BRIGADE HOTEL VENTURES LIMITED

ANNUAL REPORT 2017-2018

BRIGADE HOTEL VENTURES LIMITED

Corporate Identity Number (CIN) : U74999KA2016PLC095986
Regd. Off.: 29th & 30th Floor, World Trade Center,
Brigade Gateway Campus, 26/1, Dr. Rajkumar Road,
Malleswaram-Rajajinagar, Bangalore - 560 055
Phone : +91 - 080 - 4137 9200 Fax : +91 - 080 - 2221 0784

BRIGADE

NOTICE

Notice is hereby given that the Second Annual General Meeting of **Brigade Hotel Ventures Limited** will be held at held at 11.00 a.m. on Friday, 10th August, 2018 at the Board Room, 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr.Rajkumar Road, Malleswaram-Rajajinagar, Bangalore- 560055 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Audited Profit & Loss Account for the financial year ended 31st March, 2018 and the reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Ms. Nirupa Shankar (DIN: 02750342), who retires by rotation and being eligible, offers herself for re-appointment.

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Ms. Nirupa Shankar (DIN: 02750342), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 139 read with Rule 3 of the Companies (Audit and Auditors) Rules, and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendations of the Board, the approval of the Members be and is hereby accorded to ratify the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No.101049W/E300004) as Statutory Auditors of the Company from the conclusion of this Second Annual General Meeting until the conclusion of the Third Annual General Meeting on such remuneration as may be recommended by the Audit Committee and finalized by the Board of Directors in consultation with the Statutory Auditors."

Place: Bangalore
Date: 2nd May, 2018

By order of the Board
For **Brigade Hotel Ventures Limited**

M. R. Jaishankar
Director
DIN: 00191267

Registered Office
29th & 30th Floor, World Trade Center
Brigade Gateway Campus, 26/1,
Dr. Rajkumar Road,
Bangalore-560055

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NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER.**

2. Proxies in order to be effective must be received at the Registered Office of the Company not less than forty eight hours before this Annual General Meeting.

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BRIGADE

BOARD'S REPORT

Dear Members,

We have pleasure in presenting the Second Annual Report on business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS:

(Rupees in Lakhs)

Particulars	2017-18	2016-17
Total Income	16,946.89	8,333.10
Total Expenses	17,474.58	8,158.82
Profit/(Loss) before exceptional items and tax	**(527.69)**	**174.28**
Exceptional Items	(1,055.04)	-
Profit/Loss before tax	**(1,582.73)**	**174.28**
Current Tax Deferred tax(credit)/charge	- (404.63)	- 48.08
Profit/(Loss) After tax	**(1,178.10)**	**126.20**
Other Comprehensive Income	11.36	11.32
Total Comprehensive Income/Loss	**(1,166.74)**	**137.52**
Balance in Profit & Loss Account brought forward from previous year	137.52	-
Balance carried to Balance Sheet	**28,042.41**	**137.52**

FINANCIAL & OPERATIONAL OVERVIEW:

Your Company has earned total income of Rs.16,646.43 Lakhs for the financial year ended 31st March, 2018 as compared to Rs.8,178.77 Lakhs during the previous year ended 31st March, 2017, an increase by 103.53%. The other comprehensive income/loss for the year ended 31st March, 2018 was at (Rs.1,166.74) lakhs as compared to Rs 137.52 lakhs in the previous year. The loss is due to depreciation. The business prospects for the hospitality sector is very bright with the huge influx of tourists to India every year and your Company has a right mix of hotels and operating efficiently which is expected to perform better than the industry average. Your Company is bullish on the hospitality business with around 1000 operational keys which will be get doubled in the next 2 to 3 years.

SCHEME OF ARRANGEMENT:

During the Year under review, the Hon'ble National Company Law Tribunal (NCLT), Bengaluru Bench has approved the Scheme of Arrangement of Brigade Enterprises Limited, Holding

Company with Brigade Hotel Ventures Limited, and their respective members and creditors ("Scheme of Arrangement") on 13th March, 2018. The NCLT order has been e-filed with the Ministry of Corporate Affairs in Form INC 28 on 1st April, 2018 which is the effective date for the Scheme.

Pursuant to approval of the Scheme the hotel business undertaking has been hived off in to your Company from Brigade Enterprises Limited. The hotel business undertaking comprising of the operating hotels, under construction hotel and land bank relating to hotels will devolve up on the Company including its assets and liabilities. The consideration payable by the Company is Rs. 280,43,00,000/- which may be combination of Cash or Optionally Convertible Redeemable Preference Shares (OCRPS) or a combination of both.

SUBSIDIARIES AND ASSOCIATES:

The Company is a wholly owned subsidiary of Brigade Enterprises Limited. There are no subsidiaries / associates during the year.

TRANSFER TO RESERVES & DIVIDEND:

The Company has not transferred any amount to reserves or declared any dividend for the year 2017-18.

FIXED DEPOSITS:

The Company has not accepted any deposits in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year and accordingly, no amount is outstanding as on the Balance Sheet date.

SHARE CAPITAL:

During the year the Authorized Share Capital of the Company was re- classified and increased from the existing capital of Rs.1,00,00,000/- (Rupees One Crore only) divided into 10,00,000 (Ten Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.290,00,00,000/- (Rupees Two Hundred and Ninety Crores only) comprising of:

1. Rs.9,00,00,000 (Nine Crores only) divided into 90,00,000 Equity Shares of Rs.10/- each

2. Rs.281,00,00,000 (Two Hundred and Eighty One Crores only) divided into 2,81,00,000 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) Rs.100/- each

Further, the company has approved to issue preferential allotment upto 2,81,00,000 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.100/- each at par on a

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preferential basis to M/s Brigade Enterprises Limited in one or more tranches on 14th March, 2018.

DEBENTURES:

During the year under review, the Company has not issued any Debentures. As on date, the Company does not have any outstanding Debentures.

BOARD OF DIRECTORS:

The Board of Directors of the Company comprises of 3 directors of which all are Non-Executive Directors. The composition of the Board of Directors is in due compliance of the Companies Act, 2013.

In accordance with the Articles of Association of the Company and the provisions of Section 152(6)(e) of the Companies Act, 2013, Ms. Nirupa Shankar (DIN: 02750342), Director of the Company will retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

None of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

BOARD MEETINGS:

During the year under review, the Board of Directors of the Company met 4 times on the following dates:

Dates on which Board Meetings were Held	Total Strength of the Board	No of Directors Present
17th May, 2017	3 (Three)	3 (Three)
27th July,2017	3 (Three)	3 (Three)
31st October,2017	3 (Three)	3 (Three)
30th January, 2018	3 (Three)	3 (Three)

ATTENDANCE OF DIRECTORS AT BOARD MEETINGS:

The Board of Directors of the Company have attended the Board Meetings as per the following details:

Name of the Directors	Board meetings attended in the financial	Attendance in the previous Annual General Meeting

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BRIGADE

	year2017-2018	held on 20th September, 2017
Mr. M.R. Jaishankar	4 (Four)	Yes
Ms. Nirupa Shankar	4 (Four)	Yes
Mr. Vineet Verma	4 (Four)	Yes

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The Directors of the Company are appointed by the members at annual general meetings in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

There is no remuneration paid to any directors and the directors are not entitled for any sitting fees for attending the meetings of the Board.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors hereby confirm that:

a) in the preparation of the annual financial statements for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) the annual financial statements have been prepared on a going concern basis;
e) there are proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

KEY MANAGERIAL PERSONNEL:

The provisions relating to Key Managerial Personnel in accordance with the provisions of Section 203 of the Companies Act, 2013 is not applicable for the financial year 2017-18.

