



**INDEPENDENT AUDITOR'S REPORT**

To the Members of UNITECH HOSPITALITY SERVICES LIMITED

Report on the Audit of the Financial Statements

**Opinion**

We have audited the financial statements of Unitech Hospitality Services Limited, which comprise the Balance Sheet as at 31 March 2019, and the statement of Profit and Loss, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial Statements.

**Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



## **Responsibility of Management for 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 financial statements that give a true and fair view of the financial position, financial performance, of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, is not applicable in the case of the Company for the financial year ending as on 31st March 2019.

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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of accounts;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable;

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;



(f) In my opinion and to the best of my information and according to the explanations given to me, the provisions of section 143(3)(i) for reporting on adequacy of the Internal financial controls over financial reporting of the Company and the operating effectiveness of such controls of the company, are not applicable and;

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

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

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For Abhishek Raja & Associates  
Chartered Accountants  
FRN: 021630N



Abhishek Raja  
Partner  
M. No. 506930  
Certificate (UDIN) Number: 19506930AAABBC7473

Place of Signature :New Delhi  
Date : 29/09/2019



**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure 'B' to the Independent Auditors' Report to the member of UNITECH HOSPITALITY SERVICES LIMITED 2019 on the financial statement for the year ended 31<sup>st</sup> March, 2019 referred to in Paragraph 2 of 'Report on other legal and Regulatory Requirements' of our report.

1. In our opinion and according to the information and explanations given to us the Company is not having any Fixed Assets, Clause (i) of paragraph 3 of CARO 2016 is not applicable to the Company.
2. The company does not have any inventory; hence the provisions of this clause are not applicable.
3. In our opinion and according to the information and explanations given to us, the company has granted loans, unsecured to the other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has compiled provisions of section 195 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. According to information and explanations given to us The company has not accepted any deposits from the public. Therefore, the provisions of Clause (v) of paragraph 3 of CARO 2016 are not applicable to the company.
6. To best of our knowledge and as explained, Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax and other statutory dues applicable to it.  
(b) According to information and explanations given to us, there are no dues of income tax which have not been deposited on account of any dispute. The provisions relating to sales tax, service tax, duty of custom, duty of excise and value added tax not applicable to the company.
8. The company has not taken any loan or borrowing from any financial institution, bank and Government. The company has not issued any debenture. Accordingly, the provisions of clause 3(viii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
9. Based on information and explanations given to us by management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
10. Based upon audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or any fraud on the company by its



officers or employees has been noticed or reported during the course of our audit.

11. Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to company.
12. In our opinion Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
13. Based on the information and explanations given to us by management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based on information and explanations given to us by management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review.
15. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him which is covered by section 192 of companies Act 2013.
16. 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 Abhishek Raja & Associates  
Chartered Accountants  
FRN: 021630N



Certificate (UDIN) Number: 19506930AAABBC7473

Place of Signature :New Delhi  
Date : 29/09/2019

## **ANNEXURE - B TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **UNITECH HOSPITALITY SERVICES LIMITED** ("The Company") as of 31 March 2019 in conjunction with our audit of the 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 Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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 Institute of Chartered Accountants of India.

For Abhishek Raja & Associates  
Chartered Accountants  
FRN: 021630N



Abhishek Raja  
Partner  
M. No. 506930  
Certificate (UDIN) Number:  
19506930AAABBC7473

Place of Signature : New Delhi  
Date : 29/09/2019

## **1. Significant Accounting Policies**

### **(a) Basis of Preparation of Financial Statements**

The Company is a Small and Medium Sized Company, as defined in the General Instructions in respect of Accounting Standards issued by Institute of Chartered Accountants of India and referred to sec 129 & 133 of the Companies Act, 2013 and the financial statements of the Company have been prepared in accordance with these accounting principles. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

The Financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous years.

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

All assets and liabilities have been classified as current or non - current as per the company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013.

### **(b) Use of estimates**

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Actual results might differ from the estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

### **(c) Inventories**

Inventories shall be valued at cost, or net realizable value, whichever is lower.

