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Year ended 31-Mar-2017

INDEPENDENT AUDITORS REPORT

To,
The Shareholders,
REGENCY CONVENTION CENTRE & HOTELS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of the M/s. REGENCY CONVENTION CENTRE & HOTELS LIMITED which comprise the Balance Sheet as at 31-Mar-2017 and the Statement of Profit & Loss, 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 (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

Auditors' Responsibility

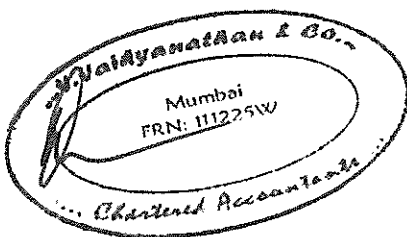
Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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



Year ended 31-Mar-2017

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of Balance Sheet, of the state affairs of the Company as at 31-Mar-2017
- (b) in case of the Statement of Profit and Loss, of the loss for the year ended on that date
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.
- (d) in the case of Statement of Changes in Equity, of the changes in equity as at 31-Mar-2017

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

Our opinion is not modified in respect of these matters.

The Company has provided requisite disclosures in the 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. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management

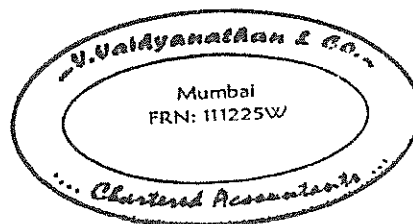
Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 appears from our examination of those books.
- (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on 31-Mar-2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31-Mar-2017 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (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 and;
- (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 position;
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company

Place: MUMBAI
Date: 25th May 2017



For V. Vaidyanathan & Co.

Chartered Accountants
Firm Regn. No. 111225/W

V. Vaidyanathan
V. Vaidyanathan

Membership No. 017905 Pg. 2
(Partner)

ANNEXURE "A" TO THE AUDITORS REPORT:

(Referred to in paragraph (3) of our report of even date)

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

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

In view of the nature of business and the general activity of the Company, the matters specified in the items (ii) and (xii). of Clause 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company. Subject to the same, we further report as follows:

1 Fixed assets

The amount shown under the head Fixed Assets represents the earnest money paid for the property and the expenditure incurred by the promoters on the property. The company had handed over the property to the Government on December 2001. As per the understanding with the Government the land will be leased back to the company for its operations. The expenditure incurred on this property till 31st March 2017 was capitalized with the fixed assets. The expenditures identified to be directly connected to the fixed assets to the extent of Rs. 11,88,449/- have been capitalised during the year.

Since the company does not have any other assets other than rights in the property referred to above, the question of maintenance of property records of its fixed assets showing full particulars, including quantitative details and their location or physical verification etc does not arise.

2 Loans & advances

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, clauses (iii) (a), (iii) (b) and (iii) (c) of the Order are not applicable.

3 Loans , Investments, Guarantees

3.01 In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or given any guarantee or provided any security which attract the provisions of Section 185 and 186 of the Companies Act, 2013.

4 Deposits

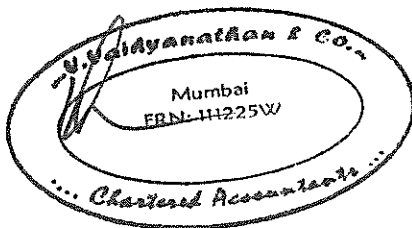
In our opinion and according to the information and explanations given to us, the Company has not taken any deposits within the meaning of Sec. 73 to 76 of the Companies Act, 2013, and the rules framed there under or the order(s) passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in respect of Acceptance of Deposits.

5 Cost Records

The Company is NOT covered under the provisions of sub-section (1) of the section 148 of the Companies Act, 2013.

6 Statutory dues

6.01 The Company has deposited with the appropriate authorities undisputed statutory dues including Provident Fund, employees' state insurance, income-tax, sales-Lax, service tax, duty of customs, duty of excise, value added tax, cess and all other statutory dues with the appropriate authorities and other material statutory dues applicable.



7 Managerial Remuneration

In our opinion and according to the information and explanations given to us, the Company has not paid or provided for Managerial remuneration. Hence the related provisions are not applicable

8 Related-party Transactions

8.01 In our opinion and according to the information and explanations given to us, all transactions with related-parties as per the provisions of the Companies Act are in compliance with the provisions of Section 188 and 177 of the Companies Act, 2013, where applicable. We further report that in our opinion all transactions of the Company with the related parties, as required by the accounting standards and the provisions of the Companies Act, 2013, have been duly disclosed in the Financial Statements.