PARTICULARS OF EMPLOYEES:

Particulars pursuant to section 134 read with the Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013 is not applicable as the Company doesn't have any employees during the year under review.

STATUTORY AUDITORS:

The members of the Company at the First Annual General Meeting held on 20th September, 2017 approved the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/E300004), Statutory Auditors of the Company for a period of 5 years till the conclusion of Sixth Annual General Meeting, which is subject to annual ratification by the members of the Company in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The resolution relating to annual ratification of statutory auditors appointment is part of the notice of the Second Annual General Meeting for member's approval. Members may ratify the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company for the financial years 2018-19.

There are no qualifications or adverse remarks in the Statutory Auditors' Report for the financial statements for the year ended 31st March, 2018 which require any explanation from the Board of Directors.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The related party transactions undertaken during the financial year 2017-18 as detailed in the notes to accounts of the financial Statements which have been carried out at arm's length basis and in the normal course of business.

EXTRACT OF ANNUAL RETURN:

In terms of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year 2017-18 in Form No. MGT-9 is appended as **Annexure-1** to this Report.

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MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments for the period under review, which significantly affects the financial position of the Company.

SIGNIFICANT OR MATERIAL ORDERS:

During the financial year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in the future.

INTERNAL FINANCIAL CONTROL SYSTEMS:

The Company has adequate internal financial control systems in place with reference to the financial statements.

During the year under review, these controls were evaluated and no significant weakness was identified either in the design or operation of the controls.

RISK MANAGEMENT:

The Board of Directors have been entrusted with the responsibility for establishing policies to monitor and evaluate risk management systems of the Company.

The business risks identified are reviewed and a detailed action plan to mitigate identified risks is drawn up and its implementation monitored. The key risks and mitigation actions will also be placed before the Board of Directors of the Company on a periodic basis.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions relating to Corporate Social Responsibility are not applicable to the Company as on 31st March, 2018.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. CONSERVATION OF ENERGY:

The company has not commenced the operations and therefore there is no consumption of energy.

B. TECHNOLOGY ABSORPTION: NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the Company has neither earned nor used any foreign exchange.

HUMAN RESOURCES:

There are no employees on the rolls of the Company at present.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation to all the stakeholders for their continued support and patronage. We look forward to your support and co-operation as the Company is entering the next league of growth.

By Order of the Board
For **Brigade Hotel Ventures Limited**

Place: Bangalore
Date: 2nd May, 2018

Vineet Verma
Director
DIN: 06362115

Nirupa Shankar
Director
DIN: 02750342

ANNEXURE-1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	**U74999KA2016PLC095986**
2	Registration Date	**24th August, 2016**
3	Name of the Company	**Brigade Hotel Ventures Limited**
4	Category/Sub-category of the Company	**Company Limited by Shares** **Indian Non - Government Company**
5	Address of the Registered office & contact details	**29th & 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr.Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560055** **Tel: 91 80 41379200** **Email: omprakash@brigadegroup.com**
6	Whether listed company	**No**
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**NA**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	**Short term accomodation activities**	**551**	**57.60%**
2	**Restaurants and mobile food service activities**	**561**	**35.34%**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the company	CIN/GLN	Holding /Subsidiary/Associate	% of Shares held	Applicable Section
Brigade Enterprises Limited 29th & 30thFlr,World Trade Center,26/1,Brigade Gateway, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bangalore-560 055	L85110KA1995PLC019126	Holding Company	100%	2(46)

IV. SHAREHOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	-	-	-	0.00%		-	-	0.00%	0.00%
b) Central Govt	-	-	-	0.00%		-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%		-	-	0.00%	0.00%
d) Bodies Corp.	-	10,00,000	10,00,000	100.00%		10,00,000	10,00,000	100.00%	0.00%
e) Banks / FI	-	-	-	0.00%		-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%		-	-	0.00%	0.00%
Sub Total (A) (1)	-	**10,00,000**	**10,00,000**	**100.00%**		**10,00,000**	**10,00,000**	**100.00%**	**0.00%**
(2) **Foreign**									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	**0.00%**	-	**-**	-	**0.00%**	**0.00%**
TOTAL (A)	**-**	**10,00,000**	**10,00,000**	**100.00%**	**-**	**10,00,000**	**10,00,000**	**100.00%**	**0.00%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%

f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-		0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**
2. Non-Institutions									
a) Bodies Corp.		-	-	0.00%		-	-	0.00%	0.00%
i) Indian				0.00%		-	-	0.00%	0.00%
ii) Overseas			-	0.00%		-	-	0.00%	0.00%
b) Individuals						-	-		
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh						-	-	0.00%	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-		-	-	-	0.00%	0.00%
c) Others (specify)	-	-	-		-	-	-		
Directors	-	-	-	0.00%	-	-	-	0.00%	0.00%
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Employees	-	-	-	0.00%	-	-	-	-	-
HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	**0.00%**	-	-	-	**0.00%**	**0.00%**
Total Public (B)	-	-	-	**0.00%**	-	-	-	**0.00%**	**0.00%**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	0.00%				0.00%	0.00%
Grand Total (A+B+C)	**-**	**10,00,000**	**10,00,000**	**100.00%**	**-**	**10,00,000**	**10,00,000**	**100.00%**	**0.00%**

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Brigade Enterprises Ltd.	999700	99.97%	-	999700	99.97%	-	0.00%
2	* Mr. M.R. Jaishankar	50	0.005%	-	50	0.005%	-	0.00%
3	* Ms. Nirupa Shankar	50	0.005%	-	50	0.005%	-	0.00%
4	* Mr. Vineet Verma	50	0.005%	-	50	0.005%	-	0.00%
5	* Mr. Pradyumna Krishnakumar	50	0.005%	-	50	0.005%	-	0.00%
6	* Mr. Suresh Yadwad	50	0.005%	-	50	0.005%	-	0.00%
7	*Mr. Vishal Mirchandani	50	0.005%	-	50	0.005%	-	0.00%

*** Beneficial interest is with Brigade Enterprises Limited**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	01.04.2017		10,00,000	100.00%	10,00,000	100.00%
	Changes during the year		**No Change**				
	At the end of the year	31.03.2018		10,00,000	100.00%	10,00,000	100.00%

(iv) Shareholding Pattern of top ten Shareholders : NIL

(Other than Directors, Promoters and Holders of GDRs and ADRs)

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	*** Mr. M.R. JAISHANKAR**						
	At the beginning of the year	01.04.2017		50	0.005%	50	0.005%
	Changes during the year		**No Change**	-	-	-	-
	At the end of the year	31.03.2018		50	0.005%	50	0.005%
2	*** MS. NIRUPA SHANKAR**						
	At the beginning of the year	01.04.2017		50	0.005%	50	0.005%
	Changes during the year		**No Change**	-	-	-	-
	At the end of the year	31.03.2018		50	0.005%	50	0.005%
3	*** Mr. Vineet Verma**						
	At the beginning of the year	01.04.2017		50	0.005%	50	0.005%
	Changes during the year		**No Change**	-	-	-	-
	At the end of the year	31.03.2018		50	0.005%	50	0.005%
	*The beneficial interest of the shares held by the Key Managerial Personnel is with Brigade Enterprises Limited , Holding Company						

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22,794.30	-	-	22,794.30
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	22,794.30	-	-	22,794.30
Change in Indebtedness during the financial year				
* Addition	11,223.66	-	-	11,223.66
* Reduction	-	-	-	
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	34,017.96	-	-	34,017.96
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**34,017.96**		**-**	**34,017.96**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