1. Cost of inventories comprises of all costs of purchase, costs of services, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
2. Cost of inventories is assigned by using the first-in-first-out (FIFO/Weighted Average).
3. Scrap is valued at net realizable value.

### **(d) Property, Plant and Equipments and Capital Work -in -Progress**

#### **i) Tangible Fixed Assets:**

Tangible assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The



cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchanges contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

**ii) Intangible Assets :**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

**(e) Depreciation**

Depreciation is provided on fixed assets under the Written down Method Depreciation is provided on a pro-rata basis at the rates based on life assigned to each asset in accordance with schedule II the Companies Act, 2013.

**(f) Impairment**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reserved if there has been a change in the estimate of recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(g) Revenue Recognition**

1. The revenue from Sale of Goods transaction is recognised at the time of transfer of significant risks and rewards of ownership to the buyer.)
2. Revenue from service transactions is recognized by the percentage completion method
3. Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
4. Gross turnover excludes GST.
5. All other income are accounted for on accrual basis.
6. All the expenses are accounted for on accrual basis.



#### **(h) Provisions, Contingent Liabilities and Contingent Assets**

- i. Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.
- ii. A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of outflow of economic benefits required to settle the obligation at the Balance Sheet date.
- iii. Provisions contingent liabilities and contingent assets are reviewed at each Balance Sheet date.
- iv. Re-imbursment expected in respect of expenditure to settle a provision is recognized only when it is virtually certain that the re-imbursment will be received.
- v. Contingent assets are not recognized in the financial statement since this may result in the recognition of the income that may never be realized.

#### **(i) Employee Benefits**

All employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees. And

- i. The company has taken a policy from Life Insurance Corporation of India for the payment of gratuity. And
- ii. The gratuity has been provided in books on accrual basis. And
- iii. The leave encashment is accounted for as and when the liability for it becomes due for payment. And
- iv. The retirement benefits are accounted for as and when liability becomes due for payment.

#### **(j) Borrowing Costs**

Interest and other borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other interest and borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

#### **(k) Taxes on Income**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.



Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more Periods. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain to be realized.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as Mat Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

#### **(l) Earnings per share**

Basis earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basis earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

#### **(m) Tax Input Credit**

GST input credit is accounted for in the books in the period in which the underlying service and goods received is accounted and when there is no uncertainty in availing / utilizing the credits.

#### **(n) Cash and Cash Equivalents**

Cash and Cash Equivalents includes cash at bank and cash in hand.

#### **(o) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments



Long-term Investments (excluding investment properties) are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(p) Leases**

Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability. Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the lease term.

**(q) Other income**

Other income comprises interest income on deposits, dividend income and gains / (losses), net, on disposal of investments. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

**(r) Insurance Claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.



**UNITECH HOSPITALITY SERVICES LTD**  
**Balance Sheet as on 31 MARCH 2019**  
(Amount in rupees, unless otherwise stated)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Financial Assets</b>			
Other Financial Assets	3	3,008,571	3,008,571
<b>Total non-current Assets</b>		<b>3,008,571</b>	<b>3,008,571</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
Cash and Cash equivalents	4	131,232	131,572
Other Current Assets	5	425,387,194	425,445,569
<b>Total Current Assets</b>		<b>425,518,426</b>	<b>425,577,141</b>
<b>Total Assets</b>		<b>428,526,997</b>	<b>428,585,712</b>
<b>EQUITY AND LIABILITIES</b>			
Equity Share Capital	6	4,750,000	4,750,000
Other Equity	7	276,211,081	276,296,796
<b>Total Equity Liability</b>		<b>280,961,081</b>	<b>281,046,796</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	8	10,786,313	10,786,313
(ii) Trade and other payables	9	35,921,014	35,894,014
(iii) Other Current Liabilities	10	100,858,589	100,858,589
<b>Total Current Liability</b>		<b>147,565,916</b>	<b>147,538,916</b>
<b>Total Liability</b>		<b>428,526,997</b>	<b>428,585,712</b>

