

MAHODADHI PALACE PRIVATE LIMITED

(Formerly known as Fort Mahodadhinivas Palace Private Limited)

CIN No. U55101MH2010PTC201685

Regd. Off. : 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099. Tel. No. 022 26164000, Email id: cs@khll.com

NOTICE

Notice is hereby given that the 8th Annual General Meeting of the members of Mahodadhi Palace Private Limited will be held at KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai 400099 on Friday, 21st September, 2018 at 1.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statement for the year ended on 31st March, 2018 and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Prabhakar V. Shetty, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), as amended from time to time, M/s. N. A. Shah Associates LLP, Chartered Accountants (FRN: 116560W/W100149), who have given written consent for their re-appointment and a certificate that their appointment, if made, will be in accordance with the conditions of Section 141 of the Act and Rule 4 of the Rules, be and are hereby re – appointed as Statutory Auditors of the Company for the Financial Year 2018- 2019, to hold the office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 13th Annual General Meeting of the Company to be held in the year 2023 which will be subject to ratification by members at every Annual General Meeting on such remuneration as may be mutually agreed between the Auditors and the Board of Directors of the Company plus reimbursement of actual out of pocket expenses in connection with the audit of books of accounts of the Company."

For and on behalf of the Board of Directors of
MAHODADHI PALACE PRIVATE LIMITED
(Formerly known as Fort Mahodadhinivas Palace Private Limited)



PRABHAKAR V. SHETTY
DIN: 02448426
DIRECTOR

Place: Mumbai
Date: 23-05-2018

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NOTES:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.
- (2) The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
- (3) A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
- (4) A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (5) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled, during the period beginning twenty-four hours before the time fixed for the commencement of the 8th Annual General Meeting and ending with the conclusion of the said Annual General Meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days of notice in writing of the intention so to inspect is given to the Company.

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BOARD'S REPORT

To,
The Members,

We have pleasure in presenting the 8th Annual Report together with the Audited financial statement of the Company for the year ended 31st March, 2018.

1. FINANCIAL HIGHLIGHTS:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total Income	36,80,424	36,80,424
Profit/(Loss) Before Interest, Depreciation & Taxation	(95,89,500)	(1,13,91,850)
Profit (Loss) Before Exceptional Item and Tax	(1,16,47,996)	(1,58,35,147)
Net Profit/(Loss) after tax	(65,42,133)	(1,09,42,821)
Amount proposed to be carried to reserves	-	-

2. THE STATE OF THE COMPANY'S AFFAIRS:

During the year under review, the Company has incurred a loss of Rs. 65,42,133/- as compared to Rs. 1,09,42,821/- in the previous year.

3. DIVIDEND:

In view of the loss incurred during the year, your Directors do not recommend any dividend on equity shares of the Company.

4. SHARE CAPITAL:

During the period under review there was no change in the Authorised and Paid-up Share Capital of the Company.

5. MATERIAL CHANGES AND COMMITMENTS:

There has been no material change and commitment affecting the financial position of the Company during the financial year ended 31st March, 2018.

6. THE CHANGE IN THE NATURE OF BUSINESS, IF ANY:

The Company continues to be in the Hospitality Business. During the year under review, there was no change in the nature of business of the company.

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7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Prabhakar V. Shetty retires by rotation and being eligible offers himself for re-appointment. The Directors recommend his re-appointment.

The requirement of Key Managerial Personnel as provided under section 203 of the Companies Act, 2013 is not applicable to the Company.

8. EXTRACT OF THE ANNUAL RETURN:

An extract of the annual return in form MGT-9 is enclosed in *Annexure I*.

9. NUMBER OF MEETINGS OF THE BOARD:

During the financial year 2017-18, 5(Five) meetings of the Board of Directors of the company were held.

10. DIRECTORS RESPONSIBILITY STATEMENT:

As required by Section 134 (5) of the Companies Act, 2013 the Directors hereby state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- selected accounting policies were applied consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2018 and of the loss of the company for the financial year ended on that date.
- proper and sufficient care has been taken 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;
- annual accounts have been prepared on a going concern basis; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE:

The particulars of Loan and Guarantee given, Security provided and Investment made by the Company under Section 186 of the Companies Act, 2013 are given as under:

	Opening Balance	During the year	Closing Balance
Loans Given	NIL	NIL	NIL
Guarantee Given	Rs. 3,85,83,00,000*	-	Rs. 3,85,83,00,000*
Security Provided	NIL	NIL	NIL
Investment Made	NIL	NIL	NIL

* The Company has given Corporate Guarantee to banks/financial institutions for various Credit Facilities availed by Kamat Hotels (India) Limited, the holding Company.

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12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review there was no contract or arrangements entered into by the Company with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013.

13. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

Holding Company:	Kamat Hotels (India) Limited
Subsidiary company:	NIL
Joint venture company:	NIL
Associate Company:	NIL

14. RISK MANAGEMENT POLICY:

The Board periodically reviews and assesses risks in various areas including statutory, operational and financial risks.

During the year under review, no risk threatening the existence of the Company was identified.

15. DEPOSITS:

The Company had not accepted or renewed deposits during the year.

16. PARTICULARS OF EMPLOYEES:

The Company had no employee's for the year under review.

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

(A) Conservation of energy-

- i. the steps taken or impact on conservation of energy: NIL
- ii. the steps taken by the company for utilising alternate sources of energy: NIL
- iii. the capital investment on energy conservation equipments: NIL

(B) Technology absorption-

- i. the efforts made towards technology absorption: NIL
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - a. the details of technology imported: NIL
 - b. the year of import: NA
 - c. whether the technology been fully absorbed: NA

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d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA

iv. the expenditure incurred on Research and Development: NIL

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows: NIL

18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the period under review no significant and material order was passed by any regulator/ court or tribunal which has an effect on the going concern status of the company and its operations.

19. INTERNAL FINANCIAL CONTROLS:

The internal financial controls are adequate and commensurate with the size and operation of the company.

20. SECRETARIAL AUDIT:

The requirement of Secretarial Audit as provided under section 204 of the Companies Act, 2013 is not applicable to the Company.

21. CORPORATE GUARANTEE:

Some of the lenders issued demand notices in the earlier years to the Company in respect of Corporate Guarantee extended by the Company on behalf of Kamat Hotels (India) Limited. The Company has requested the borrowers to take appropriate steps in the matter. The apparent Company has restructured substantially its secured debts through Asset Reconstruction Companies and One Time Settlements. The Company is dealing with the matter as per legal advice.

22. STATUTORY AUDITORS:

M/s. N. A. Shah Associates LLP, Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

It is proposed to appoint M/s. N. A. Shah Associates LLP, Chartered Accountants (FRN: 116560W/W100149), Mumbai as the Statutory Auditors of the company to hold the office from the ensuing 8th Annual General Meeting to 13th Annual General Meeting to be held in the year 2023, which will be subject to ratification by the members at every Annual General Meeting.