B. Remuneration to other Directors: NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD / NCLT/ COURT]**	**Appeal made, if any (give Details)**
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of Brigade Hotel Ventures Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Brigade Hotel Ventures Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 26 to the Ind AS financial statements, relating to the Scheme of Arrangement between the Company and Brigade Enterprises Limited ('the Holding Company') and the respective shareholders and creditors in terms of the provisions of Sections 230 to 233 of the Act to transfer the hotel business to the Company (hereinafter referred to as "the Scheme"). The Scheme was approved by National Company Law Tribunal ('NCLT') in March 2018 with an appointed date of October 01, 2016 and consequently, the Company has accounted for the Scheme using the pooling of interests method from the said appointed date. However, the Scheme being a common control business combination, the aforesaid accounting from the appointed date is not in accordance with Ind AS 103 specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; 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 derivative contracts for which there were any material foreseeable losses and

Bengaluru

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Adarsh Ranka
Partner
Membership Number: 209567

Place: Bengaluru
Date: May 02, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF BRIGADE HOTEL VENTURES LIMITED

To the Members of Brigade Hotel Ventures Limited

Report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order")

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

(b) All property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

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

(iii) (a) The Company has granted loans to one party covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the Company's interest, having regard to management's representation that the loans are given to such party considering the Company's economic interest and long-term trade relationship with such party.

(b) In respect of the loans granted to parties covered in the register maintained under Section 189 of the Companies Act, 2013, the loans are repayable as per the contractual terms. As per the contractual terms, the loans have not fallen due for repayment. Accordingly, there has been no default on the part of the party to whom the money has been lent.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

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

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

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

S.R. Batliboi & Associates LLP Bengaluru

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

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans (representing loans with a repayment period beyond 36 months) for the purposes for which they were raised. The Company has not raised any monies by way of initial public offer/ further public offer (including debt instruments).

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

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

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

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon. Also refer note 26 to the Ind AS Financial Statements.

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

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Adarsh Ranka
Partner
Membership Number: 209567

Bengaluru

Place: Bengaluru
Date: May 02, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF BRIGADE HOTEL VENTURES LIMITED

To the Members of Brigade Hotel Ventures Limited

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

We have audited the internal financial controls over financial reporting of Brigade Hotel Ventures Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Adarsh Ranka
Partner
Membership Number: 209567

Place: Bengaluru
Date: May 02, 2018

Brigade Hotel Ventures Limited
Balance Sheet as at March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	31-Mar-18	31-Mar-17
ASSETS			
Non-current assets			
Property, plant and equipment	3a	39,742.36	26,507.20
Intangible assets	3b	25.24	19.55
Capital work in progress	4	12,227.39	13,148.50
Financial assets			
Investments	5	11,618.59	10,324.59
Loans	6	409.00	1,226.02
Deferred tax assets (net)	17	356.63	-
Other non-current assets	7	830.59	429.65
Sub total		**65,209.80**	**51,655.51**
Current assets			
Inventories	8	340.02	340.23
Financial assets			
Loan	6	69.65	45.31
Trade receivables	9	1,845.48	2,017.10
Cash and cash equivalents	10.1	1,855.15	910.64
Bank balances other than cash and cash equivalents	10.2	125.00	125.00
Other current financial assets	11	12.54	29.20
Other current assets	7	568.85	376.15
Sub total		**4,816.69**	**3,843.63**
Total assets		**70,026.49**	**55,499.14**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	100.00	100.00
Other equity	13	27,013.19	28,179.93
Total equity		**27,113.19**	**28,279.93**
LIABILITIES			
Non-Current Liabilities			
Financial liabilities			
Borrowings	14	30,573.96	19,712.30
Other non current financial liabilities	15	3,208.71	2,360.59
Long term provisions	18a	90.60	76.35
Deferred tax liabilities (net)	17	-	48.08
Other non current liabilities	18	2,372.21	601.61
Sub total		**36,245.48**	**22,798.93**
Current Liabilities			
Financial liabilities			
Trade payables	16	1,946.81	893.76
Other current financial liabilities	15	3,531.40	3,253.62
Other current liabilities	18	1,118.66	198.06
Short term provisions	18a	70.95	74.84
Sub total		**6,667.82**	**4,420.28**
Total equity and liabilities		**70,026.49**	**55,499.14**

Summary of significant accounting policies 2.2

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Adarsh Ranka
Partner
Membership no : 209567

Place: Bengaluru
Date: May 02, 2018

For and on behalf of the board of directors of
Brigade Hotel Ventures Limited

Vineet Verma
Director

Nirupa Shankar
Director

Place: Bengaluru
Date: May 02, 2018

Brigade Hotel Ventures Limited
Statement of profit and loss for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	For the Year Ended 31-Mar-18	24-Aug-2016 to 31-Mar-2017
Income			
Revenue from operations	19	16,646.43	8,178.77
Other income	20	300.46	154.33
Total Income (i)		16,946.89	8,333.10
Expenses			
Cost of materials consumed	21	1,718.99	795.85
Employee benefits expense	22	3,625.71	1,735.91
Depreciation and amortization expense	23	2,943.48	1,536.36
Finance costs	24	2,632.10	1,103.08
Other expenses	25	6,554.30	2,987.62
Total expenses (ii)		17,474.58	8,158.82
(Loss)/Profit before exceptional items and tax (iii)=(i)-(ii)		(527.69)	174.28
Exceptional items (iv)	26	(1,055.04)	-
Profit before tax (v)=(iii)-(iv)		(1,582.73)	174.28
Tax expense	17		
Current tax		-	-
Deferred tax (credit)/charge		(404.63)	48.08
Total tax expense (vi)		(404.63)	48.08
Profit for the year/period (vii)=(v)-(vi)		(1,178.10)	126.20
Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		15.30	15.25
Income tax relating to above		(3.94)	(3.93)
Other comprehensive income ('OCI') (viii)		11.36	11.32
Total comprehensive income for the year/period (ix)=(vii)+(viii)		(1,166.74)	137.52
Earnings per equity share [nominal value of share Rs.10 (March 31, 2016: : Rs.10]	27		
Basic / Diluted (Rs)		(117.81)	12.62
Summary of significant accounting policies	2.2		

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Adarsh Ranka
Partner
Membership no.: 209567

Place: Bengaluru
Date: May 02, 2018

For and on behalf of the board of directors of
Brigade Hotel Ventures Limited

Vineet Verma
Director

Nirupa Shankar
Director

Place: Bengaluru
Date: May 02, 2018

Brigade Hotel Ventures Limited
Statement of cash flows for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	31-Mar-18	31-Mar-17
Cash flows from operating activities		
Profit before tax	(1,582.73)	174.28
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	2,943.48	1,536.36
Interest expense	2,632.10	1,103.08
Interest income	(185.97)	(111.76)
Operating profit before working capital changes	3,806.88	2,701.96
Movements in working capital :		
Increase in trade payables	1,053.05	(2,879.46)
Increase in other liabilities	2,722.63	233.16
Decrease in inventories	0.21	400.77
Increase in provisions	21.72	162.51
Decrease / (increase) in trade receivable	171.62	(1,229.10)
Decrease in loans	792.68	1,806.68
(Increase) in other assets	(171.56)	204.95
Cash generated from operations	8,397.23	1,401.47
Direct taxes paid, net	-	-
Net cash flow from/ (used in) operating activities (A)	**8,397.23**	**1,401.47**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work in progress)	(14,906.22)	(4,207.90)
Purchase of non current investments	(1,294.00)	(1,114.59)
Interest received	180.60	111.76
Net cash flow (used in) investing activities (B)	**(16,019.62)**	**(5,210.73)**
Cash flows from financing activities		
Proceeds from issue of shares	-	100.00
Proceeds from borrowings	13,560.66	8,521.90
Repayment of Borrowings	(2,337.00)	(3,640.60)
Interest paid	(2,632.10)	(1,103.08)
Net cash flow from financing activities (C)	**8,591.56**	**3,878.22**
Net increase in cash and cash equivalents (A + B + C)	969.17	68.97
Cash and cash equivalents at the beginning of the year/period	876.97	-
Add: Net cash increase persuant to the scheme of arrangement (refer note 26)	-	808.00
Cash and cash equivalents at the end of the year/period	**1,846.14**	**876.97**
Components of cash and cash equivalents		
Cash on hand	1,841.51	895.93
With banks:		
- on current accounts	13.64	14.71
Book Overdrafts	(9.01)	(33.67)
Total cash and cash equivalents	**1,846.14**	**876.97**