Summary of significant accounting policies 1 TO 2

The accompanying notes are integral part of the financial statements

As per our report of even date attached to the financial statements

For Abhishek Raja & Associates

For and on behalf of the board of directors

Chartered Accountants

FRN: 021630N



Abhishek Raja

Partner

Membership No.:506930

SEEMA GHAI

Director

DIN: 07951973

NADEEM AHMAD KHAN

Director

DIN: 02534694

Place: Gurugram

Dated:

**UNITECH HOSPITALITY SERVICES LTD**
**Statement of Profit and Loss for the year ended 31 March, 2019**
**(Amount in rupees, unless otherwise stated)**

Particular	Note No	For the Year ended March 31 2019	For the Year ended March 31 2018
<b>Incomes:</b>			
Other income	11	-	-
<b>Total Income</b>			
<b>Expenses:</b>			
Other expenses	12	85,715	15,402,750
<b>Total expenses</b>		85,715	15,402,750
<b>Profit/(loss) before exceptional items and tax</b>		(85,715)	(15,402,750)
<b>Profit/(Loss) before tax</b>		(85,715)	(15,402,750)
<b>Tax expense:</b>			
Current tax		-	-
<b>Profit/(Loss) for the year</b>		(85,715)	(15,402,750)
<b>Other Comprehensive Income</b>	13		
A(i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income Tax relating to item that will be reclassified to Profit and Loss		-	-
B(i) Items that will not be reclassified to profit or Loss		-	-
(ii) Income Tax relating to item that will not be reclassified to Profit and Loss		-	-
<b>Total Comprehensive Income for the Year</b>		(85,715)	(15,402,750)
<b>Earnings per equity share of face value of Rs. 10 each</b>	14		
(1) Basic		(0.18)	(32.43)
(2) Diluted		(0.18)	(32.43)

**Summary of significant accounting policies**
**1 TO 2**

The accompanying notes are integral part of the financial statements

As per our report of even date attached to the financial statements

**For Abhishek Raja & Associates**
**Chartered Accountants**
**FRN: 021630N**

**Membership No.: 506930**
**Place: Gurugram**
**Dated:**
**For and on behalf of the board of directors**
**SEEMA GHAI**  
**Director**  
**DIN: 07951973**
**NADEEM AHMAD KHAN**  
**Director**  
**DIN: 02534694**

**UNITECH HOSPITALITY SERVICES LTD**

Cash Flow Statement for the year ended March 31, 2019

(Amount in rupees, unless otherwise stated)

(Amount in Rs)

Particulars	March 31, 2019	March 31, 2018
<b>Cash flow from operating activities</b>		
Net profit/ (loss) before tax and extraordinary items	(85,715)	(15,402,750)
Adjustments for:		
Excess provision written back	-	-
Operating profit before working capital changes	(85,715)	(15,402,750)
Adjustment for:		
Current Assets	58,375	15,890,281
Trade & Other Payable	27,000	(993,065)
Other Financial liabilities	-	-
<b>Cash generated from operations</b>	(340)	(505,534)
Direct taxes paid	-	-
<b>Net cash from/ (used in) operating activities (A)</b>	(340)	(505,534)
<b>Cash flows from investing activities</b>	-	-
<b>Net cash from/ (used in) investing activities (B)</b>	(340)	(505,534)
<b>Cash flows from financing activities</b>		
Proceeds/ (repayments) of borrowings	-	-
<b>Net cash from/ (used in) financing activities (C)</b>	-	-
<b>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	(340)	(505,534)
<b>Total cash and cash equivalents (Opening Balance)</b>	131,572	637,107
<b>Total cash and cash equivalents (Closing Balance)</b>	131,232	131,572
<b>Components of cash and cash equivalents:</b>		
Cash in hand	17	357
In Current Account	131,215	131,215
<b>Total cash and cash equivalents</b>	131,232	131,572

