

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



NOTICE

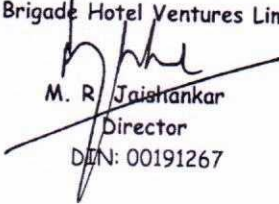
Notice is hereby given that the Third Annual General Meeting of Brigade Hotel Ventures Limited will be held at Monday, 12th August, 2019 at 11.30 a.m. at the Board Room, 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram - Rajajinagar, Bangalore- 560055 to transact 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, 2019 and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vineet Verma (DIN: 06362115), who retires by rotation and being eligible, offers himself 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), Vineet Verma (DIN: 06362115), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

By order of the Board
For Brigade Hotel Ventures Limited


M. R. Jaishankar
Director
DIN: 00191267

Place: Bangalore
Date: 23rd April, 2019

Registered Office
29th & 30th Floor, World Trade Center
Dr. Rajkumar Road,
Bangalore-560055

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 HOTEL VENTURES LTD.

CIN: U74999KA2016PLC095986

**Regd. Off. : 29th & 30th Floor, World Trade Center, Brigade Gateway Campus,
26/1, Dr.Rajkumar Road, Malleswaram-Rajajinagar, Bangalore 560 055**

Third Annual General Meeting on Monday, 12th August, 2019 at 11.30 a.m.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

CLID/ Folio No. :

DPID. :

No. of Shares held:

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the Third Annual General Meeting of the Company being held on Monday, 12th August, 2019 at 11.30 a.m. at the Board Room, 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr.Rajkumar Road, Malleswaram-Rajajinagar, Bangalore - 560 055

Name of the Member/Proxy
(in Block Letters)

Signature of Member / Proxy

Notes: A member/proxy wishing to attend the meeting must fill up this Attendance Slip and hand it over at the entrance. If you intend to appoint a proxy, please complete the proxy form below and deposit it at the Company's Registered Office atleast 48 hours before the meeting.

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CIN: U74999KA2016PLC095986

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Third Annual General Meeting on Monday, 12th August, 2019 at 11.30 a.m.

PROXY FORM

CLID/ Folio No. :

DPID. :

No. of Shares held:

I/ We _____ of _____ in the district of _____ being Member(s) of Brigade Hotel Ventures Limited hereby appoint _____ of _____ in the district of _____ or failing him/her appoint _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Third Annual General Meeting of the Company to be held on Monday, 12th August, 2019 at 11.30 a.m. at the Board Room, 30th Floor, World Trade Center, Brigade Gateway Campus, 26/1, Dr.Rajkumar Road, Malleswaram-Rajajinagar, Bangalore- 560 055 and at any adjournment thereof.

Name of the Member/Proxy
(in Block Letters)

Signature of Member / Proxy

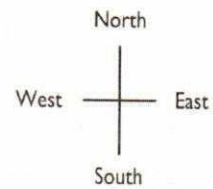
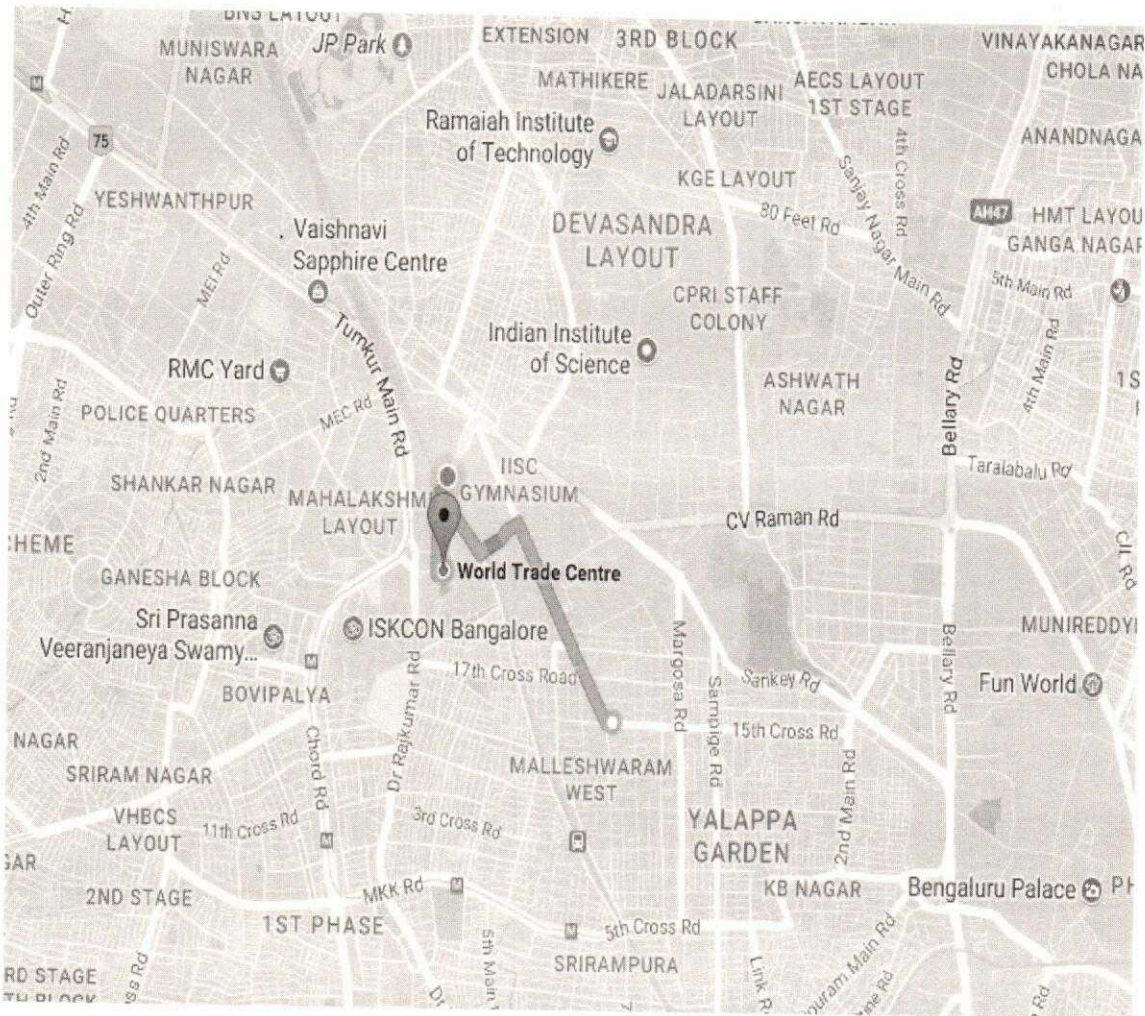
Notes: This proxy form duly completed must be received at the Company's Registered Office at least 48 hours before the meeting.