Summary of significant accounting policies 2.2

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Adarsh Ranka
Partner
Membership no.: 209567

Place: Bengaluru
Date: May 02, 2018

For and on behalf of the board of directors of
Brigade Hotel Ventures Limited

Vineet Verma
Director

Nirupa Shankar
Director

Place: Bengaluru
Date: May 02, 2018

Brigade Hotel Ventures Limited
Statement of changes in equity for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

A. Equity share capital*:

Issued, subscribed and fully paid-up share capital	No. of shares (in Lakhs)	Rs. in lakhs
Equity shares of Rs.10 each:		
As at April 01, 2016	-	-
Changes during the period	10.00	100.00
As at March 31, 2017	10.00	100.00
Changes during the year	-	-
As at March 31, 2018	10.00	100.00

* Also refer note 12

B. Other equity*

	Capital Suspense Account	Retained earnings	Total
As at April 01, 2016	-	-	-
Profit for the period	-	126.20	126.20
Other comprehensive income**	-	11.32	11.32
Total comprehensive income for the period	-	137.52	137.52
Optionally Convertible Redeemable Preference Shares held in suspense for issue (refer note 26)	28,042.41	-	28,042.41
As at March 31, 2017	28,042.41	137.52	28,179.93
Profit/(loss) for the year	-	(1,178.10)	(1,178.10)
Other comprehensive income**	-	11.36	11.36
Total comprehensive income for the year	-	(1,166.74)	(1,166.74)
As at March 31, 2018	28,042.41	(1,029.22)	27,013.19

* Also refer note 13

** As required under Ind AS compliant Schedule III, the Company has recognised re-measurement gains/(losses) of defined benefit plans (net of tax) of Rs.11.36 Lakhs [March 31, 2017: Rs.11.32 lakhs] as part of retained earnings.

Summary of significant accounting policies 2.2

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Adarsh Ranka
Partner
Membership no.: 209567

Place: Bengaluru
Date: May 02, 2018

For and on behalf of the board of directors of
Brigade Hotel Ventures Limited

Vineet Verma
Director

Nirupa Shankar
Director

Place: Bengaluru
Date: May 02, 2018

1. Corporate information

Brigade Hotel Ventures Limited (the 'Company') was incorporated on 24th August 2016. The registered office of the Company is located at 29th Floor & 30th floors, World Trade Center, Brigade Gateway Campus, 26/1, Dr Rajkumar Road, Malleswaram-Rajajinagar, Bangalore 560 055. The Company is carrying on the business of running and managing hotels.

The Ind AS financial statements were authorized for issue in accordance with a resolution of the directors on May 02, 2018.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting 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. The effect of change in an accounting estimate is recognized prospectively.

(b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purposes of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has evaluated and considered its operating cycle as one year and accordingly has reclassified its assets and liabilities into current and non-current.

Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realized/ are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

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

(c) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. 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.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

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

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

(d) Depreciation on property, plant and equipment

Depreciation is calculated on written down value basis using the following useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013:

Category of Asset	Useful lives (in years)
Buildings	60
Plant and machinery	15
Electrical installation and equipment	10
Furniture and fixtures	8
Computer hardware	3
Office equipment	5
Motor vehicles	8

Based on the planned usage of certain project-specific assets and technical evaluation thereon, the management has estimated the useful lives of such classes of assets as below, and are depreciated on straight line basis:

i. Buildings - 25 – 30 years
ii. Furniture and fixtures - 5-8 years
iii. Office equipment - 5 years
iv. Plant and Machinery - 15 years
v. Electrical Installation and equipment – 10 years
vi. Computer hardware – 3 years

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

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of computer software are amortized on a written down value basis over a period of three years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when asset is derecognized.

(f) Impairment

A. Financial assets
The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(g) 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.

Where the Company is 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 capitalized 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 recognized 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 costs.

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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.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(h) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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 or sale are capitalized/inventorised as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

(i) Inventories

Inventories comprising of food, beverages and other items are valued at lower of cost and net realizable value. Cost of inventories is determined on a weighted average basis. Inventories which do not meet the definition of property, plant and equipment are accounted as inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. 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.

The Company collects taxes such as goods and services tax, sales tax/value added tax, luxury tax, entertainment tax, service tax, goods and services tax etc. on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

The following specific recognition criteria must also be met before revenue is recognized:

Revenue from hospitality services
Revenue from hospitality operations comprise revenue from room and space rentals, restaurants, banquets and other allied services, including telecommunication, laundry, etc. Revenue is recognized as and when the services are rendered and is disclosed net of allowances.

Interest income
Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(k) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions and balances
i) Initial recognition - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion - Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences - The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

(l) Retirement and other employee benefits

Retirement benefits in the form of state governed Employee Provident Fund, Employee State Insurance and Employee Pension Fund Schemes are defined contribution schemes (collectively the 'Schemes'). The Company has no obligation, other than the contribution payable to the Schemes. The Company recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(m) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.
Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 income tax asset to be utilized.

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Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period 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 balance sheet date.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax relating to items recognized outside profit or loss is recognized 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.

(n) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of 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. 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 a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

(o) Segment reporting

The Company's business activity falls within a single reportable segment, i.e., hospitality. Hence, there are no additional disclosures to be provided under Ind-AS 108 – Segment information with respect to the single reportable segment, other than those already provided in financial statements.

(p) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Financial assets at fair value through other comprehensive income
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through profit or loss
Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

iii. Debt instruments at amortized cost
A 'debt instrument' 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 profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

iv. Investment in subsidiaries, joint ventures and associates
Investment in subsidiaries and associate are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

v. De-recognition of financial asset
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

vi. Financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.

vii. 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.

viii. Financial liabilities at amortized cost
Financial liabilities are subsequently carried at amortized cost using the effective interest ('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.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

x. Fair value of financial instruments
In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

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

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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(q) Earnings Per Share

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

For the purpose of calculating diluted earnings 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.

(r) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Estimates and assumptions

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

Estimation of net realizable value for inventory
Inventory is stated at the lower of cost and net realizable value (NRV).

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined benefit plans - Gratuity
The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Measurement of financial instruments at amortized cost
Financial instrument are subsequently measured at amortized cost using the effective interest ('EIR') method. The computation of amortized cost is sensitive to the inputs to EIR including effective rate of interest, contractual cash flows and the expected life of the financial instrument. Changes in assumptions about these inputs could affect the reported value of financial instruments.