8.02 In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.

9 Miscellaneous

9.01 In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year, in repayment of dues to any financial institution, banks or debenture-holders.

9.02 The Company has not raised any funds either through initial public offer or further public offer (including debt instruments) or additional term loans during the year.

9.03 According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

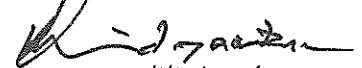
9.04 The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.

9.05 Based on the information and explanations given to us, in our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

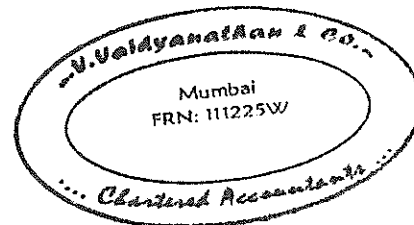
Place: MUMBAI
Date: 25th May 2017

For **V. Vaidyanathan & Co.**

Chartered Accountants
Firm Regn. No. 111225/W



V Vaidyanathan
Membership No. 017905
(Partner)



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") 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 REGENCY CONVENTION CENTRE & HOTELS LIMITED ("the Company") as of 31-Mar-2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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

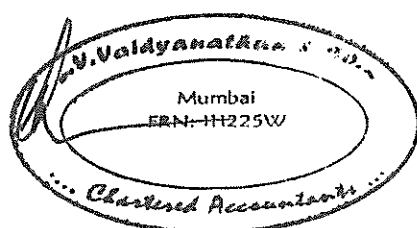
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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.



Year ended 31-Mar-2017

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.

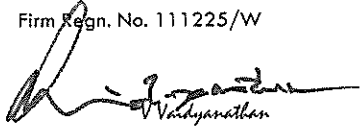
Opinion

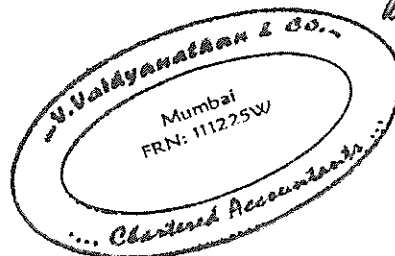
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria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

Place: MUMBAI
Date: 25th May 2017

For **V. Vaidyanathan & Co.**

Chartered Accountants
Firm Regn. No. 111225/W


Membership No. 017905
(Partner)



REGENCY CONVENTION CENTRE AND HOTELS LIMITED

CIN: U74899WB1994PLC160633

BALANCE SHEET AS AT 31.03.2017

Particulars	Note	Amount in ₹		
		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	19,217,397	18,028,948	17,628,536
(b) Financial assets				
(i) Loans	4	84,770	84,770	84,770
		<u>19,302,167</u>	<u>18,113,718</u>	<u>17,713,306</u>
(2) Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	5	78,898	48,350	136,300
(b) Other current assets		-	-	-
		<u>78,898</u>	<u>48,350</u>	<u>136,300</u>
Total Assets		<u>19,381,065</u>	<u>18,162,068</u>	<u>17,849,606</u>
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	6	1,553,570	1,553,570	1,553,570
(b) Other equity	7	(780,119)	(628,574)	(488,441)
		<u>773,451</u>	<u>924,996</u>	<u>1,065,129</u>
LIABILITIES				
(1) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	8	18,586,258	17,185,258	16,735,258
(i) Other financial liabilities	9	21,356	23,114	49,219
(b) Other current liabilities	10	-	28,700	-
		<u>18,607,614</u>	<u>17,237,072</u>	<u>16,784,477</u>
Total Equity & Liabilities		<u>19,381,065</u>	<u>18,162,068</u>	<u>17,849,606</u>

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

As per our report of even date attached

For V. Vaidyanathan & Co.

