	915,949	-	915,949
V	Profit / (loss) before exceptional items and tax	1,146,651	209,743,424	210,890,075
VI	Exceptional items	-	-	-
VII	Profit / (loss) before tax	1,146,651	209,743,424	210,890,075
VIII	Tax expense			
	(1) Current tax	219,452	-	219,452
	(2) Deferred tax	-	-	-
	(3) MAT Credit	-218,500	-	-218,500
IX	Profit / (loss) for the period	1,145,699	209,743,424	210,889,123
X	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss	-	-	
	(ii) Income tax relating to items that will not be reclassfied to profit or loss	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-
	(ii) Income tax relating to items that will be reclassfied to profit or loss	-	-	-
		-	-	-
XI	Total comprehensive income for the period	1,145,699	209,743,424	210,889,123

Explanations for reconciliation of Statement of profit & loss as previously reported under IGAAP to IndAS

Other Income

Adjustmetns reflect impact of valuation of debentures and preference shares at amortised cost as per Ind AS.

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GJS HOTELS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

3. PROPERTY, PLANT & EQUIPMENT

Amount in ₹

Particulars	Land *	Property & Plant	Others
Gross Block (at cost)			
As at 01.04.2015	54,539,349	-	-
Additions	14,000,000	-	-
Disposals	-	-	-
As at 31.03.2016	68,539,349	-	-
Additions	-	-	-
Disposals	-	-	-
As at 31.03.2017	68,539,349	-	-
Depreciation			
As at 01.04.2015	-	-	-
Charge for the year	-	-	-
As at 31.03.2016	-	-	-
Charge for the year	-	-	-
As at 31.03.2017	-	-	-
Net Block			
As at 01.04.2015	54,539,349	-	-
As at 31.03.2016	68,539,349	-	-
As at 31.03.2017	68,539,349	-	-

4. INVESTMENTS

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Non-current			
Unquoted			
Investment carried at cost			
Investment in equity instruments of subsidiary - Robust Hotels Pvt. Ltd.			
124,163,829 (previous year: 63,932,769) equity shares of ₹10/- each fully paid up	3,973,242,528	2,045,848,608	2,045,848,608
	3,973,242,528	2,045,848,608	2,045,848,608
Investment carried at amortised cost			
Investment in debentures of subsidiary - Robust Hotels Pvt. Ltd.			
15,500,000 (previous year: 20,500,000) 0.10% unsecured redeemable non-convertible debentures of ₹100/-each fully paid up	633,718,845	1,014,079,326	907,258,327
Investment in preference shares of subsidiary - Robust Hotels Pvt. Ltd.			
Nil (previous year: 8,964,623) 1% cumulative redeemable optionally convertible preference shares of ₹10/-each	-	1,818,296,175	1,715,373,750
	633,718,845	2,832,375,501	2,622,632,077
	4,606,961,373	4,878,224,109	4,668,480,685
Aggregate value of unquoted investments	4,606,961,373	4,878,224,109	4,668,480,685
Aggregate amount of provision for diminution in value of investments	-	-	-

5. OTHER FINANCIAL ASSETS

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Non-current			
Security deposits	2,000	2,000	2,000
	2,000	2,000	2,000

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current			
Interest accrued and due	1,395,000	1,845,000	5,616
	1,395,000	1,845,000	5,616

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

6. DEFERRED TAX ASSETS

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Non-current			
MAT credit entitlement	351,282	218,500	-
	351,282	218,500	-

7. CASH & CASH EQUIVALENTS

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current			
Balances with banks in current account	8,817	68,091	290,153
Cash on hand	7,575	6,943	4,094
	16,392	75,034	294,247

8. INCOME TAX ASSETS (net)

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current			
Income tax assets (net of provision for tax)	455,312	-	-
Less: Provision for tax	352,234	-	
	103,078	-	-

9. SHARE CAPITAL

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Authorised Shares			
14,000,000 Equity Shares of ₹10/- each	140,000,000	140,000,000	140,000,000
Issued, subscribed & paid up			
10,961,000 Equity Shares of ₹10/- each	109,610,000	109,610,000	109,610,000
Total	109,610,000	109,610,000	109,610,000

Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
At the beginning of the year	10,961,000	10,961,000	10,961,000
Issued/(buy back) during the year	-	-	-
At the end of the year	**10,961,000**	**10,961,000**	**10,961,000**

Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹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.