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23. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express and place on record their appreciation for the continued support, cooperation and assistance extended by shareholders, employees, agents, bankers, financial institutions and other stakeholders of the Company.

For and on Behalf of the Board of Directors of
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PRABHAKAR V. SHETTY
DIN 02448426
DIRECTOR



DR. VITHAL V KAMAT
DIN 00195341
DIRECTOR

Place: Mumbai
Date: 23-05-2018

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Annexure I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U55101MH2010PTC201685
- ii) Registration Date :- 05/04/2010
- iii) Name of the Company: - Mahodadhi Palace Private Limited.
- iv) Category / Sub-Category of the Company :- Company Limited by Shares / Indian Non Government Company
- v) Address of the Registered office and contact details :- 70-C, Nehru Road, Vile Parle (East), Mumbai – 400099
- vi) Whether listed company: - Yes / No
- vii) Name, Address and Contact details of Registrar and Transfer Agent : Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Income from Royalty	99839600	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
1.	Kamat Hotels (India) Ltd. Address: 70-C, Nehru Road, Vile Parle – East, Mumbai – 400099	L55101MH1986PLC039307	Holding Company	100%	2(46) of the Companies Act, 2013

The Company does not have any Subsidiary or Associate Company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.Promoters									
(1) Indian									
a. Individual/HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-

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d. Bodies Corp.	-	10000	10000	100	-	10000	10000	100	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):-	-	10000	10000	100	-	10000	10000	100	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a. NRIs- Individuals	-	-	-	-	-	-	-	-	-
b. Other- Individual	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks/ FI	-	-	-	-	-	-	-	-	-
e. Any other.	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2) :-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	10000	10000	100	-	10000	10000	100	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	-	-	-	-	-	-	-	-	-
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt (s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (Specify)	-	-	-	-	-	-	-	-	-
Sub – Total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a. Bodies Corp.	-	-	-	-	-	-	-	-	-
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
iii. Individual	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
iii) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub – Total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-

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C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10000	10000	100	-	10000	10000	100	-

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kamat Hotels (India) Ltd.	10000	100	100%	10000	100	100%	-
	Total	10000	100	100%	10000	100	100%	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change: There was no change in promoters' shareholding.)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year:-	10000	100	-	-
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year:-	10000	100	-	-

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the top ten shareholders	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying	-	-	-	-

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	the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year):				

(v) Shareholding of Directors and Key Managerial Personnel: the Directors do not hold any shares in the company.
The company does not have any Key Managerial Personnel.

Sr.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/ Increase /decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)				
	At the End of the year				

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	-	22,87,46,476	-	22,87,46,476
ii) Interest due but not paid	-	48,46,073	-	48,46,073
iii) Interest accrued but not due	-	44,06,174	-	44,06,174
Total (i+ii+iii)	-	23,79,98,723	-	23,79,98,723
Change in Indebtedness during the Financial Year				
Addition	-	95,40,546	-	95,40,546
Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
i) Principal amount	-	23,03,96,476	-	23,03,96,476
ii) Interest due but not paid	-	88,77,247	-	88,77,247
iii) Interest accrued but not due	-	82,65,546	-	82,65,546
Total (i+ii+iii)	-	24,75,39,269	-	24,75,39,269

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. *Remuneration to Managing Director, Whole-time Directors and/or Manager:* The Company does not have any Managing Director, Whole-time Director and/or manager. Therefore no remuneration was paid to any Managing Director, Whole-time Director and/or Manager during the financial year 2017-18.

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of Profit - other, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per Act	-	-	-	-	-

B. *Remuneration To Other Directors:* No remuneration was paid to any Director during the financial year 2017-18.

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
	1. Independent Directors	-	-	-	-	-	-	-
	(i) Fee for attending Board/ Committee Meetings	-	-	-	-	-	-	-
	(ii) Commission	-	-	-	-	-	-	-
	(iii) Others, Please specify	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-
	2. Other Non Executive Directors	-	-	-	-	-	-	-
	(i) Fee for attending Board Committee Meetings	-	-	-	-	-	-	-
	(ii) Commission	-	-	-	-	-	-	-
	(iii) Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1+2)	-	-	-	-	-	-	-

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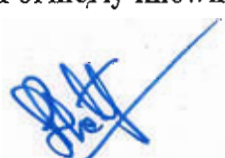
Total Managerial Remuneration	-	-	-	-	-	-	-
Overall Ceiling as per Act (for Sitting Fees)	-	-	-	-	-	-	-

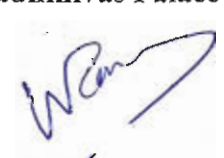
- C. Remuneration to key managerial personnel other than MD/MANAGER/WTD- The company does not have any Key Managerial Personnel therefore, no remuneration was paid to any Key Managerial personnel during the financial year 2017-18.

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission - as % of Profit - other, specify	-	-	-	-
	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE:

For and on Behalf of the Board of Directors of
MAHODADHI PALACE PRIVATE LIMITED
(Formerly known as Fort Mahodadhivas Palace Private
Limited)


PRABHAKAR V. SHETTY
DIN 02448426
DIRECTOR


DR. VITHAL V KAMAT
DIN 00195341
DIRECTOR

Place: Mumbai
Date: 23-05-2018

Independent Auditors' Report

To,

The Members of

Mahodadhi Palace Private Limited (Formally known as Fort Mahodadhinivas Palace Private Limited)

Report on the Ind AS financial statement

We have audited the accompanying Ind AS financial statements of **Mahodadhi Palace Private Limited** (Formally known as Fort Mahodadhinivas Palace Private Limited) ('the Company') which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as Ind AS financial statements).

Management's responsibility for the Ind AS financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.



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

Opinion

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

Material uncertainty related to going concern

Reference is invited to Note 37 of Ind AS financial statements regarding preparation of Ind AS financial statements on going concern basis. The Company has incurred substantial losses during the year and previous financial years and its net worth is negative. Further, its current liabilities are exceeding current assets. In view of the management going concern assumption is appropriate, considering (a) future prospectus of business from hotel property post expiry of operation and management arrangement with holding company [also refer note 36 of financial statement]; (b) expected positive outcome from renegotiation with the holding company for increase in share of revenue under operation and management agreement; (c) fair value of the underlying hotel property; and (d) commitment from the holding company for financial support from time to time.

Our opinion is not modified in respect of this matter.