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Route Map to the Third Annual General Meeting



BRIGADE HOTEL VENTURES LIMITED

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Phone : +91 - 080 - 4137 9200 Fax : +91 - 080 - 2221 0784



BOARD'S REPORT

Dear Members,

We have pleasure in presenting the Third Annual Report on business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS:

Particulars	(Rupees in Lakhs)	
	2018-19	2017-18
Total Income	20,635	16,947
Total Expenses	22,398	17,474
Profit/(Loss) before exceptional items and tax	(1,762)	(527)
Exceptional Items	-	(1,055)
Profit/Loss before tax	(1,763)	(1,582)
Current Tax	-	-
Deferred tax(credit)/charge	(531)	(404)
Profit/(Loss) After tax	(1,232)	(1,178)
Other Comprehensive Income	15	11
Total Comprehensive Income/Loss	(1,217)	(1,167)
Balance in Profit & Loss Account brought forward from previous year	(1029)	137.52
Add: Transfer to Reserves	(3019)	-
Balance carried to Balance Sheet	(5264)	(1029)

FINANCIAL & OPERATIONAL OVERVIEW:

Your Company has earned total income of Rs. 20,635 Lakhs for the financial year ended 31st March, 2019 as compared to Rs. 16,947 Lakhs during the previous year ended 31st March, 2018. The total comprehensive income/loss for the year ended 31st March, 2019 was at (Rs. 1,217) lakhs as compared to (Rs. 1,167) lakhs in the previous year.

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 in years to come.

SUBSIDIARIES AND ASSOCIATES:



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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 under review.

SCHEME OF ARRANGEMENT:

Pursuant to the Scheme of Arrangement, 280,43,000 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of face value Rs. 100/- each at par has been allotted to M/s Brigade Enterprises Limited, Holding Company.

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:

There has been no change in the Equity Share Capital of the Company during the year.

However, the company has issued 280,43,000 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs. 100/- each at par on a preferential basis to M/s Brigade Enterprises Limited, pursuant to the Scheme of Arrangement.

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, Mr. Vineet Verma (DIN: 06362115), Director of the



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Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself 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 7 (Seven) times on the following dates:

Dates on which Board Meetings were Held	Total Strength of the Board	No of Directors Present
1 st April, 2018	3 (Three)	3 (Three)
2 nd May, 2018	3 (Three)	3 (Three)
27 th July, 2018	3 (Three)	2 (Two)
31 st October, 2018	3 (Three)	3 (Three)
18 th December, 2018	3 (Three)	3 (Three)
29 th January, 2019	3 (Three)	3 (Three)
30 th March, 2019	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 year 2018-2019	Attendance in the previous Annual General Meeting held on 10 th August, 2018
Mr. M.R. Jaishankar	7 (Seven)	Yes
Ms. Nirupa Shankar	6 (Six)	Yes
Mr. Vineet Verma	7 (Seven)	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.



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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, 2019, 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:

During the year under review, Ms. Priti Mishra has been appointed as the Company Secretary with effect from 15th April, 2019, Mr. Anand Natrajan as the Chief Financial Officer of the Company with effect from 30th March, 2019 and Mr. Arindam Mukherjee has been appointed as the Manager of the Company with effect from 30th March, 2019.

They are the Key Managerial Personnel in accordance with the provisions of Section 203 of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES:

The Company has eighteen employees as on 31st March, 2019. During the year under review, the Company has not paid any remuneration to Key Managerial Personnel as detailed in note 29 forming part of the standalone financial statements. None of the Directors have received any remuneration for attending the Board Meetings.



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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, in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

There are no qualifications or adverse remarks in the Statutory Auditors' Report for the financial statements for the year ended 31st March, 2019 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 2018-19 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 2018-19 in Form No. MGT-9 is appended as **Annexure-1** to this Report.

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.



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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, 2019.

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

A. CONSERVATION OF ENERGY:

The Company is engaged in service sector and has limited energy consumption requirements. However, the company is focusing on optimisation of its energy consumption levels.

B. TECHNOLOGY ABSORPTION: NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the Company has total foreign earnings of Rs. 45,44,92,664/- and foreign outgoings of Rs. 11,09,22,995/-.

HUMAN RESOURCES:



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There are eighteen employees on the rolls of the Company at present.

Brigade Enterprises Limited, the Holding Company has framed a policy for Prevention of Sexual Harassment in the organization. The policy is applicable for all Companies in the Group. The "Complaints Redressal Committee" for prevention and redressal of complaints on sexual harassment of women at work place in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and relevant rules thereunder. During the period under review, there were no such instances reported in the Company.

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


Vineet Verma
Director
DIN: 06362115


Nirupa Shankar
Director
DIN: 02750342

Date: 23rd April, 2019
Place: Bangalore

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members,
Brigade Hotel Ventures Limited
Bengaluru

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Brigade Hotel Ventures Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Brigade Hotel Ventures Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Brigade Hotel Ventures Limited** ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; *



- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; ⁱ
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- ♦
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ♦
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; ♦
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; ♦
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; ♦
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ♦
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; ♦
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and♦
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998♦
- (vi) Other Laws as are applicable to Hospitality Industry:-
1. Food Safety and Standards Act, 2006; Food Safety and Standard Rules, 2011; The Prevention of Food Adulteration Act, 1954; Legal Metrology Act, 2009
 2. State Laws such as Shops and Establishment Act, Municipal Laws, Rules and Procedures
 3. Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution) Act, 1974
 4. Energy Conservation Act, 2001 and other related State laws governing Lifts, Escalators and Passenger Conveyors.

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The listing Agreement entered into by the Company with the Stock Exchange(s), if applicable; ♦

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc, mentioned above subject to the following observations:

Registration of charges in respect of property acquired consequent to the Scheme of Arrangement approved by the National Company Law Tribunal shall be done on registration of conveyance.