## Summary of significant accounting policies

1 TO 2

The accompanying notes are integral part of the financial statements

As per report of even date attached to the financial statements

For Abhishek Raja &amp; Associates

Chartered Accountants

FRN : 021630N

021630N

021630N

Abhishek Raja

Partner

Membership No.:506930

For and on behalf of the Board of Directors



SEEMA GHAI  
Director  
DIN: 07951973



NADEEM AHMAD KHAN  
Director  
DIN: 02534694

Place: Gurugram

Dated:

**UNITECH HOSPITALITY SERVICES LTD****Statement of changes in equity as on March 31, 2019**

(Amount in Rupees, unless otherwise stated)

**Note No.A Equity Share Capital**

As at March 31, 2018	Changes during the year	As at March 31, 2019
4,750,000	-	4,750,000

**Note No.B Other Equity**

Particulars	Reserves & Surplus		Total
	Securities Premium Account	Retained earnings	
AS AT April 1, 2018	313,667,650	(21,968,104)	291,699,546
Net Profit / (Loss) during the year	-	(15,402,750)	(15,402,750)
Other Comprehensive Income	-	-	-
Total comprehensive income	-	(15,402,750)	(15,402,750)
Balance as at March 31, 2018	313,667,650	(37,370,854)	276,296,796
Net Profit / (Loss) during the year	-	(85,715)	(85,715)
Other Comprehensive Income	-	-	-
Total comprehensive income	-	(85,715)	(85,715)
Balance as at March 31, 2019	313,667,650	(37,456,569)	276,211,081

**Significant accounting policies**

Note 1 &amp; 2

The accompanying notes 1-26 are an integral part of the financial statements.

As per our report of even date attached to the Balance Sheet

**Abhishek Raja & Associates**

Chartered Accountants

FBN: 021630N

**Abhishek Raja**

Partner

Membership No.: 506930

For and on behalf of the board of directors

**SEEMA GHAI**

Director

DIN: 07951973

**NADEEM AHMAD KHAN**

Director

DIN: 02534694

Place: Gurugram

Dated:

## Unitech Hospitality Services Limited

### Notes to the financial statements for the year ended 31st March, 2019

#### 1. Corporate Information of the Company:-

Unitech Hospitality Services Limited was incorporated on September 4, 2006. It is a wholly owned subsidiary of Unitech Limited Engaged into business of development of real estate project.

#### 2. Significant Accounting Policies

##### a) Basis of preparation:-

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013(the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements upto year ended 31 March, 2019 were prepared in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015.

##### b) Historical cost convention:-

The financial statements have been prepared on accrual basis and under the historical cost convention.

##### c) Use of Estimates:-

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### d) Summary of Significant Accounting Policy:

##### 1. Inventories:-

Inventories are valued at weighted average cost.

Cost of inventories shall comprise of all cost of purchase, taxes and other costs incurred in bringing the inventories to their present location and condition.

##### 2. Tax Expenses:-

Income Tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the financial year for which the financial statements are prepared by applying the tax rates as applicable.

**Current Tax:-**Current Income tax relating to items recognized outside the profit and loss is recognized outside the profit and loss (either in other comprehensive income or in equity)

**MAT:-** Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit



## Unitech Hospitality Services Limited

### Notes to the financial statements for the year ended 31st March, 2019

Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period. Mat are recognized under other non-current assets.

**Deferred Tax:-** Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed as at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will not be available against which deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are recognized for the unused tax credit to the extent that it is probable that taxable profits will be available against which the losses will be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

### 3. Fair Value Measurement:-

The Company measures financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption 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

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 Entity 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.



## Unitech Hospitality Services Limited

### Notes to the financial statements for the year ended 31st March, 2019

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

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

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

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

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

#### 4. Financial Instrument

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 asset is any assets that is

Cash;

an equity instrument of another entity;

a contractual right:

(i) to receive cash or another financial asset from another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or

a contract that will or may be settled in the entity's own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets includes Security deposits ,trade receivable, loan to body corporate, loan to employees, and other eligible current and non-current assets

Financial Liability is any liabilities that is

a contractual obligation :

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

a contract that will or may be settled in the entity's own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a



## Unitech Hospitality Services Limited

### Notes to the financial statements for the year ended 31st March, 2019

fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial liabilities includes Loans, trade payable and eligible current and non-current liabilities

#### i. Classification:-

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both: the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

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

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

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or fair value through profit or loss.