Chartered Accountants

Firm Registration. No. : 111225W



V. Vaidyanathan

Partner

Membership No. : 017905



Place: Chennai

Date: 25th May 2017

For and on behalf of the Board of Directors



Umesh Saraf

Director

Bimal K. Jhunjhunwala

Director

Place: Kolkata

Date: 25th May 2017

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

CIN: U74899WB1994PLC160633

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017

Particulars	Note	Amount in ₹	
		Year ended 31.03.2017	Year ended 31.03.2016
I Revenue from operations		-	-
II Other income		-	-
III Total income		-	-
IV Expenses			
Employee benefits expenses	11	126,375	116,750
Other expenses	12	25,170	23,383
Total expenses		151,545	140,133
V Profit / (loss) before exceptional items and tax		-151,545	-140,133
VI Exceptional items		-	-
VII Profit / (loss) before tax		-151,545	-140,133
VIII Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
IX Profit / (loss) for the period		-151,545	-140,133
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 reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI Total comprehensive income for the period		-151,545	-140,133
XII Earnings per equity share	13		
(1) Basic		-0.98	-0.90
(2) Diluted		-0.98	-0.90

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

As per our report of even date

For **V. Vaidyanathan & Co.**

Chartered Accountants

Firm Registration. No. : 111225W

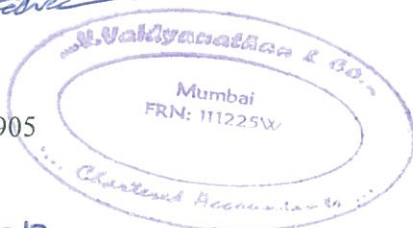
V. Vaidyanathan

Partner

Membership No. : 017905

Place: Chennai

Date: 25th May 2017



For and on behalf of the Board of Directors

Umesh Saraf

Umesh Saraf

Director

Bimal K. Jhunjunwala

Bimal K. Jhunjunwala

Director

Place: Kolkata

Date: 25th May 2017

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

CIN: U74899WB1994PLC160633

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2017

Particulars	Equity Share Capital	Reserves and Surplus			Other Comprehensive Income		Total equity attributable to equity holders of the Company
		Retained earnings	Capital reserve	Securities premium account	Other items of income	Equity instruments through other comprehensive income	
As at 01.4.2015	1,553,570	-488,441	-	-	-	-	1,065,129
Change in equity for the year ended March 31, 2016							
Profit for the period	-	-140,133	-	-	-	-	-140,133
As at 31.3.2016	1,553,570	-628,574	-	-	-	-	924,996
Change in equity for the year ended March 31, 2017							
Profit for the period	-	-151,545	-	-	-	-	-151,545
As at 31.3.2017	1,553,570	-780,119	-	-	-	-	773,451

Amount in ₹

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

As per our report of even date attached

For **V. Vaidyanathan & Co.**

Chartered Accountants

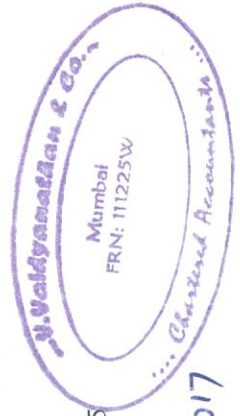
Firm Registration. No. : 111225W



V. Vaidyanathan

Partner

Membership No. : 017905



Place: Chennai

Date: 25th May 2017

For and on behalf of the Board of Directors



Umesh Saraf

Director



Bimal K. Jhunjhunwala

Director

Place: Kolkata

Date: 25th May 2017

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

CIN: U74899WB1994PLC160633

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

Particulars	Amount in ₹	
	Year ended 31.03.2017	Year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(151,545)	(140,133)
Adjustments to reconcile profit before tax to net cash flows	-	-
Operating profit/(loss) before working capital changes	(151,545)	(140,133)
Change in assets and liabilities		
Other financial liabilities	(1,758)	(26,105)
Other current liabilities	(28,700)	28,700
Cash generated from operations	(182,003)	(137,538)
Direct taxes	-	-
Net Cash generated from/(used in) Operations	(182,003)	(137,538)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure on property, plant and equipment	(1,188,449)	(400,412)
Net Cash flow from/(used in) Investing Activities	(1,188,449)	(400,412)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,401,000	450,000
Net cash flow from/(used in) Financing Activities	1,401,000	450,000
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	30,548	(87,950)
Cash and cash equivalents at the beginning of the year	48,350	136,300
Cash and cash equivalents at the end of the year	78,898	48,350