My opinion is based on audit evidence, explanations and information given to me during the audit and the Management Representation Letter in support that there were no specific non-compliances in respect of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has:

- Filed the Order of the National Company Law Tribunal approving the Scheme of Arrangement between the Company and its holding Company, with Registrar of Companies on 1st April, 2018 (Appointed 1st October, 2016).
- Allotted 280,43,000 0.01% Optionally Convertible Preference shares of Rs. 100/- to the Holding Company on 18th December, 2018, in accordance with the said Scheme of Arrangement
- Appointed Key Managerial Personnel with effect from 30th March, 2019.

Place : Bengaluru

Date : 23rd April, 2019

Signature:



Name of Company Secretary in practice: K Rajshekar

FCS No.: 4078

C P No.: 2468

* *These Laws/Rules/Regulations/Guidelines/Standards are not applicable as the Company is an Unlisted Public Limited Company.*

* *Note Applicable as there were no instances referred to in this point, during the financial year.*

^ *The Company has obtained ISIN*

^ *The Company does not have any executive directors. There are no independent directors on the Board as there is no mandatory requirement to appoint them.*


ANNEXURE

To
The Members
Brigade Hotel Ventures Limited
Bengaluru

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Bengaluru
Date : 23rd April, 2019

Signature: 
Name of Company Secretary in practice: K Rajshekar
FCS No.: 4078
C P No.: 2468



INDEPENDENT AUDITOR'S REPORT

To the Members of Brigade Hotel Ventures Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

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 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its loss including other comprehensive income, its cash flows and for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 controls, that were operating effectively for ensuring the accuracy and completeness



of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

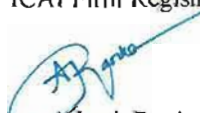
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss 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 the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
 - (h) 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, as amended 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;
 - 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: April 23, 2019



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 including capital work-in-progress 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 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.
 - (c) According to the information and explanations given to us, there are no dues outstanding of income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, which have not been deposited on account of any dispute.



S.R. BATLIBOI & ASSOCIATES LLP


Chartered Accountants

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The Company did not have any loans or borrowing from financial institutions, 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 Company has not paid any managerial remuneration during the year and hence reporting under clause 3(xi) of the Order 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 or partly convertible debentures during the year under review hence reporting under clause 3(xiv) are not applicable and hence not commented upon.
- (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



Place: Bengaluru

Date: April 23, 2019

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 with reference to these Ind AS financial statements 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 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 with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Ind AS financial statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


per Adarshi Ranka
Partner

Membership Number: 209567



Place: Bengaluru
Date: April 23, 2019

Brigade Hotel Ventures Limited
Balance Sheet as at March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-current Assets			
Property, plant and equipment	3.1	52,985	39,742
Capital work in progress	4	9,998	12,227
Intangible Assets	3.2	338	26
Financial Assets			
Investments	5	11,619	11,619
Loans	6	244	409
Other non-current financial assets	12	302	-
Deferred tax assets (net)	7	832	356
Other non-current assets	8	426	831
Sub total		76,794	65,210
Current Assets			
Inventories	9	332	340
Financial assets			
Loans	6	37	70
Trade receivables	10	1,434	1,845
Cash and cash equivalents	11.1	840	1,355
Bank balances other than cash and cash equivalents	11.2	1,584	125
Other current financial assets	12	336	13
Other current assets	8	1,618	569
Sub total		6,181	4,817
Total Assets		82,975	70,027
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13.1	100	100
Instruments entirely equity in nature	13.2	28,043	-
Other equity	14	(2,246)	27,014
Total equity		25,897	27,114
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	15	39,877	30,574
Other non-current financial liabilities	16	255	3,209
Long term provisions	17	102	91
Other non current liabilities	18	2,600	3,372
Sub total		42,834	36,246
Current Liabilities			
Financial liabilities			
Trade payables	19	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,436	1,946
Other current financial liabilities	16	10,267	3,531
Other current liabilities	18	1,430	1,719
Short term provisions	17	111	71
Sub total		14,244	6,667
Total equity and liabilities		82,975	70,027

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: April 23, 2019

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

Vineet Verma
Director
DIN: 00362115

Ananda Natarajan
Chief Financial Officer

Place: Bengaluru
Date: April 23, 2019

Nirupa Shankar
Director
DIN: 02750343

Priya Mishra
Company Secretary
Membership No: 44378

Brigade Hotel Ventures Limited
Statement of profit and loss for the year ended March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	March 31, 2019	March 31, 2018
Income			
Revenue from operations	20	20,453	16,646
Other income	21	182	301
Total Income (i)		20,635	16,947
Expenses			
Cost of materials consumed	22	2,336	1,719
Employee benefits expense	23	4,488	3,626
Depreciation and amortization expense	24	3,684	2,943
Finance costs	25	3,324	2,632
Other expenses	26	8,566	6,554
Total expenses (ii)		22,398	17,474
Loss before exceptional items and tax (iii) = (i) - (ii)		(1,763)	(527)
Exceptional items (iv)	37	-	(1,055)
Loss before tax (v) = (iii) - (iv)		(1,763)	(1,582)
Tax expense			
Current tax	7	-	-
Deferred tax charge/(credit)		(531)	(404)
Total tax expense (vi)		(531)	(404)
Loss for the year (vii) = (v) - (vi)		(1,232)	(1,178)
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		20	15
Income tax relating to above		(5)	(4)
Other comprehensive Income ('OCI') (viii)		15	11
Total comprehensive income for the year [Comprising Loss and OCI for the year] (ix) = (vii) + (viii)		(1,217)	(1,167)
Earnings per equity share	27		
Nominal value of share Rs. 10 (March 31, 2018 : Rs. 10)			
Basic & Diluted (Rs)		(123.20)	(117.81)
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. Balliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

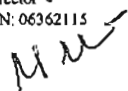
per Anarshi Ranka
Partner
Membership no.: 209567