Evaluation of control, joint control or significant influence by the Company over its investee entities for disclosure:
Judgment is involved in determining whether the Company has control over an investee entity by assessing the Company's exposure/rights to variable returns from its involvement with the investee and its ability to affect those returns through its power over the investee entity. The Company considers all facts and circumstances when assessing whether it controls an investee entity and reassess whether it controls an investee entity if facts and circumstances indicate that there are changes to one or more elements of control. In assessing whether the Company has joint control over an investee the Company assesses whether decisions about the relevant activities require the unanimous consent of the parties sharing control. Further, in assessing whether Company has significant influence over an investee, the Company assesses whether it has the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control of those policies.

Useful life and residual value of property, plant and equipment and intangible assets
The useful life and residual value of property, plant and equipment and intangible assets are determined based on evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgments involved in such estimates the useful life and residual value are sensitive to the actual usage in future period.

Provision for litigations and contingencies
Provision for litigations and contingencies is determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgments around estimates the ultimate outcome of such past events and measurement of the obligation amount. Due to judgments involved in such estimation the provision is sensitive to the actual outcome in future periods

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(All amounts in Indian Rupees Lakhs, except as otherwise stated)

3a Property, plant and equipment

	Land	Buildings	Plant & Machinery	Electrical & Electronics	Office Equipment	Computers	Motor Vehicles	Furniture & Fixtures	Total
Cost									
At April 01, 2016	-	-	-	-	-	-	-	-	-
Additions		22.79	21.78	-	81.87	9.20	-	18.87	154.51
Additions Pursuant to the Scheme of Arrangement*	2,325.60	24,616.22	3,585.59	1,068.00	2,434.84	229.31	59.31	9,297.09	43,615.96
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2017	2,325.60	24,639.01	3,607.37	1,068.00	2,516.71	238.51	59.31	9,315.96	43,770.47
Additions	-	9,552.67	1,782.92	1,080.59	1,053.51	337.77	47.08	2,309.86	16,164.40
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2018	2,325.60	34,191.68	5,390.29	2,148.59	3,570.22	576.28	106.39	11,625.82	59,934.87
Depreciation									
At April 01, 2016									-
Accumulated depreciation pursuant to the Scheme of Arrangement*	-	5,033.04	1,415.75	115.68	1,740.98	152.81	25.39	7,249.70	15,733.35
Charge for the period	-	503.79	223.32	178.13	164.21	22.11	2.67	435.69	1,529.92
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2017	-	5,536.83	1,639.07	293.81	1,905.19	174.92	28.06	7,685.39	17,263.27
Charge for the year	-	1,140.89	416.46	237.08	342.13	60.49	9.15	723.04	2,929.24
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2018	-	6,677.72	2,055.53	530.89	2,247.32	235.41	37.21	8,408.43	20,192.51
Net book value									
As at March 31, 2017	2,325.60	19,102.18	1,968.30	774.19	611.52	63.59	31.25	1,630.57	26,507.20
As at March 31, 2018	2,325.60	27,513.96	3,334.76	1,617.70	1,322.90	340.87	69.18	3,217.39	39,742.36

* Also refer note 26

Brigade Hotel Ventures Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

3b Intangible Assets

Cost	Total
At April 01, 2016	
Additions	15.61
Additions Pursuant to the Scheme of Arrangement*	99.25
Disposals	-
At March 31, 2017	**114.86**
Additions	19.95
Disposals	-
At March 31, 2018	**134.81**
Depreciation	
At April 01, 2016	
Accumulated depreciation pursuant to the Scheme of Arrangement*	88.87
Charge for the period	6.44
Disposals	-
At March 31, 2017	**95.31**
Charge for the year	14.24
Disposals	-
At March 31, 2018	**109.57**
Net book value	
As at March 31, 2017	**19.55**
As at March 31, 2018	**25.24**

* Also refer note 26

4 Capital Work Progress

	Capital Work Progress
As at April 01, 2016	-
-Additions (subsequent expenditure)	5,825.50
Additions Pursuant to the Scheme of Arrangement*	7,323.00
-Capitalised during the period	-
As at March 31, 2017	**13,148.50**
-Additions (subsequent expenditure)	14,711.28
-Capitalised during the year	15,632.39
As at March 31, 2018	**12,227.39**

* Also refer note 26

5 **Investments**

	31-Mar-18	31-Mar-17
Non-current		
A. Investments carried at cost		
Investment in equity instruments of subsidiaries		
2.02 lakhs (March 31, 2017: 1.98 lakhs) Equity shares of Rs.10/- each fully paid up in SRP Prosperita Hotel Ventures Limited (PHVL)*	8,374.59	8,174.59
Investment in preference shares of subsidiaries		
32.44 lakhs (March 31, 2017: Nil) 0.01% A Series Compulsory Convertible Preference shares of Rs.100/- each fully paid up in SRP Prosperita Hotel Ventures Limited*	3,244.00	-
Investment in debentures of subsidiaries		
Nil (March 31, 2017: 21.5 Lakhs) 12% Fully convertible debentures of Rs. 100/- each paid up in SRP Prosperita Hotel Ventures Limited*	-	2,150.00
Total Investments Carried at Cost	**11,618.59**	**10,324.59**
a) Aggregate amount of quoted investments actively traded and market value thereof	-	-
b) Aggregate amount of other investments	11,618.59	10,324.59

* Refer note 26 and 30

6 **Loans***

(Unsecured, considered good)	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Loans to employees	-	-	69.58	16.86
Loans to related parties (refer note 30)	303.05	1,094.12	-	-
Security deposit	105.95	131.90	0.07	28.45
	409.00	**1,226.02**	**69.65**	**45.31**

* Refer note 26

7 **Other assets***

(Unsecured, considered good)	Non- Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Advance to suppliers	-	-	318.17	152.26
Capital advances	822.01	421.96	-	-
Balances with statutory / government authorities	8.58	-	111.28	80.69
Prepaid expenses	-	-	139.40	143.20
Other assets	-	7.69	-	-
	830.59	**429.65**	**568.85**	**376.15**

* Refer note 26

8 **Inventories (valued at lower of cost and net realisable value)***

	31-Mar-18	31-Mar-17
Food & beverages	240.40	233.05
Others	99.62	107.18
	340.02	**340.23**

* Refer note 26

9 **Trade receivables***

	Current	
Unsecured, considered good	31-Mar-18	31-Mar-17
Trade receivables	790.70	539.58
Receivables from related parties (refer note 30)	1,054.78	1,477.52
	1,845.48	**2,017.10**

* Refer note 26

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

10.1 Cash and cash equivalents*

	31-Mar-18	31-Mar-17
Balances with banks:		
– On current accounts	1,841.51	895.93
Cheques, drafts on hand	-	-
Cash on hand	13.64	14.71
	1,855.15	**910.64**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:	31-Mar-18	31-Mar-17
Balances with banks:		
– On current accounts	1,841.51	895.93
Cheques, drafts on hand	-	-
Cash on hand	13.64	14.71
Cash and cash equivalents reported in balance sheet	1,855.15	910.64
Less - Book Overdraft (note 18)	(9.01)	(33.67)
Cash and cash equivalents reported in cash flow statement	**1,846.14**	**876.97**

* Refer note 26

10.2 Bank balances other than cash and cash equivalents

	Current	
	31-Mar-18	31-Mar-17
Balances with banks:		
– Deposits with remaining maturity of less than 12 months	125.00	125.00
	125.00	**125.00**

11 Other financial assets
(Unsecured, considered good)

	Current	
	31-Mar-18	31-Mar-17
Interest accrued and not due on investment in deposits	5.36	-
Unbilled Revenue	7.18	29.20
	12.54	**29.20**