Shares held by Holding/ultimate Holding Company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its Holding Company is as below:

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Asian Hotels (East) Limited, the Holding Company 10,961,000 equity shares of ₹10 each fully paid	109,610,000	109,610,000	109,610,000

Details of shareholders Holding more than 5% shares in the Company

Equity shares	% of Holding	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
		No. of Shares	No. of Shares	No. of Shares
Asian Hotels (East) Limited	100%	10,961,000	10,961,000	10,961,000

10. OTHER EQUITY

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Securities premium reserve	2,236,755,000	2,236,755,000	2,236,755,000
Retained earnings	-898,461,935	-1,128,162,454	-1,339,051,577
	1,338,293,065	1,108,592,546	897,703,423

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GJS HOTELS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

11. BORROWINGS

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current			
Unsecured, repayable on demand			
Loan from related party (refer note 19)	3,230,204,800	3,731,418,600	3,716,175,000
	3,230,204,800	3,731,418,600	3,716,175,000

12. OTHER FINANCIAL LIABLITIES

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current			
Expenses payable	38,470	45,745	549,431
	38,470	45,745	549,431

13. OTHER CURRENT LIABLITIES

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current			
TDS payable	3,500	4,100	65,774
Profession tax payable	370	280	-
	3,870	4,380	65,774

14. INCOME TAX LIABILITIES (net)

Amount in ₹

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current			
Provision for tax	-	219,452	-
Less: Income tax assets	-	205,000	-
	-	14,452	-

15. OTHER INCOME

Amount in ₹

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Interest income on debentures	1,795,903	2,050,000
Finance income (unwinding) on debentures	119,639,519	106,820,999
Finance income (unwinding) on preference shares	109,097,770	102,922,425
Liabilities written back	-	12,600
	230,533,192	**211,806,024**

16. EMPLOYEE BENEFIT EXPENSES

Amount in ₹

Particulars	Year Ended 31st March 2017	Year Ended 31st March 2016
Salaries and wages	575,114	591,546
Staff welfare expenses	24,677	23,410
	599,791	**614,956**

17. OTHER EXPENSES

Amount in ₹

Particulars	Note	Year Ended 31st March 2017	Year Ended 31st March 2016
Travelling and conveyance		106,384	143,428
Payment to auditor		35,000	35,000
Rates and taxes		7,750	9,889
Legal & professional expenses		21,513	13,710
Lease rent		2,100	2,100
Filing fees		10,244	38,439
Printing & stationery		11,310	11,030
Telephone expenses		13,396	11,474
Interest on late payment of lease rent		-	11,350
Miscellaneous expenses		25,185	24,573
		232,882	**300,993**

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANT

GJS HOTELS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

18. EARNINGS PER SHARE

Amount in ₹

Particulars	Note	Year Ended 31st March 2017	Year Ended 31st March 2016
(i) Profit available for Equity Shareholders		229,700,519	210,889,123
(ii) Weighted average number of Equity Shares @ ₹10 each		10,961,000	10,961,000
(iii) Earnings/(Loss) per share (₹)		20.96	19.24

19. In accordance with the Accounting Standard on " Related Party Disclosures" (Ind AS-24), the disclosures in respect of Related Parties and transactions with them, as identified and certified by the management, are as follows: -

Related Party Disclosures

(i) List of Related Parties

(a) Holding Company :
Asian Hotels (East) Limited

(b) Subsidiary Company :
Robust Hotels Private Limited

(c) Fellow Subsidiary Company :
Regency Convention Centre and Hotels Limited

(c) Entities over which directors or their relatives can exercise significant influence/control :

(i) Nepal Travel Agency Pvt. Ltd., Nepal
(ii) Unison Hotels Private Limited
(iii) Vedic Hotels Limited
(iv) Unison Power Limited
(v) Unison Hotels South Private Limited
(vi) Juniper Hotels Private Limited
(vii) Yak & Yeti Hotels Limited, Nepal
(viii) Taragaon Regency Hotels Limited, Nepal
(ix) Saraf Investments Limited, Mauritius
(x) Sara Hospitality Limited, Hong Kong
(xi) Triumph Realty Pvt. Ltd.
(xii) Juniper Investments Limited
(xiii) Chartered Hotels Pvt. Ltd.
(xiv) Blue Energy Private Limited
(xv) Footsteps of Buddha Hotels Private Limited
(xvi) Sara International Limited, Hong Kong
(xvii) Samra Importex Private Limited
(xix) Saraf Industries Limited, Mauritius
(xx) Saraf Hotels Limited, Mauritius
(xxi) Chartered Hampi Hotels Pvt. Ltd.