Other matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 19th May, 2017 and 18th May 2016 respectively expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of above matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 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 derivative contracts for which there were any material foreseeable losses; Company has entered into a long-term operating and management contract with Holding Company for hotel property wherein as per current terms, there would be material foreseeable losses. In view of the management, considering expected positive outcome from the renegotiation there would not be any foreseeable losses from this contract [refer note 36 of financial statement].
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.: 116560W/W100149

M. V. Mody

Milan Mody

Partner

Membership No.: 103286



Place: Mumbai

Date: 23 MAY 2018

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Mahodadhi Palace Private Limited (Formally known as Fort Mahodadhinivas Palace Private Limited)

Annexure A to Independent Auditors' Report for the period from 1st April 2017 to 31st March 2018
[Referred to in 'Other legal and regulatory requirements' of our report of even date]

- i. In respect of fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets of the Company are physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) As per the information and explanation given to us and on the basis of our examination of the records of the Company, the Company holds immovable properties (buildings) that have been built on land taken on lease which are disclosed as a part of the Property, Plant and Equipment of the Company in the financial statements. The lease agreement is in the name of the Company.
- ii. The Company does not hold any inventory. Therefore, clause (ii) of paragraph 3 of the Order relating to inventory is not applicable.
- iii. According to the information and explanation given to us, the Company has not granted any loan secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Therefore, clause (iii) (a), (b), (c) of paragraph 3 of the Order is not applicable.
- iv. As per the information and explanation given to us, in respect of guarantee given, it has complied with provisions of section 186 of the Companies Act, 2013 and section 185 of the Act is not applicable. Further, as informed to us the Company has not made any investments, given loan or provided security to which the provisions of section 185 and 186 of the Companies Act, 2013 applies.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of provisions of Section 73 to 76 of the Act and the rules framed there under. We have been informed that no order relating to Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act. Accordingly clause (vi) of paragraph 3 the Order is not applicable to the Company.
- vii. In respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of amounts deducted / accrued in the books of accounts, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax (GST), duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable to the Company, during the period with the appropriate authorities except significant delay in payment of professional tax. There are no undisputed amounts payable in respect of statutory dues outstanding as at 31st March 2018 for a period of more than six months from the date they become payable except for professional tax of Rs. 20,000.
 - (b) According to the records of the Company and information and explanations given to us, there are no dues of income tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax which have not been deposited with appropriate authorities on account of any dispute.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Mahodadhi Palace Private Limited (Formally known as Fort Mahodadhinivas Palace Private Limited)

Annexure A to Independent Auditors' Report for the period from 1st April 2017 to 31st March 2018
[Referred to in 'Other legal and regulatory requirements 'of our report of even date]

- viii. The Company has not taken any loan from bank, financial institution, Government or issued any debentures. Therefore, clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix. The Company has neither raised money by way of initial public offer or further public offer [including debt instruments] and term loans during the year, nor it had opening balance, hence clause (ix) of paragraph 3 of the Order is not applicable.
- x. During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud by the Company or any fraud on the Company by its employees / officers, nor have been informed of any such case by the management.
- xi. The Company has not paid or provided any managerial remuneration. Hence, reporting under clause (xi) of paragraph 3 of the Order is not applicable.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of records of the Company, transaction with related parties are in compliance with Section 188 of Act and have been disclosed in the Ind AS financial statements as required under Ind AS 24, Related Party Disclosure specified under section 133 of the Act [Also refer note 25 of Ind AS financial statements], read with Rule 7 of the Companies (Accounts) Rules 2014. Section 177 of the Act is not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, question of our comment on compliance with provisions of Section 42 of Act does not arise.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him. Therefore, question of our comment on compliance with provisions of Section 192 of the Act does not arise.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.: 116560WW100149

M. V. Mody

Milan Mody

Partner

Membership No.: 103286



Place: Mumbai

Date: 23 MAY 2018

N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Mahodadhi Palace Private Limited (Formally known as Fort Mahodadhinivas Palace Private Limited)

Annexure B to the Independent Auditor's Report

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 **Mahodadhi Palace Private Limited** ("the Company") as of 31st March 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 authorizations.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Mahodadhi Palace Private Limited (Formally known as Fort Mahodadhinivas Palace Private Limited)

Annexure B to the Independent Auditor's Report

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

management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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

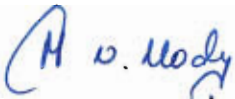
Opinion

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

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No.116560W/W100149



Milan Mody

Partner

Membership No. 103286

Place: Mumbai

Date: 23 MAY 2018

Mahodadhi Palace Private Limited
 (Formerly known as Fort Mahodadhivas Palace Private Limited)
 CIN: U55101MH2010PTC201685
 Balance Sheet as at 31st March 2018
 (Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Particulars	Note no.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
A Non current assets				
a) Property, plant and equipment	5	1,769.68	1,814.52	1,858.94
b) Intangible asset	6	0.12	0.14	0.16
c) Capital work-in-progress	7	-	18.84	18.84
d) Financial assets				
i) Other financial assets	8	20.32	19.06	17.76
e) Income tax assets	9	8.85	8.66	9.22
f) Other non current assets	10	-	5.01	2.01
	(A)	<u>1,798.97</u>	<u>1,866.23</u>	<u>1,906.93</u>
B Current assets				
a) Financial assets				
i) Trade receivable	11	38.40	20.28	17.27
ii) Cash and cash equivalent	12	0.23	0.19	0.12
b) Other current asset	13	10.26	9.67	9.72
	(B)	<u>48.89</u>	<u>30.14</u>	<u>27.11</u>
TOTAL (A+B)		<u><u>1,847.86</u></u>	<u><u>1,896.37</u></u>	<u><u>1,934.04</u></u>
EQUITY AND LIABILITIES				
A Equity				
a) Equity share capital	14	1.00	1.00	1.00
b) Other equity		(847.22)	(781.79)	(672.37)
	(A)	<u>(846.22)</u>	<u>(780.79)</u>	<u>(671.37)</u>
Liabilities				
B Non current liabilities				
a) Financial liabilities				
i) Borrowings	15	2,303.96	2,287.46	2,034.57
b) Deferred tax liabilities (Net)	16	206.60	281.51	330.42
	(B)	<u>2,510.56</u>	<u>2,568.97</u>	<u>2,364.99</u>
C Current liabilities				
a) Financial liabilities				
i) Other financial liabilities	17	171.76	92.55	226.64
b) Other current liabilities	18	11.76	15.64	13.78
	(C)	<u>183.52</u>	<u>108.19</u>	<u>240.42</u>
TOTAL (A+B+C)		<u><u>1,847.86</u></u>	<u><u>1,896.37</u></u>	<u><u>1,934.04</u></u>

Significant accounting policies and notes to financial statement 1 to 37

The notes referred to above form an integral part of the Financial Statements

As per our audit report of even date

For N. A. Shah Associates LLP
 Chartered Accountants
 Firm Registration No. 116560W/ W100149

H. V. Mody

Milan Mody
 Partner
 Membership No.: 103286



Place: Mumbai
 Date: 23rd May 2018

For and on behalf of the Board of Directors of
 Mahodadhi Palace Private Limited

W. V. Kamat
 Dr. Vithal V. Kamat
 Director
 DIN : 00195341

Place: Mumbai
 Date: 23rd May 2018

Prabhakar V. Shetty

Prabhakar V. Shetty
 Director
 DIN : 02448426

Place: Mumbai
 Date: 23rd May 2018

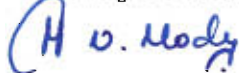
Mahodadhi Palace Private Limited
(Formerly known as Fort Mahodadhinivas Palace Private Limited)
CIN: U55101MH2010PTC201685
Statement of profit and loss for the year ended 31st March 2018
(Amount in rupees lakhs; except share and per share data, unless otherwise stated)