Place: Bengaluru
Date: April 23, 2019

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


Vineet Verma
Director
DIN: 06362115


Ananda Natarajan
Chief Financial Officer

Place: Bengaluru
Date: April 23, 2019


Nirupa Shankar
Director
DIN: 02750042


Priti Mishra
Company Secretary
Membership No: 44378

Brigade Hotel Ventures Limited
Statement of cash flows for the year ended March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Notes	March 31, 2019	March 31, 2018
Cash flows from operating activities		
Profit before tax	(1,763)	(1,582)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	3,684	2,943
Export incentive	(155)	-
Interest expense	3,110	2,632
Interest income	(108)	(186)
Operating profit before working capital changes	4,768	3,807
Movements in working capital		
Increase in trade payables	490	1,053
Increase in other liabilities	595	2,722
Increase in provisions	71	22
Decrease in inventories	8	-
Decrease in trade receivable	411	172
Decrease in loans	198	793
(Increase) in other assets	(1,197)	(172)
Cash generated from operations	5,344	8,397
Net cash flow from used in operating activities (A)	5,344	8,397
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work in progress)	(11,457)	(14,906)
Investment in bank deposits	(302)	-
Purchase of non current investments	(1,459)	(1,294)
Interest received	97	180
Net cash flow used in investing activities (B)	(13,121)	(16,020)
Cash flows from financing activities		
Proceeds from borrowings	13,565	13,561
Repayment of Borrowings	(3,372)	(2,337)
Interest paid	(3,422)	(2,632)
Net cash flow from financing activities (C)	6,771	8,592
Net increase in cash and cash equivalents (A + B + C)	(1,006)	969
Cash and cash equivalents at the beginning of the year	1,846	877
Cash and cash equivalents at the end of the year	840	1,846
11.1		
Components of cash and cash equivalents		
Cash on hand	21	1,841
With banks:		
- on current accounts	819	14
Less: bank overdraft	-	(9)
Total cash and cash equivalents as per cash flow statement	840	1,846

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: April 23, 2019

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

Vinod Vengal
Director
DIN: 06362115
Ananda Natarajan
Chief Financial Officer

Place: Bengaluru
Date: April 23, 2019

Nirupa Shankar
Director
DIN: 02750342
Preeti Mishra
Company Secretary
Membership No: 44378

Brigade Hotel Ventures Limited
Statement of changes in equity for the year ended March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

A. Equity share capital

Issued, subscribed and fully paid-up share capital

Equity shares of Rs.10 each:

	No. of shares (in Lakhs)	Rs. in lakhs
As at April 01, 2017	10	100
Changes during the year	-	-
As at March 31, 2018	10	100
Changes during the year	-	-
As at March 31, 2019	10	100

B. Instruments entirely equity in nature

Optionally Convertible Redeemable Preference Shares of Rs.100/- each ("OCRPS")

	No. of shares (in Lakhs)	Rs. in lakhs
As at April 01, 2017	-	-
Changes during the year	-	-
As at March 31, 2018	-	-
Changes during the year (refer note 37)	280	28,043
As at March 31, 2019	280	28,043

C. Other equity*

	Capital Suspense Account	Retained earnings	Total
As at April 01, 2017	28,043	138	28,181
Loss for the year	-	(1,178)	(1,178)
Other comprehensive income**	-	11	11
As at March 31, 2018	28,043	(1,029)	27,014
Loss for the year	-	(1,232)	(1,232)
Other comprehensive income**	-	15	15
As at March 31, 2018	28,043	(2,246)	25,797
Settlement of purchase consideration by way of: - allotment of OCRPS (refer note 37)	(28,043)	-	(28,043)
As at March 31, 2019	-	(2,246)	(2,246)

* Also refer note 14

** 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.15 Lakhs (March 31, 2018: Rs.11 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: April 23, 2019

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

Vineet Verma
Director
DIN: 06362115
Ananda Natvarajan
Chief Financial Officer

Place: Bengaluru
Date: April 23, 2019

Nirupa Shankar
Director
DIN: 02750342
Priti Mishra
Company Secretary
Membership No: 44378

Brigade Hotel Ventures Limited
 Notes to Ind AS Financial Statements for the year ended March 31, 2019
 (All amounts in Indian Rupees Lakhs, except as otherwise stated)

3.1 Property, plant and equipment

	Land	Buildings	Plant & Machinery	Electrical & Electronics	Office Equipment	Computers	Motor Vehicles	Furniture & Fixtures	Total
Cost									
At April 01, 2017	2,326	24,619	3,607	1,068	2,516	239	59	9,316	43,770
Additions	-	9,553	1,783	1,080	1,053	338	47	2,310	16,164
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2018	2,326	34,192	5,390	2,148	3,569	577	106	11,626	59,934
Additions	693	10,406	1,208	1,242	1,092	277	41	1,925	16,884
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2019	3,019	44,598	6,598	3,390	4,661	854	147	13,551	76,818
Depreciation									
At April 01, 2017	-	5,537	1,639	294	1,905	175	28	7,685	17,263
Charge for the year	-	3,141	416	237	342	60	9	724	2,929
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2018	-	6,678	2,055	531	2,247	235	37	8,409	20,192
Charge for the year	2	1,344	427	386	509	159	15	799	3,641
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2019	2	8,022	2,482	917	2,756	394	52	9,208	23,833
Net book value									
At March 31, 2018	2,326	27,514	3,335	1,617	1,322	342	69	3,217	39,742
At March 31, 2019	3,017	36,576	4,116	2,473	1,905	460	95	4,343	52,985



Brigade Hotel Ventures Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

3.2 Intangible Assets	
Cost	
At April 01, 2017	115
Additions	20
Disposals	-
At March 31, 2018	135
Additions	355
Disposals	-
At March 31, 2019	490

Depreciation	
At April 01, 2017	95
Change for the year	14
Disposals	-
At March 31, 2018	109
Change for the year	43
Disposals	-
At March 31, 2019	152

Net book value	
At March 31, 2018	26
At March 31, 2019	338

4 Capital Work In Progress	
Property Plant and Equipment	
At April 01, 2017	13,148
-Additions (subsequent expenditure)	14,711
-Capitalised during the year	(15,632)
At March 31, 2018	12,227
-Additions (subsequent expenditure)	14,154
-Capitalised during the year	(16,383)
At March 31, 2019	9,998

Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended March 31, 2019 is Rs. 635 lakhs (March 31, 2018 - Rs. 366 lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation is the effective interest rate of the underlying borrowings.