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

As per our report of even date attached

For **V. Vaidyanathan & Co.**

Chartered Accountants

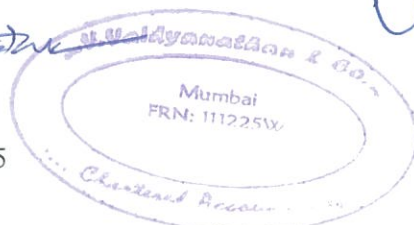
Firm Registration. No. : 111225W


V. Vaidyanathan
Partner

Membership No. : 017905

Place: Chennai

Date: 25th May 2017



For and on behalf of the Board of Directors



Umesh Saraf
Director



Bimal K. Jhunjunwala
Director

Date: 25th May 2017

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

CIN: U74899WB1994PLC160633

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

1. Company Overview and Significant Accounting Policies

1.1 Company overview

The Company is a subsidiary of Asian Hotel (East) Limited, a Company listed in Bombay Stock Exchange and National Stock Exchange. The principle assets of the Company comprise of an interest in a parcel of land at Mumbai, such interest being the subject matter of dispute pending in the Bombay High Court.

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 policies

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 compliant 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 .

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

CIN: U74899WB1994PLC160633

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

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 Other Comprehensive Income (OCI)
- (iii) Financial Asset at Fair value through Profit or Loss (PL)

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 (FVTOCI)

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)

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').

Derogisation 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.

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

CIN: U74899WB1994PLC160633

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

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.

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.

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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.

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. The carrying amount of deferred tax assets 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 realized 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 recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized 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.

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.

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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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

2.1 First-time adoption of Ind-AS

These standalone financial statements for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard , with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Balance Sheet, Statement of Profit and Loss, is set out in note 2.2, 2.3 and 2.4. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 2.1.1.

2.1.1 Exemptions availed on first time adoption of Ind-AS 101

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.

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RECONCILIATION OF BALANCE SHEET AS AT 01.04.2015, DATE OF TRANSITION TO IND AS

Note: 2.2

Amount in ₹

Particulars	Note	IGAAP As at 01.04.2015	Adjustments	Ind AS As at 01.04.2015
ASSETS				
(1) Non - current assets				
(a) Property, plant and equipment		17,628,536	-	17,628,536
(b) Financial assets				
(i) Loans		84,770	-	84,770
		<u>17,713,306</u>	<u>-</u>	<u>17,713,306</u>
(2) Current assets				
(a) Financial assets				
(i) Cash and cash equivalents		136,300	-	136,300
(b) Other current assets		-	-	-
		<u>136,300</u>	<u>-</u>	<u>136,300</u>
Total assets		<u>17,849,606</u>	<u>-</u>	<u>17,849,606</u>
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		1,553,570	-	1,553,570
(b) Other equity		(488,441)	-	(488,441)
		<u>1,065,129</u>	<u>-</u>	<u>1,065,129</u>
LIABILITIES				
(1) Current liabilities				
(a) Financial liabilities				
(i) Borrowings		16,735,258	-	16,735,258
(i) Other financial liabilities		49,219	-	49,219
(b) Other current liabilities		-	-	-
		<u>16,784,477</u>	<u>-</u>	<u>16,784,477</u>
Total Equity & Liabilities		<u>17,849,606</u>	<u>-</u>	<u>17,849,606</u>

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

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RECONCILIATION OF BALANCE SHEET AS AT 31.03.2016

Note: 2.3

Amount in ₹

Particulars	Note	IGAAP As at 31.03.2016	Adjustments	Ind AS As at 31.03.2016
ASSETS				
(1) Non - current assets				
(a) Property, plant and equipment		18,028,948	-	18,028,948
(b) Financial assets				
(i) Loans		84,770	-	84,770
		<u>18,113,718</u>	<u>-</u>	<u>18,113,718</u>
(2) Current assets				
(a) Financial assets				
(i) Cash and cash equivalents		48,350	-	48,350
(b) Other current assets		-	-	-
		<u>48,350</u>	<u>-</u>	<u>48,350</u>
Total assets		<u>18,162,068</u>	<u>-</u>	<u>18,162,068</u>
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		1,553,570	-	1,553,570
(b) Other equity		(628,574)	-	(628,574)
		<u>924,996</u>	<u>-</u>	<u>924,996</u>
LIABILITIES				
(1) Current liabilities				
(a) Financial liabilities				
(i) Borrowings		17,185,258	-	17,185,258
(i) Other financial liabilities		23,114	-	23,114
(b) Other current liabilities		28,700	-	28,700
		<u>17,237,072</u>	<u>-</u>	<u>17,237,072</u>
Total Equity & Liabilities		<u>18,162,068</u>	<u>-</u>	<u>18,162,068</u>