Particulars	Note no.	Year ended 31st March 2018	Year ended 31st March 2017
A Income			
Revenue from operations	19	37.11	35.12
Other income	20	1.64	1.68
Total income (A)		38.75	36.80
B Expenses			
Financial costs	21	91.84	133.10
Depreciation and amortization	5 & 6	44.43	44.43
Other expenses	22	18.96	17.63
Total expenses (B)		155.23	195.16
C Profit/(loss) before exceptional item & tax (A - B)		(116.48)	(158.34)
Exceptional item - Expenses	23	23.85	-
D Profit/(loss) before tax		(140.33)	(158.34)
E Tax expense:			
- Current tax		-	-
- Deferred tax (charge) / credit	16 & 16.1	74.91	48.92
		74.91	48.92
F Profit/(loss) after tax (C - D)		(65.42)	(109.42)
G Other comprehensive income			
A) Items that will not be reclassified to Statement of Profit and Loss		-	-
B) Items that will be reclassified to statement of Profit and Loss		-	-
Total other comprehensive (income)/ expenses		-	-
H Total comprehensive income/ (loss) for the year (E + F)		(65.42)	(109.42)
Basic and diluted earnings/ (loss) per share (Face value of Rs. 10 each)	27	(654.21)	(1,094.21)
Significant accounting policies and notes to financial statements	1 to 37		

The notes referred to above form an integral part of the Financial Statements

As per our audit report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

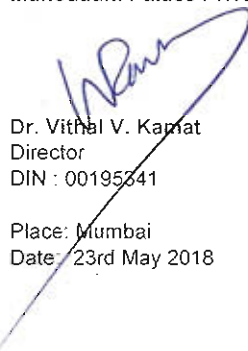


Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 23rd May 2018



For and on behalf of the Board of Directors of
Mahodadhi Palace Private Limited


Dr. Vithal V. Kamat
Director
DIN : 00195341

Place: Mumbai
Date: 23rd May 2018



Prabhakar V. Shetty
Director
DIN : 02448426

Place: Mumbai
Date: 23rd May 2018

Mahodadhi Palace Private Limited
(Formerly known as Fort Mahodadhinivas Palace Private Limited)
CIN: U55101MH2010PTC201685
Cash Flow Statement for the year ended 31st March 2018
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

Particulars	Note	Year ended 31st March 2018	Year ended 31st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before taxes		(140.33)	(158.34)
Adjustments for:			
Depreciation and amortization		44.43	44.43
Interest income		(1.60)	(1.66)
Capital work in progress and capital advance written off		23.85	
Interest expenses		91.84	133.10
Loss on discard of assets		0.43	-
		<u>18.63</u>	<u>17.52</u>
Movements in working capital:			
(Increase) / decrease in trade receivable and other current assets		(18.71)	(2.95)
Increase / (decrease) in other current financial liabilities and other current liabilities		(3.58)	1.86
Cash generated from operations before taxes		<u>(3.67)</u>	<u>16.43</u>
Adjustment for:			
Income tax (paid)/ refund received (net)		1.15	(0.07)
Net cash generated/ (used in) from operating activities...(A)		<u><u>(2.52)</u></u>	<u><u>16.36</u></u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
(Increase)/decrease in fixed deposit deposits (not considered as cash and cash equivalent)		(1.26)	(1.30)
Capital advances given		-	(3.00)
Interest earned		1.40	1.44
Cash generated from investing activity before taxes		<u>0.14</u>	<u>(2.86)</u>
Adjustment for:			
Income tax (paid)/ refund received (net)		(1.14)	0.86
Net cash (used in) / from investing activities... (B)		<u><u>(1.00)</u></u>	<u><u>(2.00)</u></u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceed from short term borrowing		296.50	252.89
Repayment of short term borrowing		(280.00)	-
Interest paid		(12.93)	(267.19)
Net cash (used in) / from financing activities... (C)		<u><u>3.57</u></u>	<u><u>(14.29)</u></u>
Net increase / (decrease) in cash and cash equivalents (A+ B+C)		<u><u>0.05</u></u>	<u><u>0.06</u></u>
Cash and cash equivalents at beginning of the year	12	0.19	0.12
Cash and cash equivalents at end of the year		0.23	0.19
Net increase / (decrease) in cash and cash equivalents		<u><u>0.05</u></u>	<u><u>0.06</u></u>

(Note: Refer notes on cash flow statement 31)

Significant accounting policies and notes to financial statement 1 to 3/

Notes referred to herein above form an integral part of financial statements.

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W/ W100149

Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 23rd May 2018



For and on behalf of the Board of Directors of
Mahodadhi Palace Private Limited

Dr. Vithal V. Karmat
Director
DIN : 00195341

Place: Mumbai
Date: 23rd May 2018

Prabhakar V. Shetty
Director
DIN : 02448426

Place: Mumbai
Date: 23rd May 2018

Mahodadhi Palace Private Limited
 (Formerly known as Fort Mahodadhinivas Palace Private Limited)
 CIN: U55101MH2010PTC201685
 Statement of changes in equity for the year ended 31st March 2018
 (Amount in rupees lakhs, except share and per share data, unless otherwise stated)

(a) Equity share capital

As at 1st April 2016	Changes in equity share capital during the year	As at 31st March 2017	Changes in equity share capital during the year	As at 31st March 2018
1.00	-	1.00	-	1.00

(Also refer note 14)

(b) Other equity

Particulars	Retained earnings	Total other equity
Balance as at 1st April 2016	(672.37)	(672.37)
Loss for the year	(109.42)	(109.42)
Other comprehensive income/ (loss) for the year	-	-
Balance as at 31st March 2017	(781.79)	(781.79)
Loss for the year	(65.42)	(65.42)
Other comprehensive income/ (loss) for the year	-	-
Balance as at 31st March 2018	(847.22)	(847.22)

Notes referred to herein above form an integral part of financial statements.

As per our audit report of even date

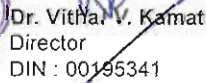
For N. A. Shah Associates LLP
 Chartered Accountants
 Firm Registration No. 116560W/W100149

For and on behalf of the Board of Directors of
 Mahodadhi Palace Private Limited



Milan Mody
 Partner
 Membership No.: 103286




 Dr. Vithal V. Kamat
 Director
 DIN : 00195341



Prabhakar V. Shetty
 Director
 DIN : 02448426

Place: Mumbai
 Date: 23rd May 2018

Place: Mumbai
 Date: 23rd May 2018

Place: Mumbai
 Date: 23rd May 2018

Mahodadhi Palace Private Limited

(Formerly known as Fort Mahodadhivivas Palace Private Limited)

CIN No: U55101MH2010PTC201685

Notes on financial statements for the year ended 31st March 2018

1. Background

The Company was incorporated on 5th April 2010 under Companies Act, 1956 and is domiciled in India. The registered office of the Company is located at KHIL House, 70 - C, Nehru road, Vile Parle (east), Mumbai, Maharashtra 400099, India. The Company has given its hotel property to Kamat hotels (India) Limited under business contract agreement to run, manage, conduct, and operate the operation and management of the Hotel. The Company is a wholly owned subsidiary of Kamat Hotels (India) Limited. Name of the Company has been changed from "Fort Mahodadhivivas Palace Private Limited" to "Mahodadhi Palace Private Limited" w.e.f. 29th December, 2016.