Break up of financial assets carried at amortised cost	31-Mar-18	31-Mar-17
Investments (note 5)	11,618.59	10,324.59
Loans (note 6)	478.65	1,271.32
Trade receivables (note 9)	1,845.48	2,017.10
Cash and cash equivalents (note 10.1)	1,855.15	910.64
Balances at bank other than cash and cash equivalents (note 10.2)	125.00	125.00
Other financial assets (note 11)	12.54	29.20
	15,935.41	14,677.85

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12 **Share capital**

Authorised share capital (No.)	31-Mar-18		31-Mar-17	
	No. in lakhs	Rs.	No. in lakhs	Rs.
Equity shares of Rs.10 each:				
Balance at the beginning of the year/period	10.00	100.00	10.00	100.00
Changes during the year/period	2,890.00	28,900.00	-	-
Balance at the end of the year/period	2,900.00	29,000.00	10.00	100.00

Issued, subscribed and fully paid- up share capital	31-Mar-18		31-Mar-17	
	No. in lakhs	Rs.	No. in lakhs	Rs.
Equity shares of Rs.10 each:				
Balance at the beginning of the year/period	10.00	100.00	10.00	100.00
Changes during the year/period	-	-	-	-
Balance at the end of the year/period	10.00	100.00	10.00	100.00

(a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of director is subject to the approval of the shareholders in the ensuing Annual General meeting.

In event of liquidation of the Company, the holders of equity shares would 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.

(b) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

	31-Mar-18	31-Mar-17
Brigade Enterprises Limited, the holding company		
1,000,000 (March 31, 2017 - 1,000,000) equity shares of Rs.10 each	10	10

(b) Details of shareholders holding more than 5% shares in the company:

	31-Mar-18		31-Mar-17	
	Nos.	% holding	Nos.	% holding
Equity shares of Rs.10 each:				
Brigade Enterprises Limited	10	100%	10	100%

13 **Other equity**

	31-Mar-18	31-Mar-17
Share capital suspense account pending allotment (refer note 26)	28,042.41	28,042.41
Retained earnings		
Balance at the beginning of the year/period	137.52	-
Profit/(loss) for the year/period	(1,178.10)	126.20
Other comprehensive income for the year/period	11.36	11.32
Balance at the end of the year/period	(1,029.22)	137.52
Total other equity	27,013.19	28,179.93

14 **Borrowings***

Non-current borrowings	Effective Interest	Maturity	March 31.2018	March 31.2017
Term loan				
Term loan from banks (secured) (refer note below)	8%-12%	2021-2025	34,017.96	22,794.30
			34,017.96	22,794.30
Less: current maturities - term loans from banks disclosed under the head "Other current financial liabilities" **	8%-12%	2019	3,444.00	3,082.00
Total non-current borrowings			30,573.96	19,712.30

14 Borrnwings* (Continued)

Note 1: Includes term loan from banks secured by way of assignment of hotel operating cash flows Rs. 24,308 lakhs (March 31, 2017: Rs. 19,295 lakhs) and further secured by collateral security of underlying land, building and movable property, plant and equipment. The loans carry interest in the range of 8-12% and are repayable within 96-120 instalments of upto Rs. 500 lakhs.

Note 2: Includes term loan from banks and working capital loan from bank by way of mortgage of hotel project properties and future receivables Rs. 9,709.96 lakhs (March 31, 2017: Rs. 3,499.30 lakhs). The loans carry interest rate in the range of 8-12% and are repayable within 12-144 instalments of upto Rs. 300 lakhs.

* Refer nnte 26

** Represents amount payable within the operating cycle

15 Other financial liabilities

	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Payable towards purchase of fixed assets	2,966.75	2,209.67	-	-
Current maturities of non current borrowings (note 14)	-	-	3,444.00	3,082.00
Employee benefits payable	-	-	82.80	171.62
Interest free deposits from customers	241.96	150.92	4.60	-
	3,208.71	**2,360.59**	**3,531.40**	**3,253.62**

16 Trade payables

	31-Mar-18	31-Mar-17
- Payable to other parties	1,946.81	893.76
	1,946.81	**893.76**

Note : Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006".

Break up of financial liabilities carried at amortised cost	31-Mar-18	31-Mar-17
Trade payables (note 15)	1,946.81	893.76
Other financial liabilities (note 14)	6,740.12	5,614.21
	8,686.93	**6,507.97**

17 Income tax

a) Deferred Tax

	31-Mar-18	31-Mar-17
Deferred tax liabilities		
Fixed assets - Impact of depreciation	836.75	342.00
Gross deferred tax liabilities	**836.75**	**342.00**
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	1,193.38	293.92
Gross deferred tax assets	**1,193.38**	**293.92**
Net deferred tax liabilities/(asset)	**(356.63)**	**48.08**

b) Tax expense

	31-Mar-18	31-Mar-17
Current tax		
Current income tax charge	-	-
Deferred tax charge/(credit)		
Relating to origination and reversal of temporary differences	(404.63)	48.08
Tax expense reported in the Statement of profit or loss	**(404.63)**	**48.08**
Deferred tax related to items recognised in OCI		
Income tax charge/(credit) relating to items recognised in OCI	(3.94)	(3.93)
Tax expense reported in the other comprehensive income	**(3.94)**	**(3.93)**

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Note:

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	31-Mar-18	31-Mar-17
Accounting (loss)/profit before income tax	(1,582.73)	174.28
Tax on accounting profit at statutory income tax rate [25.75%]	-	44.88
Tax effect of other items, net	(404.63)	3.20
Tax expense reported in the Statement of profit or loss	**(404.63)**	**48.08**

18 Other liabilities*

	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Advance from customers	-	-	54.61	164.39
Lease equalisation reserve	2,372.21	601.61	-	-
Statutory dues payable	-	-	1,055.04	-
Book overdraft	-	-	9.01	33.67
	2,372.21	**601.61**	**1,118.66**	**198.06**

* Refer note 26

18a Provisions

	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Provision for gratuity*	90.60	76.35	14.24	13.00
Provision for leave encashment	-	-	56.71	61.84
	90.60	**76.35**	**70.95**	**74.84**

* Refer note 32

S.R. Batliboi & Associates LLP Bengaluru

Brigade Hotel Ventures Limited

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Brigade Hotel Ventures Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

19 Revenue from operations

		31-Mar-18	31-Mar-17
Revenue from operations			
Room rental		8,928.13	4,211.61
Food & beverage sales		5,478.16	2,972.49
Other space rental		1,093.46	284.74
	A	**15,499.75**	**7,468.84**
Other operating revenue			
Sale of Scrap		22.79	2.99
Others		1,123.89	706.94
	B	**1,146.68**	**709.93**
	(A)+(B)	**16,646.43**	**8,178.77**

20 Other income

	31-Mar-18	31-Mar-17
Interest income from financial assets at amortized cost:		
Bank deposits	185.97	111.76
Other non-operating income	114.49	42.57
	300.46	**154.33**

21 Cost of materials consumed

	31-Mar-18	31-Mar-17
Inventory at the beginning of the year/period	340.23	299.69
Add: Purchases during the year/period	1,718.78	836.39
	2,059.01	1,136.08
Less: Inventory at the end of the year/period	340.02	340.23
Cost of raw materials consumed	**1,718.99**	**795.85**

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(All amounts in Indian Rupees Lakhs, except as otherwise stated)

22 Employee benefits expense

	31-Mar-18	31-Mar-17
Salaries and wages	3,089.42	1,395.97
Contribution to provident and other funds	207.58	86.15
Staff welfare expenses	311.85	243.73
Training and recruitment expenses	16.86	10.06
	3,625.71	**1,735.91**