#### ii. Initial recognition and measurement:-

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value at initial recognition, plus or minus, any transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss.

#### iii. Financial assets subsequent measurement:-

Financial assets as subsequent measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities as subsequent measured at amortized cost or fair value through profit or loss

#### iv. Effective interest method :-

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly



## Unitech Hospitality Services Limited

### Notes to the financial statements for the year ended 31st March, 2019

discounts estimated future cash receipts (including all fees and points paid or received that form 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 net carrying amount on initial recognition.

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

#### v. Trade Receivables:-

Trade receivables are the contractual right to receive cash or other financial assets and recognized initially at fair value. Subsequently measured at amortized cost (Initial fair value less expected credit loss). Expected credit loss is the difference between all contractual cash flows that are due to the company and all that the company expects to receive (i.e. all cash shortfall), discounted at the effective interest rate.

#### vi. Cash and cash Equivalents:-

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### vii. Impairment of Financial Assets:-

The company recognizes loss allowances using the expected credit loss (ECL) model 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 12-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 profit or loss.

#### viii. Financial liabilities:-

Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. These are subsequently carried at amortized cost using the effective interest method or fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

#### ix. Trade payables :-

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year and which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 3 years after the reporting period or not paid/payable within operating cycle. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

#### x. Borrowings:-

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings



## **Unitech Hospitality Services Limited**

### **Notes to the financial statements for the year ended 31st March, 2019**

using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### **5. Provision and Contingent Liability:-**

- i. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.
- ii. Contingent liabilities, if material, are disclosed by way of notes unless the possibility of an outflow of resources embodying the economic benefit is remote and contingent assets, if any, is disclosed in the notes to financial statements.
- iii. A provision is recognized, when company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation. The expense relating to the provision is presented in the profit and loss net of any reimbursement.

#### **6. Earnings Per Share**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **7. Operating cycle:-**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 3 years for the purpose of classification of its assets and liabilities as current and non-current.



## **Unitech Hospitality Services Limited**

**Notes to the financial statements for the year ended 31st March, 2019**

### **e) Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

#### **Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

##### **Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

##### **Estimates and assumptions**

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

#### **(a) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the



## **Unitech Hospitality Services Limited**

### **Notes to the financial statements for the year ended 31st March, 2019**

Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

#### **(b) Fair value measurement of financial instruments**

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

#### **(c) 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 judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



**UNITECH HOSPITALITY SERVICES LTD**

Notes to the financial statement for the year ended March 31, 2019

(Amount in Rupees, unless otherwise stated)

Particulars	Note No	As on 31 March 2019	As on 31 March 2018
<b>Other Financial assets</b>	<b>3</b>		
Security Deposits		3,008,571	3,008,571
<b>Total</b>		<b>3,008,571</b>	<b>3,008,571</b>
<b>Cash Bank Balances</b>	<b>4</b>		
Balance with Banks		131,215	131,215
Cash on hand		17	357
<b>Total</b>		<b>131,232</b>	<b>131,572</b>
<b>Other current assets</b>	<b>5</b>		
Advance given to related party		379,167,830	379,228,080
advance income tax		29,308,223	30,173,223
advance other taxes		911,141	44,266
loans and advances to others		16,000,000	16,000,000
<b>Total</b>		<b>425,387,194</b>	<b>425,445,569</b>
<b>Borrowings(current)</b>	<b>8</b>		
<b>Unsecured</b>			
From Related parties			
Unitech Limited (*)		9,826,861	9,826,861
Unitech Developers & Hotels Private Limited (*)		959,452	959,452
		<b>10,786,313</b>	<b>10,786,313</b>
(*) Note: the above loan is payable on demand and is interest free			
<b>Trade &amp; other payables</b>	<b>9</b>		
Others		35,921,014	35,894,014
<b>Total</b>		<b>35,921,014</b>	<b>35,894,014</b>
<b>Other current liabilities</b>	<b>10</b>		
Security Deposits		100,858,589	100,858,589
<b>Total</b>		<b>100,858,589</b>	<b>100,858,589</b>