The financial statements of the Company for the year ended 31st March 2018 were approved and adopted by board of directors of the Company in their meeting held on 23rd May 2018.

2. Basis of preparation

2.1. Statement of compliance with Ind AS

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

For all periods up to and including the year ended 31st March 2017, the Company had prepared its financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules 2014 (referred as "Indian GAAP"). These are the Company's first annual financial statements prepared complying in all material respects with the Ind AS notified under Section 133 of the Companies Act, 2013.

The financial statements comply with Ind AS notified by the Ministry of Corporate Affairs ('MCA'). The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from Indian GAAP which is considered as the previous GAAP, as defined in Ind AS 101. In case of the Company, previous year figures as per the financial statements does not require any restatement as per Ind AS (Also refer note 35 of financial statement).

2.2. Functional and presentation of currency

The financial statements are prepared in Indian Rupees which is also the Company's functional currency. All amounts are rounded to the nearest rupees in lakhs.

2.3. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

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

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



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

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

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

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

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.4. Use of significant accounting estimates, judgements and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses for the periods presented. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment and Intangible assets

The Company has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment and intangible assets based on its internal technical assessment. Property, plant & equipment and intangible assets represent a significant proportion of the asset base of the Company. Further, the Company has estimated that scrap value of property, plant & equipment would be able to cover the residual value & decommissioning costs of property, plant & equipment.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation / amortisation and decommissioning costs are critical to the Company's financial position and performance.

ii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on industry



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practice, Company's past history and existing market conditions as well as forward looking estimates at the end of each reporting period.

iii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies it is not possible to predict the possible obligation on account of corporate guarantee given.

iv) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss.

v) Going concern

The Company has incurred substantial losses during the year and previous financial years and its networth is negative. Further, its current liabilities are exceeding current assets. The accounts are prepared on going concern basis considering (a) future prospectus of business from hotel property post expiry of operation and management arrangement with holding company [also refer note 36 of financial statement]; (b) positive outcome from renegotiation with the holding company for increase in share of revenue under operation and management agreement; (c) fair value of the underlying hotel property; and (d) commitment from the holding company for financial support from time to time.

vi) Corporate guarantee:

The Company has given corporate guarantee (jointly with other fellow subsidiaries and group entities) on behalf of holding company aggregating to Rs. 3,858,300,000 (31st March 2017: 3,858,300,000 & 1st April 2016: 3,858,300,000) towards loan facilities taken from banks/ others. Share of Company in this corporate guarantee is not quantifiable. Company does not expect any outflow on account of this guarantee. In view of the Management estimate that holding company would be able to refinance the outstanding debt and meet the debt obligations as and when they fall due and hence the financial guarantee obligation is not required to be recognised in financial statements and it has been disclosed as contingent liability.

3. Significant Accounting Policies

3.1. Presentation and disclosure of financial statement

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

As of the reporting date, the Company has no business operation and hence the operating cycle is assumed to be 12 months.

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of the property, plant & equipment under Ind AS.



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Properties plant and equipment are stated at their cost of acquisition. Gross carrying amount of all property, plant and equipment are measured using cost model. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset. High end operating supplies acquired prior to commencement of the hotel operations and opening of new restaurants / outlets are considered as a part of property, plant and equipment.

Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013 except building which is depreciated over the period of lease.

Leasehold improvements are amortized over the period of lease or useful life whichever is lower.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised 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 asset is de-recognised.

3.3. Intangible assets and amortisation

Recognition and measurement

Under the previous GAAP, intangible assets were carried at historical cost less amortization and impairment losses, if any. On transition to Ind AS, the Company has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition i.e. 1st April 2016 as the deemed cost of the intangible assets under Ind AS.

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.



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Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Computer softwares are amortized in 10 years on straight line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

3.4. Revenue recognition

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

- (i) Management fees under hotel management arrangement are recognised in accordance with terms of the arrangement.
- (ii) Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.5. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.6. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where Company is lessee

Operating lease - Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets 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 except where scheduled increase in rent compensates the Company with expected inflationary costs.

Where Company is lessor

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement



of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

3.7. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

3.8. Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.9. Cashflow statement

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.10. Provisions, contingent liabilities, contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when



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appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

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

3.11. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

3.12. Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.13. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial 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 of the financial assets or financial liabilities, as appropriate, on initial recognition.



Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.13.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can



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be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.



3.13.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.



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However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Offsetting of financial instruments

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

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the



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change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

4. New standard issued but not effective and hence not adopted

The following standards issued / modified by MCA become effective w.e.f. 1st April 2018.

Particulars	Effective date
New Ind AS issued *	
Ind AS 115 – Revenue from contracts with customers	1 st April 2018
Modification to existing Ind AS *	
Ind AS 12 – Income Taxes	1 st April 2018
Ind AS 21 – The effects of changes in foreign exchange rates	1 st April 2018
Ind AS 28 – Investments in associates and joint ventures	1 st April 2018
Ind AS 40 – Investment property	1 st April 2018
Ind AS 112 – Disclosure of interest in other entities	1 st April 2018

* Does not include modification to existing other Ind AS due to issue of new Ind AS.

The Company is assessing the potential impact of above amendments on the financial statements. Management presently is of the view that it would not have a material impact on the financial statements.



Mahodadhi Palace Private Limited

(Formerly known as Fort Mahodadhinivas Palace Private Limited)

CIN: U55101MH2010PTC201685

Notes to financial statements for the year ended 31st March 2018

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

5	Property plant & equipment	Leasehold improvement (Refer note 5.1)	Furniture & fixture	Office equipment	Plant & machinery	Total
	Gross carrying value					
	Deemed cost as at 1st April, 2016	1,808.20	5.95	0.03	44.75	1,858.94
	Additions	-	-	-	-	-
	Deletions	-	-	-	-	-
	Balance as at 31st March, 2017	1,808.20	5.95	0.03	44.75	1,858.94
	Additions	-	-	-	-	-
	Deletions	-	0.03	-	0.62	0.65
	Balance as at 31st March, 2018	1,808.20	5.93	0.03	44.13	1,858.29
	Accumulated Depreciation					
	Balance as at 1st April, 2016	-	-	-	-	-
	Charge for the year 2016-17	39.81	1.10	-	3.50	44.41
	Deletions	-	-	-	-	-
	Balance as at 31st March, 2017	39.81	1.10	-	3.50	44.41
	Charge for the year 2017-18	39.81	1.10	-	3.50	44.41
	Deletions	-	0.02	-	0.20	0.22
	Balance as at 31st March, 2018	79.62	2.19	-	6.79	88.61
	Net carrying amount					
	Balance as at 1st April, 2016	1,808.20	5.95	0.03	44.75	1,858.94
	Balance as at 31st March, 2017	1,768.39	4.85	0.03	41.25	1,814.52
	Balance as at 31st March, 2018	1,728.58	3.74	0.03	37.33	1,769.68

5.1 The leasehold improvements are constructed on land and building taken under operating lease for a period of 50 years.