Land and buildings

Equitable mortgage of land and building included under property, plant and equipment and capital-work-in-progress and other movable property, plant and equipment has been given as the security for the long term loans taken from bank.



5 Investments

Non-current

Investments carried at cost

Investment in equity instruments of other companies

2.02 lakhs (March 31, 2018: 2.02 lakhs) Equity shares of Rs 10/- each fully paid up in SRP Prosperia Hotel Ventures Limited

8,375 8,375

Investment in preference shares of subsidiaries

32.44 lakhs (March 31, 2018: 32.44 lakhs) 0.01% A Series Compulsory Convertible Preference shares of Rs 100/- each fully paid up in SRP Prosperia Hotel Ventures Limited

3,244 3,244

Total Investments

11,619 11,619

a) Aggregate amount of quoted investments actively traded and market value thereof

- -

b) Aggregate amount of other investments

11,619 11,619

6 Loans

(Unsecured, considered good)

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Loans to employees	-	-	2	70
Loans to related parties (refer note 30)	100	303	-	-
Security deposit	144	106	35	-
	244	409	37	70

7 Income tax

a) Deferred Tax

Deferred tax liabilities

Fixed assets - Impact of depreciation

650 837

Gross deferred tax liabilities

650 837

Deferred tax assets

Unused tax losses

887 429

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years

645 764

Gross deferred tax assets

1,532 1,193

Net deferred tax (liabilities)/ Asset

882 356

b) Tax expense

Current tax

Current income tax charge

- -

Deferred tax charge/(credit)

Relating to origination and reversal of temporary differences

(531) (404)

Tax expense reported in the Statement of profit or loss

(531) (404)

Deferred tax related to items recognised in OCI

Income tax charge/(credit) relating to items recognised in OCI

(5) (4)

Tax expense reported in the Other comprehensive Income

(5) (4)



Brigade Hotel Ventures Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(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

	March 31, 2019	March 31, 2018
Accounting profit/loss before income tax	(1,763)	(1,582)
Tax on accounting profit/loss at statutory income tax rate [26.00%, March 31, 2018: 25.75%]	(458)	(407)
Tax effect of other items, net	(73)	3
Tax expense reported in the Statement of profit or loss	(531)	(484)

Reconciliation of deferred tax asset (net):

	March 31, 2019	March 31, 2018
Opening balance	356	(48)
Deferred tax (charge)/credit during the year recognised in profit or loss	531	404
Deferred tax (charge)/credit during the period recognised in OCI	(5)	(4)
Others	-	4
Closing balance of deferred tax asset	882	356

8 Other assets
(Unsecured, considered good)

Advance to suppliers
Balances with statutory / government authorities
Capital advances
Prepaid expenses

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance to suppliers	-	-	208	318
Balances with statutory / government authorities	-	9	1,205	111
Capital advances	426	822	-	-
Prepaid expenses	-	-	205	140
	426	831	1,618	569

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

Food & Beverages
Others

	March 31, 2019	March 31, 2018
Food & Beverages	301	240
Others	31	100
	332	340

10 Trade receivables

Unsecured, considered good
Receivables from others
Receivables from related parties (refer note 30)
Trade receivables - credit impaired

	Current	
	March 31, 2019	March 31, 2018
Receivables from others	1,349	790
Receivables from related parties (refer note 30)	85	1,055
Trade receivables - credit impaired	8	-
	1,442	1,845

Impairment Allowance (allowance for bad and doubtful debts)
Trade receivables - credit impaired
Total trade receivables

Trade receivables - credit impaired	(8)	-
Total trade receivables	1,434	1,845



11.1 Cash and cash equivalents

	March 31, 2019	March 31, 2018
Balances with banks:		
- On current accounts	819	1,841
Cash on hand	21	14
	840	1,855
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:	March 31, 2019	March 31, 2018
Balances with banks	819	1,841
- On current accounts	21	14
Cash and cash equivalents reported in balance sheet	840	1,855
Less - Bank Overdraft (note 18)	-	(9)
Cash and cash equivalents reported in cash flow statement	840	1,846

Changes in liabilities arising from financing activities:

Particulars	Non-current portion of borrowings	Current portion of borrowings	Total
Balance as at April 01, 2017	19,712	3,082	22,794
Cash inflows	13,561	-	13,561
(Cash outflows)	(2,337)	-	(2,337)
Others*	(362)	362	-
Balance as at March 31, 2018	30,574	3,444	34,018
Cash inflows	13,565	-	13,565
(Cash outflows)	(3,372)	-	(3,372)
Others*	(891)	891	-
Balance as at March 31, 2019	39,877	4,335	44,212

* Others indicate the effect of movement in reclassification of current portion of long-term borrowings to other financial liabilities basis the balance repayment period.

11.2 Bank balances other than cash and cash equivalents

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balances with banks				
Margin money deposit	302	-	-	-
- Deposits with remaining maturity of less than 12 months	-	-	1,584	125
	302	-	1,584	125
Less: Margin money deposits with banks disclosed under non-current financial assets	(302)	-	-	-
	-	-	1,584	125

12 Other financial assets

(Unsecured, considered good)

	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Margin money deposits with banks	302	-	-	-
Interest accrued and not due	-	-	17	5
Receivable from related party (refer note 30)	-	-	208	-
Unbilled revenue	-	-	111	8
	302	-	336	13

Break up of financial assets carried at amortised cost

	March 31, 2019	March 31, 2018
Investments (note 5)	11,619	11,619
Loans (note 6)	281	479
Trade receivables (note 10)	1,442	1,845
Cash and cash equivalents (note 11.1)	840	1,855
Balances at bank other than cash and cash equivalents (note 11.2)	1,584	125
Other financial assets (note 12)	638	13
	16,404	15,936



13.1 Equity share capital

Authorised share capital	March 31, 2019		March 31, 2018	
	No. in lakhs	Rs.	No. in lakhs	Rs.
Equity shares of Rs.10 each:				
Balance at the beginning of the year	90	900	10	100
Changes during the year	-	-	80	800
Balance at the end of the year	90	900	90	900

Issued, subscribed and fully paid-up share capital	March 31, 2019		March 31, 2018	
	No. in lakhs	Rs.	No. in lakhs	Rs.
Equity shares of Rs.10 each:				
Balance at the beginning of the year	10	100	10	100
Changes during the year	-	-	-	-
Balance at the end of the year	10	100	10	100