REGENCY CONVENTION CENTRE AND HOTELS LIMITED

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RECONCILIATION OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

Note: 2.4				Amount in ₹
Particulars	Note	IGAAP year ended 31.03.2016	Adjustments	Ind AS year ended 31.03.2016
I Revenue from operations		-	-	-
II Other income		-	-	-
III Total income		-	-	-
IV Expenses				
Employee benefits expenses		116,750	-	116,750
Other expenses		23,383	-	23,383
Total expenses		140,133	-	140,133
V Profit / (loss) before exceptional items and tax		-140,133	-	-140,133
VI Exceptional items		-	-	-
VII Profit / (loss) before tax		-140,133	-	-140,133
VIII Tax expense				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
IX Profit / (loss) for the period		-140,133	-	-140,133
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 reclassified to profit or loss		-	-	-
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
XI Total comprehensive income for the period		-140,133	-	-140,133
XII Earnings per equity share				
(1) Basic		-0.90	-	-0.90
(2) Diluted		-0.90	-	-0.90

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

3. PROPERTY, PLANT & EQUIPMENT

Particulars	Amount in ₹		
	Land *	Property & Plant	Others
Gross Block (at cost)			
As at 01.04.2015	17,628,536	-	-
Additions	400,412	-	-
Disposals	-	-	-
As at 31.03.2016	18,028,948	-	-
Additions	1,188,449	-	-
Disposals	-	-	-
As at 31.03.2017	19,217,397	-	-
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	17,628,536	-	-
As at 31.03.2016	18,028,948	-	-
As at 31.03.2017	19,217,397	-	-

* The cost of land represents the earnest money paid for the land, the incidental expenditure, legal expenses and the pre-operative expenditures capitalized. The Company has handed over the property to the Airports Authority of India (AAI). As per the understanding with the AAI the land will be leased back to the Company for its operations.

The Company has filed Suit No. 6846 of 1999 in the High Court of Judicature at Bombay against the Airports Authority of India (AAI) & Ors. for specific performance of the agreement to lease 31,000 sq.mtrs. of land at village-Sahar, Andheri (East), Mumbai in its favour for construction of a five star hotel cum convention centre. The recording of evidence of the Company's witness and the Defendants Nos. 2 to 16 have already been concluded and closed. The suit is pending of recoding of evidence of Defendant No. 1 i.e., AAI and for final arguments. Parties have asked the Court for expediting the matter.

Regarding the Agreement dated 24th July, 2015 which was entered into with Mumbai International Airport Private Limited (MIAL) by the Company for allotment of an alternate pocket of land admeasuring 9776 sq.mtrs. at CSI Airport, Mumbai to amicably settle the disputes in terms of the decision of the AAI Board, AAI did not approve the Agreement to ultimately settle the disputes when the discussion of settlement had taken place before the Court leaving the Company with no options but continue to involve in the litigation. However, the Company has resumed dialogues with the parties concerned to amicably settle the disputes as per the AAI Board's earlier decisions and presently exploring all available options. The Company is hopeful of a positive outcome of its efforts.

4. LOANS

Particulars	Amount in ₹		
	Non - current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured, considered good			
Loan to other parties	84,770	84,770	84,770
	84,770	84,770	84,770

5. CASH & CASH EQUIVALENTS

Particulars	Amount in ₹		
	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Balances with banks in current account	68,946	43,616	134,184
Cash on hand	9,952	4,734	2,116
	78,898	48,350	136,300

6. SHARE CAPITAL

Particulars	Amount in ₹		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Authorised Shares		
2,50,000 Equity Shares of ₹10/- each	2,500,000	2,500,000	2,500,000
Issued, subscribed & paid up			
1,55,357 Equity Shares of ₹10/- each	1,553,570	1,553,570	1,553,570
Total	1,553,570	1,553,570	1,553,570

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

Equity Shares	As at	As at	As at
	31.03.2017	31.03.2016	01.04.2015
At the beginning of the year	155,357	155,357	155,357
Issued/(buy back) during the year	-	-	-
At the end of the year	155,357	155,357	155,357

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	As at	As at
	31.03.2017	31.03.2016	01.04.2015
Asian Hotels (East) Limited, the Holding Company			
91,652 equity shares of ₹10 each fully paid	916,520	916,520	916,520