6	Other intangible assets	Computer Software	Total
	Gross carrying value		
	Deemed cost as at 1st April, 2016	0.16	0.16
	Additions	-	-
	Deletions	-	-
	Balance as at 31st March, 2017	0.16	0.16
	Additions	-	-
	Deletions	-	-
	Balance as at 31st March, 2018	0.16	0.16
	Accumulated amortization		
	Balance as at 1st April, 2016	-	-
	Amortization for the year 2016-17	0.02	0.02
	Deletions	-	-
	Balance as at 31st March, 2017	0.02	0.02
	Amortization for the year 2017-18	0.02	0.02
	Deletions	-	-
	Balance as at 31st March, 2018	0.04	0.04
	Net carrying amount		
	Balance as at 1st April, 2016	0.16	0.16
	Balance as at 31st March, 2017	0.14	0.14
	Balance as at 31st March, 2018	0.12	0.12



Mahodadhi Palace Private Limited

(Formerly known as Fort Mahodadhinivas Palace Private Limited)

CIN: U55101MH1313PTC201685

Notes to financial statements for the year ended 31st March 2018

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

7	Capital work in progress	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Opening	18.84	18.84	18.84
	Addition during the year	-	-	-
	Capitalization	-	-	-
	Written off during the year (Refer note 23.1)	18.84	-	-
	Closing balance	-	18.84	18.84

8	Other financial assets	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Fixed deposit (Refer note 8.1)	20.32	19.06	17.76
	Total	20.32	19.06	17.76

8.1 Fixed deposit is given against Bank Guarantee issued by Bank on behalf of Company to Orissa Tourism Development Corporation (OTDC).

9	Income tax assets	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Advance tax (Tax deducted at source) - (net)	8.85	8.66	9.22
	Total	8.85	8.66	9.22

10	Other non-current asset	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Capital advances (Refer note 23.1)	-	5.01	2.01
	Total	-	5.01	2.01

11	Trade receivable	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Unsecured			
	(i) Considered good (Refer note 11.1)	38.40	20.28	17.27
	(ii) Considered doubtful	-	-	-
	Total	38.40	20.28	17.27

11.1 Outstanding from Company in which director is interested as director and member.

12	Cash and cash equivalent	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Cash in hand	0.10	0.05	0.05
	Balances with bank - In current accounts	0.13	0.14	0.07
	Total	0.23	0.19	0.12

13	Other current asset	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Prepaid expenses	10.26	9.67	9.72
	Total	10.26	9.67	9.72



Mahodadhi Palace Private Limited

(Formerly known as Fort Mahodadhi Palace Private Limited)

CIN: U55101MH2010PTC201685

Notes to financial statements for the year ended 31st March 2018

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

14	Equity share capital	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Authorised capital			
	50,000 equity shares (31st March 2017: 50,000 & 1st April 2016: 50,000) of Rs.10 each	5.00	5.00	5.00
	Total	5.00	5.00	5.00
	Issued, subscribed and paid-up			
	10,000 equity shares (31st March 2017: 10,000 & 1st April 2016: 10,000) of Rs.10 each	1.00	1.00	1.00
	Total	1.00	1.00	1.00

14.1 Terms/ rights attached to equity shares :

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (After due adjustment in case shares are not fully paid up).

14.2 Movements in equity share capital

Particulars	31st March 2018		31st March 2017	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	10,000	1.00	10,000	1.00
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the end	10,000	1.00	10,000	1.00

14.3 Details of shareholders holding more than 5 % shares in the Company:

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	% of holding	Number of Shares*	% of holding	Number of Shares*	% of holding	Number of Shares*
Kamat Hotels (India) Limited	100	10,000	100	10,000	100	10,000

* Out of the above, 50 shares are jointly held with

14.4 Equity shares held by the holding company (also ultimate holding company)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	% of holding	Number of Shares*	% of holding	Number of Shares*	% of holding	Number of Shares*
Kamat Hotels (India) Limited	100	10,000	100	10,000	100	10,000

*Out of above one share is held by Dr. Vithal V. Kamat as nominee of Kamat Hotels (India) Limited.

15	Borrowings	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Unsecured			
	Intercorporate loan			
	- From Holding Company (Refer note 15.1 and 15.2)	418.74	698.74	827.66
	- From other company (Refer note 15.3)	1,885.22	1,588.72	1,206.91
	Total	2,303.96	2,287.46	2,034.57

15.1 In previous year, in view of various adverse factors and the request made to holding company by the Company for waiver of interest, holding company has waived off interest on the unsecured loans granted until there is improvement in the financial position of the Company. This waiver was effective from 28th February 2017. Accordingly, no interest is charged by holding Company on the outstanding loan.

15.2 This intercorporate loan is repayable based on start of full commercial operations of the hotel and availability of funds with the Company or such other dates as mutually agreed. As per the terms of the agreement it is not payable in next 12 months as at balance sheet date, hence same is classified under long term borrowing

15.3 Above intercorporate loan is repayable based on start of full commercial operations of the hotel and availability of funds with the Company. As per the terms of the agreement it is not payable in next 12 months as at balance sheet date, hence same is classified under long term borrowing.



Manodadhi Palace Private Limited

(Formerly known as Fort Malodadhi Palace Private Limited)

CIN: U55101MH2010PTC201636

Notes to financial statements for the year ended 31st March 2018

(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

16	Deferred tax liability	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Major components of deferred tax liabilities and deferred tax assets:				
Deferred tax liabilities				
	Difference in net carrying value of fixed asset as per income tax and books	372.83	444.93	445.21
	Sub-total (A)	372.83	444.93	445.21
Deferred tax assets				
	Carried forward losses as per income tax	166.23	163.42	114.78
	Sub-total (B)	166.23	163.42	114.78
	Net deferred tax liability/ (asset) - Net	206.60	281.51	330.43

16.1 Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2018 and 31st March 2017

Particulars	As at 31st March 2018	As at 31st March 2017
Accounting profit before tax from operations	(140.33)	(158.34)
Income tax liability as per applicable tax rate i.e. 26% (Previous year: 30.90%)	(36.49)	(48.93)
(a) Permanent disallowance	7.39	0.01
(b) Effect of change in tax rate from 30.90% to 26% for deferred tax liability calculation	45.82	-
Tax expense / (credit) reported in the Statement of Profit and Loss	(74.91)	(48.92)

Note: No provision for income tax has been made during the year as well as in the previous year as there is no taxable income as per the Income Tax Act, 1961.