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

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

	March 31, 2019	March 31, 2018
Brigade Enterprises Limited, the holding company 1,000,000 (March 31, 2018 - 1,000,000) Equity shares of Rs.10 each	10	10

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

Equity shares of Rs.10 each:	March 31, 2019		March 31, 2018	
	Nos.	% holding	Nos.	% holding
Brigade Enterprises Limited	10	100%	10	100%



Brigade Hotel Ventures Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2019

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

13.2 Instruments entirely equity in nature

Authorised share capital

	March 31, 2019		March 31, 2018	
	No. in lakhs	Rs.	No. in lakhs	Rs.
Optionally Convertible Redeemable Preference shares of Rs.100 each ('OCRPS'):				
Balance at the beginning of the year	281	28,100	-	-
Changes during the year	-	-	281	28,100
Balance at the end of the year	281	28,100	281	28,100

Issued, subscribed and fully paid-up share capital

	March 31, 2019		March 31, 2018	
	No. in lakhs	Rs.	No. in lakhs	Rs.
OCRPS of Rs.100 each:				
Balance at the beginning of the year	-	-	-	-
Changes during the year	280	28,043	-	-
Balance at the end of the year	280	28,043	-	-

Terms of conversion/ redemption of OCRPS

OCRPS has been issued carrying a coupon of 0.01% (point zero one per cent) per annum calculated on the face value of such OCRPS. The holder of OCRPS may at any time prior to the expiry of 20 (twenty) years exercise the option to convert the OCRPS to equity shares. Each OCRPS shall be convertible into 10 (Ten) equity shares or lesser number based on the consent of the holder.

The holder has confirmed compulsory conversion of the OCRPS into equity shares after the end of 5 (five) years and accordingly OCRPS has been recorded and disclosed as "Instruments entirely equity in nature".

The holder of OCRPS shall be entitled to voting rights as per the Companies Act, 2013

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

	March 31, 2019	March 31, 2018
Brigade Enterprises Limited, the holding company		
28,043,000 (March 31, 2018 - Nil) OCRPS of Rs 100 each	280	-

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

	March 31, 2019		March 31, 2018	
	Nos.	% holding	Nos.	% holding
OCRPS of Rs. 100 each :				
Brigade Enterprises Limited	280	100%	-	0%



Brigade Hotel Ventures Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2019

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

14 Other equity

	March 31, 2019	March 31, 2018
Share capital suspense account pending allotment		
Balance at the beginning of the year	28,043	28,043
Settlement of purchase consideration by way of:		
- allotment of OCRPS (refer note 37)	(28,043)	
Balance at end of the year (A)	-	28,043
Retained earnings		
Balance at the beginning of the year	(1,029)	138
Profit/(loss) for the year	(1,232)	(1,178)
Other comprehensive income for the year	15	11
Balance at the end of the year (B)	(2,246)	(1,029)
Total other equity (A+B)	(2,246)	27,014

15 Borrowings

	Effective Interest rate	Maturity	March 31, 2019	March 31, 2018
Non-current borrowings				
Term loan from banks (secured)	8%-12%	2021-2031	38,412	34,018
Loans from related parties (note 30)	12%	2021	5,800	-
Less: current maturities - term loans from banks disclosed under the head "Other current financial liabilities"	8%-12%	2019-2020	(4,335)	(3,444)
Total non-current borrowings			39,877	30,574

Note 1: Includes term loan from banks secured by way of assignment of hotel operating cash flows Rs. 22,589 lakhs (March 31, 2018: Rs. 24,308 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. 15,823 lakhs (March 31, 2018: Rs. 9710 lakhs). The loans carry interest rate in the range of 8-12% and are repayable within 12-144 instalments of upto Rs. 300 lakhs.



16 Other financial liabilities

	Non-Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Payable towards purchase of property, plant and equipment	-	2,967	5,488	-
Interest payable to related parties (refer note 30)	-	-	276	-
Current maturities of non current borrowings (refer note 15)	-	-	4,335	3,444
Employee benefits payable	-	-	166	82
Interest free deposits from customers	-	-	2	5
Security deposit received	255	242	-	-
	255	3,209	10,267	3,531

17 Provisions

	Non-Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for gratuity (refer note 32)	102	91	30	14
Provision for leave encashment	-	-	81	57
	102	91	111	71

18 Other liabilities

	Non-Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advance from customers	-	-	78	55
Lease equalisation reserve	2,600	2,372	-	-
Statutory dues payable	-	-	1,352	1,055
Bank overdraft	-	-	-	9
	2,600	2,372	1,430	1,119

19 Trade payables- Current

	March 31, 2019	March 31, 2018
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Payable to related parties (refer note 30)	585	62
- Payable to other parties	1,851	1,884
	2,436	1,946

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" for the year ended March 31, 2019 and March 31, 2018.

Break up of financial liabilities carried at amortised cost

	March 31, 2019	March 31, 2018
Trade payables (note 19)	2,436	1,946
Borrowings (note 15)	59,877	30,574
Other financial liabilities (note 16)	10,522	6,740
	72,835	39,260



Brigade Hotel Ventures Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

20 Revenue from operations

	March 31, 2019	March 31, 2018
Revenue from contract with customers:		
-Revenue from hospitality services	19,356	14,406
-Income from lease rentals	933	1,093
A	20,289	15,499
Other operating revenue		
-Others	164	1,147
B	164	1,147
(A)-(B)	20,453	16,646

20.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers by timing of transfer of goods or services.

Revenue from contracts with customers	March 31, 2019
Revenue recognised over time	19,356

20.2 Contract balances

	March 31, 2019	April 01, 2018
Trade receivables	1,434	1,845
Contract assets		
- Unbilled revenue	111	8
Contract liabilities		
- Advance from customers	78	55
	1,623	1,908

Trade receivables are generally on credit terms of upto 90 days. The decrease in trade receivables is primarily on account of improvement in collection period.

Unbilled revenue pertains to transactions where performance obligation has been satisfied and contractual invoices has not been raised

Contract liabilities include advance from customers representing transaction price allocated to unsatisfied performance obligations. The outstanding balances of these accounts increased/ decreased primarily on account of deferred revenue pursuant to adoption of Ind AS 115.