**UNITECH HOSPITALITY SERVICES LTD**

Notes to the financial statements for the year ended March 31, 2019

(Amount in Rupees, unless otherwise stated)

**Note 6:- EQUITY SHARE CAPITAL**

Particulars	As at 31.03.2019		As at 31.03.2018	
	No of shares	Amount	No of shares	Amount
Authorised Share Capital Equity share of Rs. 10 each	20,000,000	200,000,000	20,000,000	200,000,000
<b>Total</b>	<b>20,000,000</b>	<b>200,000,000</b>	<b>20,000,000</b>	<b>200,000,000</b>
Issued, Subscribed and Paid-up Share Capital Equity share of Rs. 10 each	475,000	4,750,000	475,000	4,750,000
<b>Total</b>	<b>475,000</b>	<b>4,750,000</b>	<b>475,000</b>	<b>4,750,000</b>

**(a) Reconciliation of the share capital outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31.03.2019		As at 31.03.2018	
	No of shares	Amount	No of shares	Amount
Shares outstanding at the beginning of the year	475,000	4,750,000	475,000	4,750,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>475,000</b>	<b>4,750,000</b>	<b>475,000</b>	<b>4,750,000</b>

**(b) Shares (in aggregate) of each class held by**

Name of Shareholder	31-Mar-2019	31-Mar-2018
	No of shares	No of shares
Holding Company - Unitech Limited	285,060	285,060
Hedisa Holdings Limited	189,940	189,940

**(c) Terms/ rights attached to shares**
**Equity Shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and dividend as proposed by the board of directors which is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets of the company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(d) Following shares hold by equity shares more than 5 percent of the total equity shares of the Company**

Particulars	As at 31.03.2019		As at 31.03.2018	
	No of shares	% holding	No of shares	% holding
Holding Company (Unitech Limited)	285,060	60.01	285,060	60.01
Hedisa Holdings Limited	189,940	39.99	189,940	39.99
<b>Total</b>	<b>475,000</b>	<b>100</b>	<b>475,000</b>	<b>100</b>

**(e) Aggregate number and class of equity shares for a period of 5 years immediately preceding pursuant to contract(s) without payment being received in cash**

Aggregate number and class of equity shares for a period of 5 years immediately preceding pursuant to contract(s) without payment being received in cash	Financial Year				
	During 2017-18	During 2016-17	During 2015-16	During 2014-15	During 2013-14
	NIL	NIL	NIL	NIL	NIL



**UNITECH HOSPITALITY SERVICES LTD****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****(Amount in Rupees, unless otherwise stated)****Note no:-7 Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Reserve and Surplus</b>		
<b>(A) Securities premium account</b>		
Opening balance	313,667,650	313,667,650
Closing balance	<u>313,667,650</u>	<u>313,667,650</u>
<b>(B) Surplus in the statement of profit and loss</b>		
Opening balance	(37,370,854)	(21,968,104)
Profit / (Loss) for the year	(85,715)	(15,402,750)
Net surplus in the statement of profit and loss	<u>(37,456,569)</u>	<u>(37,370,854)</u>
<b>Total other equity (A+B)</b>	<u><u>276,211,081</u></u>	<u><u>276,296,796</u></u>



**UNITECH HOSPITALITY SERVICES LTD****Notes to the Financial Statement for the year ended March 31, 2019****(Amount in Rupees, unless otherwise stated)**