(ii) Details of transactions with related parties during the year :

Amount in ₹

Transactions	31st March 2017	31st March 2016
Interest on Debentures from Subsidiary Company	121,435,422	108,870,999
Interest on Preference shares from Subsidiary Company		
Interest Accrued on Debentures from Subsidiary Company	1,550,000	1,845,000
Investment made by Holding Company in Share Capital & Securities Premium		
During the year	-	-
Closing balance	2,346,365,000	2,346,365,000
Investment in Equity Shares of Subsidiary Company		
Opening balance	2,045,848,608	2,045,848,608
Conversion of preference share into equity shares during the year	1,927,393,920	-
Closing balance	3,973,242,528	2,045,848,608
Investment in Preference Shares of Subsidiary Company		
Opening balance	1,818,296,175	1,715,373,750
Interest (unwinding) during the year	109,097,770	102,922,425
Conversion into equity shares during the year	-1,927,393,920	-
Redemption during the year	-25	-
Closing balance	-	1,818,296,175
Investment in Non Convertible Debenture of Subsidiary Company		
Opening balance	1,014,079,326	907,258,327
Interest (unwinding) during the year	119,639,519	106,820,999
Redemption during the year	-500,000,000	-
Closing balance	633,718,845	1,014,079,326
Advances taken from Holding Company		
Opening balance	3,731,418,600	3,716,175,000
Taken/(repaid) during the year	-501,213,800	15,243,600
Closing balance	3,230,204,800	3,731,418,600

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

20. The loans outstanding to Holding Company carrying no interest and repayable on demand as at 31st March 2017 :

Holding Company	Maximum amount outstanding during the year		
	31st March 2017	31st March 2016	31st March 2015
Asian Hotels (East) Limited	3,731,418,600	3,731,418,600	3,716,175,000

Holding Company	Outstanding as on		
	31st March 2017	31st March 2016	31st March 2015
Asian Hotels (East) Limited	3,230,204,800	3,731,418,600	3,716,175,000

21. FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying value and fair value of financial instruments by categories as on March 31, 2017 are as follows:

Amount in ₹

Particulars	Amortised Cost	Fair Value through PL	Fair Value through OCI	Total Carrying Value	Total Fair Value
Assets:					
Investments					
Debentures	633,718,845	-	-	633,718,845	633,718,845
Preference Shares	-	-	-	-	-
Cash & cash equivalents	16,392	-	-	16,392	16,392
Other financial assets	1,397,000	-	-	1,397,000	1,397,000
Total	**635,132,237**	-	-	**635,132,237**	**635,132,237**
Liabilities:					
Borrowings	3,230,204,800	-	-	3,230,204,800	3,230,204,800
Other financial liabilities	38,470	-	-	38,470	38,470
Total	**3,230,243,270**	-	-	**3,230,243,270**	**3,230,243,270**

The carrying value and fair value of financial instruments by categories as on March 31, 2016 are as follows:

Amount in ₹

Particulars	Amortised Cost	Fair Value through PL	Fair Value through OCI	Total Carrying Value	Total Fair Value
Assets:					
Investments					
Debentures	1,014,079,326	-	-	1,014,079,326	1,014,079,326
Preference Shares	1,818,296,175	-	-	1,818,296,175	1,818,296,175
Cash & cash equivalents	75,034	-	-	75,034	75,034
Other financial assets	1,847,000	-	-	1,847,000	1,847,000
Total	**2,834,297,535**	-	-	**2,834,297,535**	**2,834,297,535**
Liabilities:					
Borrowings	3,731,418,600	-	-	3,731,418,600	3,731,418,600
Other financial liabilities	45,745	-	-	45,745	45,745
Total	**3,731,464,345**	-	-	**3,731,464,345**	**3,731,464,345**

The carrying value and fair value of financial instruments by categories as on April 1, 2015 are as follows:

Amount in ₹

Particulars	Amortised Cost	Fair Value through PL	Fair Value through OCI	Total Carrying Value	Total Fair Value
Assets:					
Investments					
Debentures	907,258,327	-	-	907,258,327	907,258,327
Preference Shares	1,715,373,750	-	-	1,715,373,750	1,715,373,750
Cash & cash equivalents	294,247	-	-	294,247	294,247
Other financial assets	7,616	-	-	7,616	7,616
Total	**2,622,933,940**	-	-	**2,622,933,940**	**2,622,933,940**
Liabilities:					
Borrowings	3,716,175,000	-	-	3,716,175,000	3,716,175,000
Other financial liabilities	549,431	-	-	549,431	549,431
Total	**3,716,724,431**	-	-	**3,716,724,431**	**3,716,724,431**

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Fair value hierarchy

This section explains the estimates and judgements made in determining the fair values of Financial Instruments that are measured at fair value and amortised cost and for which fair values are disclosed in financial statements. To Provide an indication about reliability of the inputs used in determining the fair values, the company has classified its financial instruments into the three levels prescribed under accounting standards. An explanation of each level follows underneath the table:

Level 1 : includes financial Instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.