21 Other income

	March 31, 2019	March 31, 2018
Interest income:		
Bank deposits	108	186
Others	74	115
	182	301

22 Cost of materials consumed

	March 31, 2019	March 31, 2018
Inventory at the beginning of the year	340	340
Add: Purchases during the year	2,328	1,719
	2,668	2,059
Less: Inventory at the end of the year	(332)	(340)
Cost of raw materials consumed	2,336	1,719

23 Employee benefits expense

	March 31, 2019	March 31, 2018
Salaries and wages	3,882	3,089
Contribution to provident and other funds	275	208
Staff welfare expenses	331	329
	4,488	3,626



24 Depreciation and amortization expense

	March 31, 2019	March 31, 2018
Depreciation of property, plant & equipment	3,641	2,929
Amortization of intangible assets	43	14
	<u>3,684</u>	<u>2,943</u>

25 Finance costs

	March 31, 2019	March 31, 2018
Interest		
on bank borrowings	3,439	2,903
on borrowings from related party (refer note 30)	306	-
Others	214	95
	<u>3,959</u>	<u>2,998</u>
Less: Interest capitalised	(635)	(366)
Total	<u>3,324</u>	<u>2,632</u>

26 Other expenses

	March 31, 2019	March 31, 2018
Power and fuel	1,445	1,395
Rent	959	471
Repairs to buildings	141	132
Repairs to machinery	206	184
Repairs others	236	171
Insurance	154	94
Rates and taxes	427	93
Payment to the auditor (refer net below)	11	10
Property taxes	549	183
Selling expenses	604	710
Agency commission	337	222
Security charges	19	5
Provision for bad and doubtful debts	8	-
Pre-operative expenses	-	315
Training and recruitment expenses	87	29
Legal and professional charges	1,184	869
Printing and stationery expenses	78	78
Travelling & conveyance	470	343
Telephone & other communication expenses	115	105
Miscellaneous expenses	1,536	1,145
	<u>8,566</u>	<u>6,554</u>

(i) Payment to auditor

	March 31, 2019	March 31, 2018
As auditor:		
Audit fee	11	10
	<u>11</u>	<u>10</u>



27 Earnings per share

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

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

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

	March 31, 2019	March 31, 2018
Profit/(Loss) after tax	(1,232)	(1,178)
Weighted average number of equity shares for basic EPS (No.)	10	10
Basic/Diluted EPS	(123.20)	(117.81)

Note: In accordance with the Indian Accounting Standard (Ind AS) - 33 Earnings Per Share, specified under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder, there are certain class of shares (OCRPS) which are anti dilutive and hence the impact of those securities has been ignored in the computation of diluted EPS.

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, 2019	March 31, 2018
Lease rentals payments recognised as an expenses in the statement of profit and loss	959	471

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

Particulars	March 31, 2019	March 31, 2018
Within one year	535	512
After one year but not more than five years	2,332	2,250
More than five years	19,339	19,955
	<u>22,206</u>	<u>22,717</u>

b. Commitments

(i) At March 31, 2019, the estimated amount of contract (net of capital advance) remaining to be executed on capital account not provided for was Rs.5,954 lakhs (March 31, 2018: Rs. 4,228 lakhs)

c. Contingent liabilities

Particulars	March 31, 2019	March 31, 2018
Bank guarantee	429	-
Letter of credits	707	795
	<u>1,136</u>	<u>795</u>

The Supreme Court of India in a judgment on Provident Fund dated February 28, 2019 addressed the principle for determining salary components that form part of Basic Salary for individuals below a prescribed salary threshold. The Company has evaluated the impact arising from such judgement and will consider the impact wherever applicable on a prospective basis from the date of the SC order. Further, the Company will evaluate need for additional provision if any, on receiving further clarity in this regard.

29 Unhedged foreign currency exposure

	March 31, 2019	March 31, 2018
Trade payable	162	283



30 Related party disclosure

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

Names of related parties	Nature of Relationship	Abbreviations
1 Brigade Enterprises Limited	Holding company	"BEL"
2 SRP Prosperita Hotel Ventures Limited	Subsidiary company	"SRPPHVL"
3 Brigade Hospitality Services Limited	Fellow Subsidiary company	"BHSL"
4 WTC Trades & Projects Private Limited	Fellow Subsidiary company	"WTC"
5 Orion Property Management Services Limited	Fellow Subsidiary company	"OPMSL"
6 BCV Developers Private Limited	Fellow Subsidiary company	"BCV"
7 Perungudi Real Estates Private Limited	Fellow Subsidiary company	"PREPL"
8 Celebrations Catering and Events LLP	Fellow Subsidiary company	"CCELLP"

II. Key Managerial Personnel of the Company:

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

III. Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year:

Chief Financial Officer	Mr. Ananda Natarajan (From March 30, 2019)
Company Secretary	Ms. Priiti Mishra (From April 15, 2019)

IV. 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.

Particulars	Related parties	March 31, 2019	March 31, 2018
Food & beverages sales		131	136
Purchase of property, plant and equipment		618	-
Interest on borrowings	BEL	306	-
Rent paid		212	-
Loans taken		5,800	-
Interest income on loans		3	-
Loans given - Inter corporate deposits	SRPPHVL	100	-
Purchase of food	BHSL	209	101
Sale of services		35	4
	BCV	2	-
	CCELLP	1	-
	PREPL	1	-
	OPMSL	1	-
Other income	BIPPL	3	-
Expenses cross charged	WTC	40	-

V. Balance outstanding

Particulars	Relationship	March 31, 2019	March 31, 2018
Non-current borrowings		5,800	-
Interest payable	BEL	276	-
Trade receivable		-	1,055
Trade payable		522	-
Non-current loans		100	303
Other financial asset	PHVL	208	-
Trade receivable		71	-
Trade payable	BHSL	63	62
	BCV	13	-
Trade receivable	PREPL	1	-

VI. Reimbursement of expenses paid/ received

Year ended	Re-imbursement paid	Re-imbursement received
BEL March 31, 2019	11	-
March 31, 2018	52	27
BHSL March 31, 2019	31	1
March 31, 2018	1	-

VII Other transactions:

1 During the year, the Company has issued 280.43 lakhs no. 0.01% Optionally Convertible Redeemable Preference shares of Rs 100/- each to Brigade Enterprises Limited.