23 Depreciation and amortization expense

	31-Mar-18	31-Mar-17
Depreciation of tangible assets	2,929.24	1,529.92
Amortization of intangible assets	14.24	6.44
	2,943.48	**1,536.36**

24 Finance costs

	31-Mar-18	31-Mar-17
Interest		
on Borrowings	2,537.41	997.77
Others	94.69	105.31
Total	**2,632.10**	**1,103.08**

25 Other expenses

	31-Mar-18	31-Mar-17
Power and fuel	1,394.53	577.62
Rent	470.58	38.66
Repairs to buildings	132.40	183.29
Repairs to machinery	183.49	93.94
Repairs others	171.45	75.45
Insurance	94.48	33.87
Rates and taxes	92.69	45.13
Payment to the auditors*	10.00	0.05
Property taxes	183.12	173.61
Selling expenses	709.82	396.17
Agency commission	221.87	103.91
Security charges	5.12	0.16
Pre-operative expenses	315.17	0.04
Training and recruitment expenses	29.44	11.81
Legal and professional charges	868.83	451.08
Printing and stationery	78.06	33.30
Travelling & conveyance	343.38	167.95
Telephone & other communication expenses	104.95	42.50
Miscellaneous expenses	1,144.92	559.08
	6,554.30	**2,987.62**

(i) Payment to auditor (excluding goods and service tax):	31-Mar-18	31-Mar-17 *
As auditor:		
Audit fee	10.00	0.05
	10.00	**0.05**

* Pertains to fees paid to previous auditor

26 Scheme of Arrangement

The Scheme of Arrangement between the Company and its Holding Company and their respective shareholders and creditors in terms of the provisions of Sections 230 to 233 of the Companies Act, 2013 to transfer the hotels business undertakings to the Company (hereinafter referred to as "the Scheme") has been approved by National Company Law Tribunal ('NCLT') in March 2018 with an appointed date of October 01, 2016. The Scheme has been filed with the Registrar of Companies, Karnataka on April 01, 2018.

In accordance with the provisions of the aforesaid scheme -

a. The Scheme, being a common control business combination, has been accounted for using the pooling of interests method from the appointed date specified under the Scheme. As per Ind AS 103 - Business Combinations, common control business combination shall be accounted for using the pooling of interests method and the financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Therefore, the aforesaid accounting from the appointed date is not in accordance with Ind AS 103. However, the aforesaid accounting from the appointed date does not have an impact on the profit or loss for the current year.

b. The purchase consideration under the Scheme is being paid by way of issuance of Optionally Convertible Redeemable Preference Shares ('OCRPS') of Rs.28,042.41 lakhs. As the OCRPS have been allotted subsequent to March 31, 2018, the same has been disclosed as 'Share capital suspense account pending allotment' under Other equity.

c. The assets and liabilities as at October 01, 2016 (the appointed date) transferred to the Company at book value are summarized below.

Particulars	Amount
Non-Current Assets	
Property, plant and equipment, Investment Property and Intangible Assets	27,893.00
Capital work in progress	7,323.00
Investments	9,210.00
Loans	1,673.00
Current Assets	
Inventories	741.00
Trade receivables	788.00
Cash and cash equivalents	808.00
Bank balances other than cash and cash equivalents	125.00
Loans	1,405.00
Other current assets	618.00
Total Assets (A)	**50,584.00**
Non-Current Liabilities	
Borrowings	17,913.00
Other non-current liabilities	855.00
Current Liabilities	
Trade payables	3,773.59
Total Liabilities (B)	**22,541.59**
Net Assets transferred (C)=(A-B)	**28,042.41**
Purchase Consideration received by way of:	
a. OCRPS of Rs.100/- each at par	28,042.41
Total Purchase Consideration	**28,042.41**

The accounting of the Scheme in the current quarter from the appointed date of October 01, 2016 has resulted in restatement [increase/ (decrease)] of the previously published Ind AS financial information of the Company by the figures summarized below:

Particulars	Previous period ended 31.03.2017
Revenue	8,332.99
Total Expense	8,157.57
Net profit for the period	175.42

Exceptional Item

The company has provided Rs 1,055.04 lakhs towards estimated stamp duty expense on Demerger, which has been provided for and disclosed as an exceptional item.

27 Earnings per share

Basic earnings per share (EPS) amounts are calculated by dividing the profit for the year/period attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year/period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year/period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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

	Current Year	Previous Period
Profit/(Loss) after tax	**(1,178.10)**	**126.20**
Weighted average number of equity shares for basic EPS (No.)	10	10
Basic/ Diluted EPS	(117.81)	12.62

28 Commitments and contingencies

a. Leases

Operating lease: Company as lessee
The Company has taken land and residential space under cancellable and non-cancellable operating leases. These leases have life of upto seven years with renewal option and include a clause to enable upward revision of the lease rental on periodical basis. There are no restrictions placed upon the Company by entering into these leases.

Particulars	March 31, 2018 Rs.	March 31, 2017 Rs.
lease rentals payments recognised as an expenses in the statement of Profit and loss	470.58	38.66

Future minimum rentals payable under non-cancellable operating leases are, as follows:

Particulars	March 31, 2018 Rs.	March 31, 2017 Rs.
Within one year	511.52	70.68
After one year but not more than five years	2,250.48	333.53
Above five years	19,955.00	2,376.88
	22,717.00	**2,781.09**

b. Commitments

(i) At March 31, 2018, the estimated amount of contract (net of capital advance) remaining to be executed on capital account not provided for was Rs.4,228 lakhs (31 March 2017: Rs. 7,350 lakhs)

c. Contingent liabilities

Particulars	March 31, 2018 Rs.	March 31, 2017 Rs.
Letter of Credits	795.00	763.00
	795.00	**763.00**

29 Unhedged foreign currency exposure

	March 31, 2018 Rs.	March 31, 2017 Rs.
Trade Payable	282.77	212.52

30 Related party disclosure*

I. Names of related parties and nature of relationship with the Company

I	Names of related parties	Nature of Relationship	Abbreviations
1	Brigade Enterprises Limited	Holding Company	"BEL"
2	SRP Prosperita Hotel Ventures Limited (formerly Prosperita Hotel Ventures Limited)	Subsidiary Company	"PHVL"
3	Brigade Hospitality Services Limited	Fellow Subsidiary company	"BHSL"

II Key Managerial Personnel of the Company:

Directors	Mr. M.R. Jaishankar
	Ms. Nirupa Shankar
	Mr. Vineet Verma

III. Related party transactions

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

Particulars	Relationship	31-Mar-18	31-Mar-17
Sale of food & beverages	Holding Company (BEL)	136.31	22.00
Purchase of capital assets		-	39,491.49
Trade receivables		1,054.78	1,477.52
Non-current loans	Subsidiary - PHVL	303.05	1,094.12
Interest Income on 12% FCDS		-	108.00
Purchase of food	Fellow Subsidiary-BHSL	101.22	-
Sale of services		4.26	-
Amount Payable		62.16	-

IV. Reimbursement of expenses paid/ received

	Year ended	Reimbur-sement paid	Reimbur-sement received
Related parties where control exists			
BEL	31-Mar-18	52	27
	31-Mar-17	-	-
BHSL	31-Mar-18	1	-
	31-Mar-17	-	-

Other transactions:

1 **Conversion of shares of PHVL**
The Company has purchased 32.44 lakhs 0.01% A Series Compulsory Convertible Preference shares of Rs.100/- each fully paid up in SRP Prosperita Hotel Ventures Limited by conversion of 21.5 Lakhs 12% Fully convertible debentures of Rs. 100/- each paid up in SRP Prosperita Hotel Ventures Limited.