Level 2 : Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.

Level 3: Includes those instruments for which one or more significant input are not based on observable market data.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2017:

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
Assets:				
Investments				
Debentures	633,718,845	-	-	633,718,845
Preference Shares	-	-	-	-
Other financial assets	1,397,000	-	-	1,397,000
Total	**635,115,845**	-	-	**635,115,845**
Liabilities:				
Borrowings	3,230,204,800	-	-	3,230,204,800
Other financial liabilities	38,470	-	-	38,470
Total	**3,230,243,270**	-	-	**3,230,243,270**

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2016:

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
Assets:				
Investments				
Debentures	1,014,079,326	-	-	1,014,079,326
Preference Shares	1,818,296,175	-	-	1,818,296,175
Other financial assets	1,847,000	-	-	1,847,000
Total	**2,834,222,501**	-	-	**2,834,222,501**
Liabilities:				
Borrowings	3,731,418,600	-	-	3,731,418,600
Other financial liabilities	45,745	-	-	45,745
Total	**3,731,464,345**	-	-	**3,731,464,345**

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of April 1, 2015:

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
Assets:				
Investments				
Debentures	907,258,327	-	-	907,258,327
Preference Shares	1,715,373,750	-	-	1,715,373,750
Other financial assets	7,616	-	-	7,616
Total	**2,622,639,693**	-	-	**2,622,639,693**
Liabilities:				
Borrowings	3,716,175,000	-	-	3,716,175,000
Other financial liabilities	549,431	-	-	549,431
Total	**3,716,724,431**	-	-	**3,716,724,431**

The carrying amount of other financial assets, borrowings and expenses payable are considered to be the same as their fair value due to their short term nature and are close approximation of fair value.

The Company's investment in the equity shares of its subsidiaries is recognised at cost. The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiaries, associates and joint ventures as deemed cost as on the date of transition to Ind AS.

The Company's investment in debentures of the subsidiaries have been valued at amortized cost using effective interest rate method.

22. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to liquidity risk and credit risk.

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Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities.

The Company maintains sufficient cash and cash equivalent to manage its operating requirements. The Company has the financial support and call for additional loan from Asian Hotels (East) Limited, the holding company, to settle to its financial liabilities when they fall due for repayment.

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2017:

Amount in ₹

Particulars	less than 6 months	6 months to 1 year	1 - 5 years	Total
Borrowings	-	3,230,204,800	-	3,230,204,800
Other financial liabilities	38,470	-	-	38,470

The table below provides details regarding the contractual maturities of financial liabilities as of March 31, 2016:

Amount in ₹

Particulars	less than 6 months	6 months to 1 year	1 - 5 years	Total
Borrowings	-	3,731,418,600	-	3,731,418,600
Other financial liabilities	45,745	-	-	45,745

The table below provides details regarding the contractual maturities of financial liabilities as of April 1, 2015:

Amount in ₹

Particulars	less than 6 months	6 months to 1 year	1 - 5 years	Total
Borrowings	-	3,716,175,000	-	3,716,175,000
Other financial liabilities	549,431	-	-	549,431

Credit Risk

Credit risk is the risk that counter party will not meet its obligation under a financial instrument leading to a financial loss. The company is exposed to credit risk from investments, cash and cash equivalents and other financial assets.

The Company's credit risk is minimised as the Company's financial assets are carefully allocated to counter parties reflecting the credit worthiness.

The maximum exposure of financial asset to credit risk are as follows :

Amount in ₹

Particulars	31st March 2017	31st March 2016	31st March 2015
Investments	4,606,961,373	4,878,224,109	4,668,480,685
Other financial assets	1,399,000	1,849,000	9,616
Cash & cash equivalents	16,392	75,034	294,247

23. CAPITAL MANANGEMENT

For the purpose of managing capital, Capital includes issued equity share capital and reserves attributable to the equity holders.

The objective of the company's capital management are to:

- Safeguard their ability to continue as going concern so that they can continue to provide benefits to their shareholders.
- Maximise the wealth of the shareholder.
- Maintain optimum capital structure to reduce the cost of the capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirement of financial covenants. In

Gearing Ratio is as follows :

Amount in ₹

Particulars	31st March 2017	31st March 2016	31st March 2015
Net debt	3,230,204,800	3,731,418,600	3,716,175,000
Total net debt and equity	4,678,107,865	4,949,621,146	4,723,488,423
Gearing Ratio	69.05%	75.39%	78.67%

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 loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any 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 2016 and 31 March 2015.