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.

Interest rate sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the entity's profit before tax is due to changes in the fair value of financial assets and liabilities.

Particulars	Change in interest rate	Effect of loss before tax
March 31, 2019	+1%	440
	-1%	(440)
March 31, 2018	+1%	585
	-1%	(585)

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 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, 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. 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 flexibility through the use of bank borrowings. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements, accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents, deposits and investments is as below:

Particulars	March 31, 2019	March 31, 2018
Cash and cash equivalents	840	1,855
Bank balances other than Cash and cash equivalents	1,584	125

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

Financial liabilities - Current	Maturity period	March 31, 2019	March 31, 2018
Borrowings (includes current maturities of non current borrowings)	Within 1 year	4,335	3,444
Trade payables	Within 1 year	2,436	1,946
Other financial liabilities (excluding current maturities of non current borrowings)	Within 1 year	5,932	87
Financial liabilities - Non Current			
Borrowings	Between 1-5 years	39,877	10,574
Other financial liabilities	Between 1-5 years	255	3,209



Brigade Hotel Ventures Limited
Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

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 summarises 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.

	Expense charged to profit or loss				Remeasurement (gains)/losses in other comprehensive income				Sub-total included in OCI	Contributions by employer	March 31, 2019
	April 01, 2018	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions			
Defined benefit obligation	105	42	7	49	(2)	-	2	(19)	(3)	(20)	132
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-
Net liability - Gratuity	105	42	7	49	(2)	-	2	(19)	(3)	(20)	132

	Expense charged to profit or loss				Remeasurement (gains)/losses in other comprehensive income				Sub-total included in OCI	Contributions by employer	March 31, 2018
	April 01, 2017	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions			
Defined benefit obligation	89	30	7	37	(6)	-	-	(7)	(8)	(13)	105
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-
Net liability - Gratuity	89	30	7	37	(6)	-	-	(7)	(8)	(13)	105

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

Particulars	March 31, 2019	March 31, 2018
	Discount rate	8%
Future salary benefit levels	9%	4%
Expected rate of return on assets	8%	8%

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

Particulars	March 31, 2019			March 31, 2018		
	Discount Rate	Further Salary Increase	Further Salary Increase	Discount Rate	Further Salary Increase	Further Salary Increase
Sensitivity Level	-1%	1%	1%	-1%	1%	1%
Impact on defined benefit obligation - Gratuity	INR (lakhs) 137	INR (lakhs) 127	INR (lakhs) 137	INR (lakhs) 107	INR (lakhs) 100	INR (lakhs) 107
% change compared to base due to sensitivity	-4%	-4%	4%	-6%	-6%	1%

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, 2019	March 31, 2018
	Within the next 12 months	30
Between 2 and 5 years	102	91
Total expected payments	132	105



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 reposed 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, instruments entirely equity in nature 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

	March 31, 2019	March 31, 2018
Borrowings (non current)	39,877	30,574
Trade payables	2,436	1,947
Other financial liabilities (current and non-current)	10,522	6,740
Less: Cash and Bank balances	(2,424)	(1,980)
Net Debt (A)	50,411	37,281
Equity share capital	100	100
Instruments entirely equity in nature	28,043	-
Other equity	(2,246)	27,013
Equity (B)	25,897	27,113
Equity plus net debt (C = A + B)	76,308	64,394
Gearing ratio (D = A / C)	66%	58%

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.



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.

Ind AS 116 - Leases

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or ratio used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The company intends to adopt these standards from April 01, 2019.

37 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 hotel 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.

The purchase consideration under the scheme has been paid by way of issue of 280.43 lakhs Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs. 100 each amounting to Rs. 28,043 lakhs.

The Company has provided Rs. Nil (March 31, 2018: Rs. 1,055 lakhs) towards estimated stamp duty expense towards the scheme, which has been provided for and disclosed as an exceptional item.

As per our report of even date

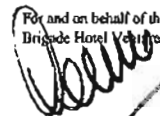
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 107049W/E300004


per Adarsh Kanka
Partner
Membership no.: 209567



Place: Bengaluru
Date: April 23, 2019

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


Vinod Verma
Director
DIN: 06362115

Ananda Natarajan
Chief Financial Officer

Place: Bengaluru
Date: April 23, 2019


Nirupa Shankar
Director
DIN: 02750142


Priya Mishra
Company Secretary
Membership No: 44378

Brigade Hotel Ventures Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1. Corporate information

Brigade Hotel Ventures Limited (the 'Company') was incorporated on August 24, 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 April 23, 2019.

2. 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.

2.1 Changes in Accounting policies and disclosures

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 – Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 01, 2018, replaces the requirements of existing revenue recognition standards Ind AS 18 and Ind AS 11. The Company has applied the modified retrospective approach to all contracts as at April 01, 2018. The application of Ind AS 115 has no impact on financial statements of the current year.

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.



Brigade Hotel Ventures Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

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, where 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 statement of profit and loss when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Direct expenditure incurred in constructing an asset is capitalized to the extent to which the expenditure is directly related to construction or is incurred in respect of other direct expenditure (including borrowing costs) incurred during the construction period which is directly 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:



Brigade Hotel Ventures Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2019

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

- 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



Brigade Hotel Ventures Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

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.

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 from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

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.

Income from lease rentals

Rental income receivable under operating leases is recognized in the income statement on a straight-line basis over the term of the lease including lease income on fair value of refundable security deposits. Rental income under operating leases having variable rental income is recognized as per the terms of the contract.

Income from other services

Commission, management fees and other fees receivable for services rendered are recognized as and when the services are rendered as per the terms of the contract.



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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.



Brigade Hotel Ventures Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

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.

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



Brigade Hotel Ventures Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2019

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

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. Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iv. 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.

v. 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.

vi. 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.

vii. 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.

viii 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.

ix 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.

x 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



Brigade Hotel Ventures Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2019
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

xi 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.

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

In the process of applying the Company's accounting policies, management makes judgment, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements:

The key judgment, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which 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 judgments and 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.

Defined benefit plans – Gratuity



Brigade Hotel Ventures Limited

Notes to Ind AS Financial Statements for the year ended March 31, 2019

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

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.

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.

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.

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.

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