17	Other financial liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Interest accrued and due (Refer note 17.1)	88.77	48.46	102.99
	Interest accrued but not due	82.66	44.06	123.62
	Other payables	0.33	0.03	0.03
	Total	171.76	92.55	226.64

17.1 Interest is overdue for a period of 335 to 720 days (As at 31st March 2017: 335 to 720 days, As at 31st March 2016 ; 335 days to 364 days).

18	Other current liabilities	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	Statutory dues	11.76	15.64	13.77
	Other payables	-	-	0.02
	Total	11.76	15.64	13.78



19	Revenue from operations	Year ended 31st March 2018	Year ended 31st March 2017
	Management fees (Refer note 26.2)	37.11	35.12
	Total	37.11	35.12

20	Other income	Year ended 31st March 2018	Year ended 31st March 2017
	Interest earned on		
	- Fixed deposit with bank	1.40	1.44
	- Income tax refund	0.20	0.22
	Miscellaneous income	0.04	0.02
	Total	1.64	1.68

21	Finance cost	Year ended 31st March 2018	Year ended 31st March 2017
	Interest on loan	91.84	133.10
	Total	91.84	133.10

22	Other expenses	Year ended 31st March 2018	Year ended 31st March 2017
	Bank charges	0.28	0.33
	Insurance charges	0.79	0.77
	Lease rent (Refer note 26.1)	16.70	16.30
	Legal and professional fees	0.15	0.10
	Rates and taxes	0.31	0.05
	Audit fees (Refer note 22.1)	0.06	0.03
	Loss on discard of the fixed assets	0.43	-
	Miscellaneous expenses	0.24	0.05
	Total	18.96	17.63

22.1 Auditors' remuneration*

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
For statutory audit	0.06	0.03
Total	0.06	0.03

*Including Good & Service tax of Rs. 0.01 lakhs (Previous year: service tax of Rs. 0.004 lakhs).

23	Exceptional items	Year ended 31st March 2018	Year ended 31st March 2017
	Capital advances written off	5.01	-
	Capital work in progress written off (refer note 23.1)	18.84	-
	Total	23.85	-

23.1 Opening capital work in progress and outstanding capital advance has been written off during the year on account of abandonment of expansion work initiated in earlier years.



Mahodadhi Palace Private Limited
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Notes to financial statements for the year ended 31st March 2018
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

24 Capital commitments, other commitments and contingent liabilities

24.1 Capital and other commitments

There are no capital commitments and other commitments as at 31st March 2018 (31st March 2017: Nil & 1st April 2016: Nil).

24.2 Contingent liabilities

- a) Company has given corporate guarantee (jointly with other fellow subsidiaries and group entities) on behalf of holding company aggregating to Rs. 38,583.00 lakhs (31st March 2017: 38,583.00 lakhs & 1st April 2016: 38,583.00 lakhs) towards loan facilities taken from banks/others. Share of Company in this corporate guarantee is not quantifiable. Company does not expect any outflow on account of this guarantee.

25 Related party transactions

25.1 Name and relationships of related parties

- a. Holding & Ultimate Holding Company : Kamat Hotels (India) Limited
b. Directors / Key management personnel : Vithal V. Kamat
Prabhakar V. Shetty

25.2 Transactions with related parties

Nature of transaction	Name of the Party	Year ended 31st March 2018	Year ended 31st March 2017
Management fees recovered	Kamat Hotels (India) Limited	37.11	35.12
Interest expense on loan		-	88.16
Unsecured loan repaid during the year		280.00	-
Interest paid during the year		-	259.79
Expenses paid on behalf of the Company		0.04	-

25.3 Closing balances of related parties

Nature of transaction	Name of the Party	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Amount receivable	Kamat Hotels (India) Limited	36.66	20.27	17.27
Borrowings		418.74	698.74	827.66
Amount payable		0.04	-	-
Interest payable		3.62	3.62	175.25
Corporate Guarantee given (jointly with other fellow subsidiaries and group entities) to banks/ others for Credit Facility availed by Holding Company [Company's share is not quantifiable]		38,583.00	38,583.00	38,583.00

Terms and conditions of related party transaction

Outstanding balances at the year end are unsecured with a short term duration (except for borrowing) and interest free and settlement occurs in cash. All transactions were made on normal commercial terms and conditions and at market rates.



26 Leases

26.1 Where Company is lessee:

The Company has taken heritage palace under non-cancelable lease for a period of 50 years, which is in the nature of operating lease.

Lease rents are payable on yearly basis and are subject to escalation every two years which is calculated based on wholesale price index (WPI). Disclosures as required under Ind AS 17 - 'Leases' are as given below:

Particulars	31st March 2018	31st March 2017	1st April 2016
Rent recognised as expenses during the year	16.70	16.30	-
Payable not later than one year*	17.36	17.36	16.25
Later than one year but not later than five years*	86.81	86.81	86.81
Later than five years*	590.28	607.64	625.00

*For the purpose of calculation of future lease rent, due to non-availability of future WPI, same is calculated based on current WPI.

26.2 Where Company is lessor:

The Company has given its property under business contract agreement to run, manage, conduct and operate the operation and management of the Hotel for a period of 20 years which shall be extendable for a further period of 10 years at the sole discretion of the lessee. In lieu of the same, Company gets management fees calculated based on percentage of revenue earned by the lessee from this property. The Company has recognised Management fees of Rs. 37.11 lakhs during the year (Previous year Rs. 35.12 lakhs). Since future revenue is based on percentage of revenue which is contingent in nature, other disclosures as required under Ind AS 17 - 'Leases' are not quantifiable as at the balance sheet date.

27 Earnings/ (loss) per share

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Basic and diluted earning per share		
Net profit / (loss) after tax as per Statement of Profit and Loss (Rs.)	(65.42)	(109.42)
Weighted average number of equity shares outstanding	10,000	10,000
Face value per equity share (Rs.)	10	10
Basic and diluted earnings/(loss) per share (Rs.)	(654.21)	(1,094.21)



Mahodadhi Palace Private Limited
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Notes to financial statements for the year ended 31st March 2018

- 28 Disclosures as required by Indian Accounting Standard (Ind AS) 19 - Employee Benefits:
As the Company had no employees during the year as well as in the previous year, hence no provision for defined benefit obligations like leave encashment and gratuity & defined contribution plan has been made. Consequently, there are no disclosures as required by Indian Accounting Standard 19 (Ind AS) – 'Employee Benefits'.
- 29 Foreign currency exposure outstanding as on 31st March 2018: Nil (31st March 2017: Nil & 1st April 2016: Nil). There are no outstanding derivative contracts as on 31st March 2018 (31st March 2017: Nil & 1st April 2016: Nil).
- 30 Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Operating Segments
There are no reportable segments under Ind AS-108 'Operating Segments' as all the activities relate to only one segment i.e. management fees collected from hotel property given under operation and management. Further, top management of the Company is also reviewing the results / operations of the Company as single segment leasing of hotel property. Company gets its entire revenue from only one customer i.e. holding company to whom Company has given its hotel property under operation and management agreement.
- 31 Notes on Cash Flow Statement:
- (a) In respect of capital work in progress and capital advances written off during the year shown as exceptional item aggregating to Rs. 23.85 lakhs (Previous year : Nil) there is no actual cash outflow involved.
- (b) Aggregate inflow on account of direct taxes is Rs.0.01 lakhs (Previous year : Rs.0.78 lakhs).