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

Equity shares	% of Holding	As at	As at	As at
		31.03.2017	31.03.2016	01.04.2015
		No. of Shares	No. of Shares	No. of Shares
Asian Hotels (East) Limited	58.99	91,652	91,652	91,652
Mr. S. Kapur	7.24	11,250	11,250	11,250
Ms. Farhath S. Kapur	7.24	11,250	11,250	11,250
Mr. Joy S. Kapur	7.24	11,250	11,250	11,250
Ms. Yash Kapur	7.24	11,250	11,250	11,250
Mohd. H. Merchant	6.71	10,424	10,424	10,424

7. OTHER EQUITY

Particulars	Amount in ₹		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Retained earnings	-780,119	-628,574	-488,441
	<u>-780,119</u>	<u>-628,574</u>	<u>-488,441</u>

8. BORROWINGS

Particulars	Amount in ₹		
	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured, repayable on demand			
Loan from related party (refer note 14)	13,970,474	12,569,474	12,119,474
Loan from other parties	4,615,784	4,615,784	4,615,784
	<u>18,586,258</u>	<u>17,185,258</u>	<u>16,735,258</u>

9. OTHER FINANCIAL LIABILITIES

Particulars	Amount in ₹		
	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Expenses payable	21,356	23,114	49,219
	<u>21,356</u>	<u>23,114</u>	<u>49,219</u>

10. OTHER CURRENT LIABILITIES

Particulars	Amount in ₹		
	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
TDS payable	-	28,700	-
	<u>-</u>	<u>28,700</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

11. EMPLOYEE BENEFIT EXPENSES

Amount in ₹

Particulars	Year Ended	Year Ended
	31st March	31st March
	2017	2016
Salaries and wages	126,375	116,750
	<u>126,375</u>	<u>116,750</u>

12. OTHER EXPENSES

Amount in ₹

Particulars	Year Ended	Year Ended
	31st March	31st March
	2017	2016
Rates and taxes	2,500	2,500
Legal & professional expenses	8,025	8,588
Filing fees	3,132	616
Payment to auditor	11,500	11,450
Miscellaneous expenses	13	229
	<u>25,170</u>	<u>23,383</u>

13. EARNINGS PER SHARE

Amount in ₹

Particulars	Year Ended	Year Ended
	31st March	31st March
	2017	2016
(i) Profit available for equity shareholders	(151,545)	(140,133)
(ii) Weighted average number of equity shares @ ₹10 each	155,357	155,357
(iii) Earnings/(Loss) per share (₹)	(0.98)	(0.90)

14. 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) Fellow Subsidiary Company :

GJS Hotels Limited

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

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

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

Amount in ₹

Transactions	31st March	31st March
	2017	2016
Services availed during the Year		
Juniper Hotels Private Limited	6,658	-
Investment made by Holding Company		
During the year	-	-
Year end balance	916,520	916,520
Loans & Advances taken from Holding Company		
During the year	1,401,000	450,000
Year end balance	13,970,474	12,569,474

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15. 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.

16. 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		
	31st March 2017	31st March 2016	31st March 2015
Asian Hotels (East) Limited	13,970,474	12,569,474	12,569,474

Holding Company	Outstanding as on		
	31st March 2017	31st March 2016	31st March 2015
Asian Hotels (East) Limited	13,970,474	12,569,474	12,569,474

17. 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:

Particulars	Amortised Cost	Fair Value through PL	Fair Value through OCI	Amount in ₹	
				Total Carrying Value	Total Fair Value
Assets:					
Cash & cash equivalents	78,898	-	-	78,898	78,898
Loans	84,770	-	-	84,770	84,770
Total	163,668	-	-	163,668	163,668
Liabilities:					
Borrowings	18,586,258	-	-	18,586,258	18,586,258
Other financial liabilities	21,356	-	-	21,356	21,356
Total	18,607,614	-	-	18,607,614	18,607,614

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

Particulars	Amortised Cost	Fair Value through PL	Fair Value through OCI	Amount in ₹	
				Total Carrying Value	Total Fair Value
Assets:					
Cash & cash equivalents	48,350	-	-	48,350	48,350
Loans	84,770	-	-	84,770	84,770
Total	133,120	-	-	133,120	133,120
Liabilities:					
Borrowings	17,185,258	-	-	17,185,258	17,185,258
Other financial liabilities	23,114	-	-	23,114	23,114
Total	17,208,372	-	-	17,208,372	17,208,372