24. There is no Contingent liabilities as on 31st March 2017 (Previous Year - NIL).

25. The Company has no Capital commitments as on 31st March 2017 (Previous Year - NIL).

26. No amount is due to Micro, Small and Medium enterprises (identified on the basis of information made available during the year by such enterprises to the Company). No interest in terms of Micro, Small and Medium Enterprises Development Act, 2006 has been either paid or accrued during the year.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2017

27. The Company has a lease of plot no. A/1 measuring Ac.7.000 in unit – XX, mouza – Jagamara, Bhubaneswar, Odisha for construction of a hotel. The said land was demised by General Administration Department, Government of Odisha. As per the agreed terms with the Government, the Company has to complete all formalities and start construction of the proposed hotel at the above-mentioned plot in the next 2-3 months. As part of expansion plan, the Company has evinced interest to set up its maiden premium five star hotel in Bhubaneswar and accordingly has already carried out the geotechnical investigation work & topographical survey for the luxury hotel project at the plot. However, considering hospitality scenario in Odisha and focuses particularly on star hotel industry in Bhubaneswar with the standards of Hyatt brand, the Company is taking a cautious approach taking into account the interest of the stakeholders, investment, RoI, payback period and other related factors and accordingly has been exploring various other business model for its proposed hotel project at the site. The Company is hopeful of striking a business model which suits the company and its stakeholders.

28. The Company has not amortized expenses in respect of the leasehold land.

29. The Company is not liable for Provident Fund and/or any other retirement benefit for its employees under the relevant applicable Laws, Rules & Regulations.

30. The Company does not have more than one reportable segment in accordance with the principle outlined in Ind AS 108, "Operating Segment ", the disclosure requirements on Operating Segment is not applicable. The Company operates presently only in India. Thus there is no geographical segment apart from India.

31. Pursuant to Sections 230 and 232 of the Companies Act, 2013, the Board of Directors of the Company (GJS) has approved a Scheme of Arrangement on 10th February, 2017 for (1) demerger of the investment division (Demerged Undertaking) of GJS with its holding company, Asian Hotels (East) Limited (AHEL) and (2) reorganisation of the Share Capital and Debentures of its subsidiary company, Robust Hotels Private Limited (RHPL) with effect from the Appointed Date, being close of business hours on 31st March, 2016. Consequent to the demerger of the Demerged Undertaking of GJS wtih AHEL under the Scheme, all shares held by GJS in RHPL will stand transferred to AHEL and RHPL will become a direct wholly owned subsidiary of AHEL. The Share Capital and Debentures of RHPL will also stand reorganised pursuant to the Scheme. The Scheme is subject to requisite statutory approvals, including sanction by the National Company Law Tribunal (NCLT) and approval of the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). As informed by AHEL, it has already received no adverse observation letters from BSE and NSE.

32. Derivative instruments and foreign currency exposures.

a) Foreign currency exposure outstanding as at the balance sheet date is Nil (previous year Nil).

b) Particulars of un-hedged foreign currency exposures as at the balance sheet date is Nil (previous year Nil).

33. On 1st October 2016, the investment in 8,964,623 1% cumulative redeemable optionally convertible preference shares of ₹10/-each has been converted into 8,964,623 1% compulsorily convertible preference shares of ₹10/-each.

On 6th March 2017, the same has been converted into 60,231,060 equity shares of ₹32/- each, including premium of ₹10/- each.

34. As per MCA notification G.S.R. 308(E) dated March 30, 2017, the details of Specified Bank Notes (SBNs) and other bank notes held and transacted during the period 08/11/2016 to 30/12/2016 is as under;

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	5,000	1,463	6,463
(+) Permitted receipts *	-	25,000	25,000
(-) Permitted payments	-	25,879	25,879
(-) Amount deposited in Banks	5,000	-	5,000
Closing cash in hand as on 30.12.2016	-	584	584

* Permitted receipts includes cash withdrawn from Bank.

35. The previous year figures have been regrouped/reclassified, wherever considered necessary to confirm the current year classification.

As per our report of even date attached

*For **NSBP & Co.***
Chartered Accountants
Firm Registration. No. 001075N

Birjesh Kumar Bansal
Partner
Membership No. : 096740

Place: Kolkata
Date: 25th May 2017

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANT

For and on behalf of the Board of Directors

Umesh Saraf
Director
DIN No. - 00017985

Padam Khaitan
Director
DIN No. - 00019700

Bimal K Jhunjhunwala
Chief Financial Officer

Saumen Chatterjee
Company Secretary