Particular	Note No	For the Year ended March 31 2019	For the Year ended March 31 2018
<b>Other Income</b>	<b>11</b>		
Rent		-	-
		-	-
<b>Other expenses</b>	<b>12</b>		
Legal and Professional Charges		1,000	45,100
Registration and Filing Fee		30,100	30,704
Bank Charges		-	111
Auditor's Remuneration		25,000	25,000
Interest & penalty		25,125	618,210
Licence & Fee		-	14,680,625
Miscellaneous expenses		4,490	3,000
		85,715	15,402,750



**Unitech Hospitality Services Limited**

Notes to the financial statements for the year ended 31st March, 2019

**13. Components of other comprehensive income (OCI)**

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

**During the year ended 31 March 2019**

Particulars	Actuarial gains/ losses on defined benefit employee obligations	Total
Re-measurement gains (losses) on defined benefit plans	Nil	Nil
Income tax effect	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**During the year ended 31 March 2018**

Particulars	Actuarial gains/ losses on defined benefit employee obligations	Total
Re-measurement gains (losses) on defined benefit plans	Nil	Nil
Income tax effect	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**14. EARNING PER SHARE (EPS)**

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

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

Particulars	31.03.2019	31.03.2018
Profit for the year as per Statement of Profit & Loss	(85,715)	(1,54,02,750)
<b>Profit attributable to equity holders of the Company for basic earnings</b>	<b>(85,715)</b>	<b>(1,54,02,750)</b>
Weighted average number of equity shares in calculating basic EPS (nos.)	475,000	475,000
<b>Weighted average number of equity shares in calculating EPS</b>		
<b>Earnings per equity share in Rs.</b>		
a) Basic	(0.18)	(32.43)
b) Diluted	(0.18)	(32.43)
<b>Face Value of each equity share (in Rs.)</b>	<b>10</b>	<b>10</b>



**Unitech Hospitality Services Limited****Notes to the financial statements for the year ended 31st March, 2019****15. A. Contingent Liabilities –**

Income Tax Demand of Rs. 9,85,37,580/- u/s 143(3) of the Income Tax Act, 1961 pertaining to A.Y. 2009-10, which is pending for reassessment as Income Tax Appellate Tribunal, New Delhi set aside the order, Demand of Rs. 10,55,97,560/-for A.Y. 2011-12, which is disputed before the Income Tax Appellate Tribunal, New Delhi and demand of Rs.8,03,030/- u/s 143(3) of Income Tax Act,1961 pertaining to A.Y. 2014-15 which is disputed before the Commissioner of Income Tax(Appeal) IX, New Delhi.

**B. Capital Commitment:**

The estimated amount of contracts remaining to be executed on capital account as on 31<sup>st</sup> March, 2019 is NIL (Previous Year NIL).

16. The company does not fall in any of the categories to which Accounting Standard for Segment Reporting (AS-17) applies, thus Segment Reporting is not applicable.

**17. RELATED PARTY TRANSACTIONS**

In accordance with the accounting standard on 'Related Party Disclosures' AS-18, the disclosure in respect of related parties and the transactions with them as identified and certified by the management is as follows:

**(A) Nature of Related Parties and description of relationship:**

Holding Company	- Unitech Ltd
Fellow Subsidiary Company	- Unitech Developers & Hotels Pvt. Ltd.

**(B) Related Party Transactions:****(Amount in Rs)**

S. No.	Name of the Company	Description	Transaction during the year	Max. amount due during the period	Amount Outstanding as at 31.03.2019	Dr/Cr
1.	Unitech Limited	Advance given	60,250(Cr) 1,58,95,797(Cr)	37,91,67,830 37,92,28,080	37,91,67,830 37,92,28,080	Dr. Dr.
2.	Unitech Limited	Project Management fee	- -	98,26,861 98,26,861	98,26,861 98,26,861	Cr. Cr.
3.	Unitech Developers & Hotels Private Limited	Advance taken	- -	9,59,452 9,59,452	9,59,452 9,59,452	Cr. Cr.