Mahodadhi Palace Private Limited
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Notes to financial statements for the year ended 31st March 2018
(Amount in rupees lakhs, except share and per share data, unless otherwise stated)

32 Financial instruments - Accounting Classifications & Fair value Measurement

(a) Financial instruments by category

Sr. No.	Particulars	31st March 2018		31st March 2017		1st April 2016	
		Amortised Cost	FVTOCI	FVTOCI	Amortised Cost	FVTOCI	FVTPL
A	Financial assets						
(i)	Cash and cash equivalents	0.23	-	0.19	-	0.12	-
(ii)	Other financial assets (non-current)	20.32	-	19.06	-	17.76	-
(iii)	Trade receivable	38.40	-	20.28	-	17.27	-
	Total financial assets	58.95	-	39.53	-	35.15	-
B	Financial liabilities						
(i)	Borrowings	2,303.96	-	2,287.46	-	2,034.57	-
(ii)	Other financial liabilities	171.76	-	92.55	-	226.64	-
	Total financial liabilities	2,475.72	-	2,380.01	-	2,261.21	-

FVTOCI - Fair Value Through Other Comprehensive Income

FVTPL - Fair Value Through Profit or Loss

(b) Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following method and assumptions are used to estimate the fair values:

- (i) The management assessed that fair value of Cash and cash equivalents, Other financial assets (non-current), Trade receivable and Other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Borrowings are measured at amortised cost.

33 Financial risk management

The Company has exposure to two risks mainly funding/ liquidity risk and credit risk. The Company has no exposure to the items having the market risk. The Company does not have any derivative financial instruments. The Board of directors has overall responsibility for the establishment of the Company's risk management framework. Risk management systems are reviewed periodically to reflect changes in Company's activities.



Mahodadhi Palace Private Limited
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Notes to financial statements for the year ended 31st March 2018

(a) Credit Risk :

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed mainly to credit risk which arises from cash and cash equivalents and trade receivable. Company's maximum exposure is restricted to the carrying value of the following types of financial assets:

(i) Cash and cash equivalent and other bank balances

The Company considers factors such as track record, size of institution, market reputation and service standards to select the banks with which balances are maintained. The balance are generally maintained with the banks with whom the Company has regular transactions. Considering the same, the Company is not exposed to expected credit loss of cash and cash equivalent.

(ii) Trade receivable

Trade receivable are receivable from holding company and there is no credit risk involved and management considers carrying amount of these assets to be good and recoverable.

(b) Liquidity Risk :

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time. The Company relies on mix of borrowings, capital and operating cash flows to meet its needs for funds. The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the undiscounted payments.

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
As at 31st March 2018				
Borrowings	-	2,303.96	-	2,303.96
Other financial liabilities	171.76	-	-	171.76
As at 31st March 2017				
Borrowings	-	2,287.46	-	2,287.46
Other financial liabilities	92.55	-	-	92.55
As at 1st April 2016				
Borrowings	-	2,034.57	-	2,034.57
Other financial liabilities	226.64	-	-	226.64

(c) Interest rate risk

Company has taken short term demand loan from holding company and other intercorporate loan from outside party. With respect to loan from outside party attracts fixed interest rate of 9% and holding company charges 12%. Interest is waived off by holding company w.e.f. 28th February 2017 [Also refer note. 15.1]. Considering fixed rate of interest are charged, the Company is not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



34 Capital management

The Company's objective when managing capital are to (i) Safeguarding their ability to continue as going concern, so that they can continue to provide returns for shareholders benefit and (ii) maintain capital structure to reduce the cost of capital. Capital is fully contributed by the Holding Company 'Kamat Hotels (India) Limited'. The Company manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. The Company monitors capital using 'net Debt' to 'Equity'. The Company's net debt to equity are as follows:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Total debt	2,303.96	2,287.46	2,034.57
Total capital (total equity shareholder's fund)	(846.22)	(780.79)	(671.37)
Net Debt to Equity ratio	(2.72)	(2.93)	(3.03)

35 Disclosure as required by Ind AS 101 - First time adoption of Indian Accounting Standards

(a) Exemption availed

"Ind AS 101 - First-time adoption of Indian Accounting Standards" allows first time adopters certain exemptions from the retrospective application of certain Ind AS. The Company has applied the following optional exemption:

(i) Deemed cost of property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous Indian GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous Indian GAAP carrying value.

(b) Estimation

The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) except in respect of impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present impairment of financial assets based on the expected credit loss model is in accordance with Ind AS which reflect conditions as at 1st April 2016, the date of transition to Ind AS and as of 31st March 2017.

(c) Reconciliation between previous India GAAP and Ind AS

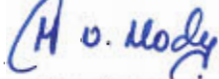
Transition to Ind AS - There are no adjustments required in the transition from previous GAAP to Ind AS. Hence, no reconciliation is required for figures as per previous Indian GAAP and Ind AS in balance sheet and statement of profit and loss.



- 36 The Company has entered into long term operation and management agreement with holding company for a period of 20 years as on 1st April 2014 which is extendable for a period of 10 year at the option of holding company for management of hotel property. Under the agreement, Company is eligible for management fees at 1% of revenue earned from this property which is not sufficient to meet its operating expenses resulting in losses. The Company is renegotiating with the holding company for change in terms of the agreement to increase its revenue to meet its operating expenses. In view of the management, considering expected positive outcome from such renegotiation there would not be any foreseeable losses from this contract.
- 37 The Company has incurred substantial losses during the year and previous financial years and its net worth is negative. Further, its current liabilities are exceeding current assets. The accounts are prepared on going concern basis, considering (a) future prospectus of business from hotel property post expiry of operation and management arrangement with holding company; (b) positive outcome from renegotiation with the holding company for increase in share of revenue under operation and management agreement [also refer note 36 of financial statement]; (c) fair value of the underlying hotel property; and (d) commitment from the holding company for financial support from time to time.

As per our report of even date

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No.: 116560W/W100149

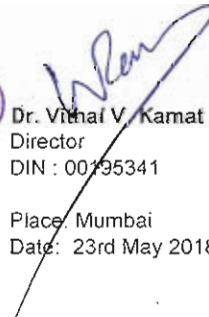


Milan Mody
Partner
Membership No.: 103286

Place: Mumbai
Date: 23rd May 2018



For and on behalf of the Board of Directors of
Mahodadhi Palace Private Limited


Dr. Vinay V. Kamat
Director
DIN : 00195341

Place: Mumbai
Date: 23rd May 2018



Prabhakar V. Shetty
Director
DIN : 02448426

Place: Mumbai
Date: 23rd May 2018