2 The company has invested in 3,610 equity shares of Rs. 10 each at premium of Rs 5,410 per share in SRP Prosperita Hotel Ventures Limited.

* Refer note 26

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

31 Financial risk management

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks and ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity.

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is not exposed to this risk of changes in market interest rate since the Company does not have any borrowings. Therefore the changes in the interest rates will not have any impact on future cash flows.

The Company is affected by the price volatility of certain commodities. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

ii. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade receivables/ unbilled revenue and other financial assets.

Other financial assets like security deposits and bank deposits are mostly with employees, government bodies and banks and hence, the Company does not expect any credit risk with respect to these financial assets.

With respect to trade receivables/ unbilled revenue, the Company has constituted teams to review trade receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured trade receivables based on lifetime expected credit loss. At the balance sheet date, there was no significant concentration of credit risk and exposure thereon.

iii. Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexihility through the use of bank borrowings.

The summary of the maturity profile of the Company's financial liabilities is as below:

	Maturity period	31-Mar-18	31-Mar-17
Financial liabilities - Current			
Borrowings (includes current maturities of non current borrowings)	Within 1 year	3,444.00	3,082.00
Trade payables	Within 1 year	1,946.81	893.76
Other financial liabilities (excluding current maturities of non current borrowings)	Within 1 year	87.40	171.62
Financial liabilities - Non Current			
Borrowings	Between 1-5 years	30,573.96	19,712.30
Other financial liabilities	Between 1-5 years	3,208.71	2,360.59

32 Defined benefit plan - Gratuity

The Company operates defined gratuity plan for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service
The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amount recognised in the balance sheet.

Changes in the defined benefit obligation and fair value of plan assets - Year ended March 31, 2018

Gratuity	April 01, 2017	Expense charged to profit or loss			Benefits paid	Remeasurement (gains)/losses in other comprehensive income					Contributions by employer	March 31, 2018
		Service cost	Net interest expense	Sub-total included in profit or loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Defined benefit obligation	89.35	29.95	6.87	36.82	(6.03)	-	(0.02)	(7.61)	(7.67)	(15.30)	-	104.84
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Net liability - Gratuity										(15.30)		104.84

Changes in the defined benefit obligation and fair value of plan assets - Year ended March 31, 2017

Gratuity	Amount Transferred pursuant to scheme of arrangement on 1.10.2016*	Expense charged to profit or loss			Benefits paid	Remeasurement (gains)/losses in other comprehensive income					Contributions by employer	March 31, 2017
		Service cost	Net interest expense	Sub-total included in profit or loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Defined benefit obligation	90.53	15.21	4.02	19.23	(5.16)	-	2.79	(5.98)	(12.06)	(15.25)	-	89.35
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Net liability - Gratuity										(15.25)		89.35

* Refer note 26

The principal assumptions used in determining pension and post-employment benefit obligations for the company's plans are shown below:

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.10%	6.60%
Future salary benefit levels	4.00%	6.00%
Expected rate of return on asset	8.00%	8.00%

A quantitative sensitivity analysis for significant assumption for Gratuity plan is as shown below.

Particulars	March 31, 2018				March 31, 2017			
Assumptions	Discount Rate		Further Salary Increase		Discount Rate		Further Salary Increase	
Sensitivity Level	-1%	1%	-1%	1%	-1%	1%	-1%	1%
	INR (lakhs)	INR (lakhs)	INR (lakhs)	INR (lakhs)	INR (lakhs)	INR (lakhs)	INR (lakhs)	INR (lakhs)
Impact on defined benefit obligation - Gratuity	106.66	99.67	99.58	106.68	92.54	86.35	86.51	92.28
% change compared to base due to sensitivity	2%	-5%	-5%	2%	4%	-3%	-3%	3%

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

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

Particulars	March 31, 2018	March 31, 2017
Within the next 12 months	14.24	13.00
Between 2 and 5 years	90.60	76.35
Total expected payments	104.84	89.35

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

33 Fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. There have been no transfers between levels during the period.

The management assessed that the carrying values of cash and cash equivalents, trade receivables, investments, loans, trade payables, borrowings and other financial assets and liabilities approximate their fair values largely due to the short-term maturities and are repriced frequently.

34 Capital management

The Company's objectives of capital management is to maximize the shareholder value. In order to maintain or adjust the capital structure, the Company may adjust the return to shareholders, issue/ buyback shares or sell assets to reduce debt. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt as below.
- Equity includes equity share capital and all other equity components attributable to the equity holders
- Net Debt includes borrowings (long-term and short-term), trade payables and other financial liabilities, less cash and cash equivalents

	31-Mar-18	31-Mar-17
Borrowings (non current)	30,573.96	19,712.30
Trade payables	1,946.81	893.76
Other financial liabilities (current and non-current)	6,740.12	5,614.21
Less: Cash and cash equivalents and Bank balances other than cash and cash equivalents	(1,980.15)	(1,035.64)
Net Debt (A)	**37,280.74**	**25,184.63**
Equity share capital	100.00	100.00
Other equity	27,013.19	28,179.93
Equity (B)	**27,113.19**	**28,279.93**
Equity plus net debt (C = A + B)	**64,393.93**	**53,464.56**
Gearing ratio (D = A / C)	57.89%	**47.11%**

In order to achieve the objective of maximize shareholders value, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Any significant breach in meeting the financial covenants would allow the bank to call borrowings. There have been no breaches in the financial covenants of above-mentioned interest-bearing borrowing.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

35 Segment Reporting

The Company's business activity falls within a single reportable segment, i.e., Hospitality. Hence, there are no additional disclosures to be provided under Ind-AS 108 – Segment information with respect to the single reportable segment, other than those already provided in financial statements.

The Company is domiciled in India. The Company's current and non-current assets are located in India.

Bengaluru

36 Standards issued but not yet effective

The standards issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards when they become effective.

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 with effect from April 1, 2018. Companies (Indian Accounting Standards) Amendment Rules, 2018 includes Ind AS 115 Revenue from Customers, Appendix D to Ind AS 115 Service Concession Arrangements and Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration. Ind AS 11 Construction Contracts and Ind AS 18 Revenue will be omitted from April 1, 2018.

a) Ind AS 115 - Revenue from contracts with customers
On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Indian Accounting Standard (Ind AS) 115, Revenue from Contracts with Customers. Ind AS 115 introduces a five-step model to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer (i.e., when (or as) the customer obtains control of that asset) at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for accounting periods commencing on or after April 01, 2018.

The Company will adopt Ind AS 115 effective from April 01, 2018. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the said standard and the impact on its financial statements in the period of initial application.

b) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration
The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018.
The Company's operation primarily relate to operations in India, The directors of the Company do not anticipate that the application of the new standard in future will have significant impact on the financial statement.

c) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the said standard and the impact on its financial statements in the period of initial application.

d) Transfers of Investment Property — Amendments to Ind AS 40
The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

These amendments are effective for annual periods beginning on or after 1 April 2018. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the said standard and the impact on its financial statements in the period of initial application.

Brigade Hotel Ventures Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2018
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

37 The figures of previous period were audited by a firm of Chartered Accountants other than S. R. Batliboi & Associates LLP. Also refer note 26.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Adarsh Ranka
Partner
Membership no.: 209567

S. R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: May 02, 2018

For and on behalf of the board of directors of
Brigade Hotel Ventures Limited

Vineet Verma
Director

Nirupa Shankar
Director

Brigade Hotel Ventures Limited

Place: Bengaluru
Date: May 02, 2018