# Unitech Hospitality Services Limited

## Notes to the financial statements for the year ended 31st March, 2019

18. As per information available with the company, the trade payables do not include any amount due to Micro, Small and Medium Enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31st March 2019.

Particulars	31 March 2019	31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
"The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006."	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

19. In the opinion of the management and to the best of their knowledge and belief, the aggregate value of current assets and loans & advances on realization in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.

### 20. ADDITIONAL INFORMATION:

(Amount in Rs)

Particulars	Current year	Previous year
(a) Value of Imports on CIF Basis	NIL	NIL
(b) Expenditure in foreign currency	NIL	NIL
- Consultancy fees		
- Travelling & Boarding		
(c) Consumption of imported raw material, components and spare parts	NIL	NIL
(d) Earnings in foreign currency	NIL	NIL
(e) Amount remitted in foreign currency towards dividend.	NIL	NIL



**UNITECH HOSPITALITY SERVICES LTD****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019****(Amount in Rupees lakhs, unless otherwise stated)****21 . Capital Management**

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue of new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2019.

	31 March 2019	31 March 2018
<b>Debts</b>		
Borrowings	10,786,313	10,786,313
<b>Total Debts</b>	<b>10,786,313</b>	<b>10,786,313</b>
Less: Cash and cash equivalents	131,232	131,572
<b>Net debts</b>	<b>10,655,081</b>	<b>10,149,207</b>
Equity	4,750,000	4,750,000
Other equity	276,211,081	291,699,546
<b>Total debt and equity</b>	<b>291,616,162</b>	<b>306,598,753</b>
<b>Gearing ratio (%)</b>	<b>3.70%</b>	<b>3.52%</b>

**22. Balance confirmation**

Balances of certain debtors, creditors, loans and advances are subject to confirmation.



UNITECH HOSPITALITY SERVICES LTD  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019  
(Amount in Rupees, unless otherwise stated)

## 23. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise borrowings, trade payables, and employee liabilities. The Company's principal financial assets include trade and other receivables and cash and short-term deposits/ loan that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

### I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include , deposits.

The sensitivity analyses of the above mentioned risk in the following sections relate to the position as at 31 March 2018 and 31 March 2019.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Notes

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

#### A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to debt obligations with floating interest rates. The company is not exposed to interest rate risk. There is no long term borrowings.

#### B. Foreign currency sensitivity

There is no any foreign currency transaction during the year, hence, it is not applicable on this company.

### II. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

#### A. Trade receivables

There is no any trade receivables, hence, it is not applicable on this company.

#### B. Financial Instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

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

	within 1 year	1 to 3 years	More than 3 years	Total
<b>Year ended</b>				
<b>31-Mar-19</b>				
Trade payables	35,921,014			35,921,014
Other current liabilities	100,858,589	-	-	100,858,589
<b>Total</b>	<b>136,779,603</b>	<b>-</b>	<b>-</b>	<b>136,779,603</b>
<b>Year ended</b>				
<b>31-Mar-18</b>				
Trade payables	35,894,014	-	-	35,894,014
Other current liabilities	100,858,589	-	-	100,858,589
<b>Total</b>	<b>136,752,603</b>	<b>-</b>	<b>-</b>	<b>136,752,603</b>

**UNITECH HOSPITALITY SERVICES LTD****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019****(Amount in Rupees, unless otherwise stated)****24. Fair values measurements****(i) Financial instruments by category**

Particulars	31 March 2019		31 March 2018	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	-	131,232	-	131,572
Other Current Asset	-	425,387,194	-	425,445,569
<b>Total financial assets</b>	-	<b>425,518,426</b>	-	<b>425,577,141</b>
<b>Financial liabilities</b>				
Trade payables	-	35,921,014	-	35,894,014
Other current liabilities	-	100,858,589	-	100,858,589
<b>Total financial liabilities</b>	-	<b>136,779,603</b>	-	<b>136,752,603</b>

**(ii) Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The table provides the fair value measurement hierarchy of the Company's assets and liabilities, other than those whose fair values are close approximations of their carrying values.