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

Particulars	Amortised Cost	Fair Value through PL	Fair Value through OCI	Amount in ₹	
				Total Carrying Value	Total Fair Value
Assets:					
Cash & cash equivalents	136,300	-	-	136,300	136,300
Loans	84,770	-	-	84,770	84,770
Total	221,070	-	-	221,070	221,070
Liabilities:					
Borrowings	16,735,258	-	-	16,735,258	16,735,258
Other financial liabilities	49,219	-	-	49,219	49,219
Total	16,784,477	-	-	16,784,477	16,784,477

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Observable direct or indirect inputs other than Level 1 inputs; and

Level 3 - Unobservable inputs (i.e; not derived from 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:				
Cash & cash equivalents	78,898	-	-	78,898
Loans	84,770	-	-	84,770
Total	163,668	-	-	163,668
Liabilities:				
Borrowings	18,586,258	-	-	18,586,258
Other financial liabilities	21,356	-	-	21,356
Total	18,607,614	-	-	18,607,614

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:				
Cash & cash equivalents	48,350	-	-	48,350
Loans	84,770	-	-	84,770
Total	133,120	-	-	133,120
Liabilities:				
Borrowings	17,185,258	-	-	17,185,258
Other financial liabilities	23,114	-	-	23,114
Total	17,208,372	-	-	17,208,372

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:				
Cash & cash equivalents	136,300	-	-	136,300
Loans	84,770	-	-	84,770
Total	221,070	-	-	221,070
Liabilities:				
Borrowings	16,735,258	-	-	16,735,258
Other financial liabilities	49,219	-	-	49,219
Total	16,784,477	-	-	16,784,477

The carrying amount of loans, cash and cash equivalents, 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.

18. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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 and has the financial support and call for additional loan from its holding company, to settle to its financial liabilities when they fall due for repayment.

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

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

Particulars	<i>Amount in ₹</i>				
	on demand	less than 3 months	3-12 months	1-5 years	Total
Borrowings	18,586,258	-	-	-	18,586,258
Other financial liabilities	-	-	21,356	-	21,356

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

Particulars	<i>Amount in ₹</i>				
	on demand	less than 3 months	3-12 months	1-5 years	Total
Borrowings	17,185,258	-	-	-	17,185,258
Other financial liabilities	-	-	23,114	-	23,114

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

Particulars	<i>Amount in ₹</i>				
	on demand	less than 3 months	3-12 months	1-5 years	Total
Borrowings	16,735,258	-	-	-	16,735,258
Other financial liabilities	-	-	49,219	-	49,219

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 cash and cash equivalents and loans given.

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 :

Particulars	<i>Amount in ₹</i>		
	31st March 2017	31st March 2016	31st March 2015
Loans	84,770	84,770	84,770
Cash & cash equivalents	78,898	48,350	136,300

19. CAPITAL MANAGEMENT

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.
- Maximization 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 order 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, loans and borrowings, less cash and cash equivalents.

Gearing Ratio is as follows :

Particulars	<i>Amount in ₹</i>		
	31st March 2017	31st March 2016	31st March 2015
Net debt	18,586,258	17,185,258	16,735,258
Total net debt and equity	19,359,709	18,110,254	17,800,387
Gearing Ratio	96.00%	94.89%	94.02%

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.

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

20. 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;

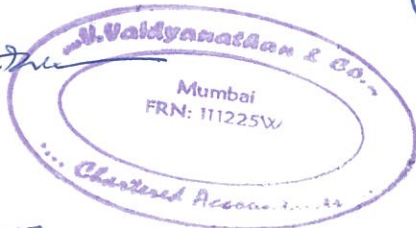
Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	2,772	2,772
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	2,772	2,772

21. Previous year figures have been re-grouped and re-classified wherever considered necessary to confirm to current year's classification.

As per our report of even date attached

For V. Vaidyanathan & Co.
Chartered Accountants
Firm Registration. No. : 111225W

V. Vaidyanathan
Partner
Membership No. : 017905



Place: Chennai
Date : 25th May 2017

For and on behalf of the Board of Directors

Umesh Saraf
Director

Bimal K. Jhunjhunwala
Director

Place: Kolkata
Date: 25th May 2017