IHCL

SUBSIDIARIES ACCOUNTS 2019-20

INDIA'S STRONGEST BRAND TAJ

THE INDIAN HOTELS COMPANY LIMITED

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CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Members of **Benares Hotels Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Benares Hotels Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows 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 Companies Act, 2013 ('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, 2020, profit and other comprehensive income, changes in equity and its cash flows 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 Act. Our responsibilities under those SAs 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expansion and renovation of one of the hotel properties of the Company

During the year company completed expansion and renovation which comprised a significant portion of additions to the Property, Plant and Equipment of the year. The process of additions involves completion of all the related construction contracts, job works and other related civil, electrical, landscaping and interior works, final determination of the cost including allocation of indirect costs and ready to use dates. This involves reconciliation of related vendor accounts and obtaining technical confirmations. Any incorrect determination of costs due to error or management bias in allocation of indirect costs could lead to material misstatements. Refer Property, Plant and Equipment at Note 4 to Financial Statements for the additions made during the year.

How we addressed it in our audit

After obtaining a thorough understanding of the project break down structure, relevant group policies and accounting policies adopted, our tests included:

- Test of controls related to system of authorisation of capital procurements, accounting and classification of related vendor bills, reconciliations of vendor accounts and approval for journal & payment entries.

- Verification of final determination of quantities, contract dues and vendor account reconciliations

INDEPENDENT AUDITORS' REPORT (CONTD.)

- Validating the assumptions used in the allocation of indirect costs
- Comparison of the costs with the budgets and enquiring in to the reasons for variations and ensuring infructuous costs, if any, do not getting added
- Verifying the classification of additions into various asset classes and the useful life used for purpose of depreciation calculations

Our tests did not reveal any material exceptions.

Emphasis of matter

We draw attention to:

Note 2(d) and Note 37(f)to the financial statements, regarding the management's impairment assessment of property, plant and equipment,intangible assets, investments, trade receivables valuation as at March 31, 2020 being considered recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from COVID-19 pandemic. This being an unprecedented event which is difficult to estimate, the actual implications could vary. The economic/social consequences of this event are impacting the very operation of the hotels and consumer demand.

Our opinion is not modified in respect of the above matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors report and Management Discussion and Analysis the Financial Performance but does not include the financial statements and our auditors' 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 financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and total comprehensive income, changes in equity and cash flows 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. 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 judgements 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT (CONTD.)

In preparing the financial statements, management and Board of Directors are 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.

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

Auditors' 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 auditors' 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:

- 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.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- 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.

INDEPENDENT AUDITORS' REPORT (CONTD.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) , the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) At this juncture, we are unable to comment whether the matter described in the Emphasis of Matter paragraph above, may have an adverse effect on the functioning of the Company.

   (g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (h) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;

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

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

INDEPENDENT AUDITORS' REPORT (CONTD.)

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402
UDIN:20201402AAAAAT1445

Place: Mumbai
Date: May 28, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Benares Hotels Limited ("the Company") on the financial statements as of and for the year ended March 31, 2020.

(i) In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, none of the fixed assets were due for physical verification by the management during the year.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of the Company as at Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company.

(ii) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees or security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore clause 3(iv) of the Order is not applicable to the Company.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, except for few delays, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax(GST), Duty of customs,

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT (CONTD.)

Excise duty and Value added tax as at March 31, 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Nature of statute	Nature of dues	Amount in INR lakhs	Period to which amounts relates	Forum where dispute is pending
U.P. Trade Tax Act	Demand	26.27*	FY 2006-07 & FY 2007-08	1st Appellate Authority, UP VAT

* net of amounts paid

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company does not have any loans or borrowings from the government,financial institution, bank or debenture holders during the year.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or fully or partly paid convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures 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 them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402
UDIN:20201402AAAAAT1445

Place: Mumbai
Date: May 28, 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of **Benares Hotels Limited** ("the Company") as of March 31, 2020 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 and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT (CONTD.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial control with reference to financial statements 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 (the "Guidance Note").

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402
UDIN:20201402AAAAAT1445

Place: Mumbai
Date: May 28, 2020

BALANCE SHEET
as at March 31, 2020

	Note	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	4	8,866.53	8,070.72
Right of Use Assets	6	127.16	-
Capital work-in-progress		4.02	132.19
Other Intangible assets	5	71.44	73.94
		9,069.15	8,276.85
Financial assets			
Investments		-	-
Other financial assets	7	23.96	26.22
Advance income tax (net)		187.22	201.61
Other non-current assets	8	108.60	120.84
		9,388.93	**8,625.52**
Current assets			
Inventories	9	105.36	128.23
Financial assets			
Trade receivables	10	432.87	434.91
Cash and cash equivalents	11	181.72	112.02
Bank balances other than cash and cash equivalents	12	51.20	178.22
Other financial assets	7	146.94	128.48
Other current assets	8	172.57	52.44
		1,090.66	1,034.30
Total		10,479.59	**9,659.82**
Equity and liabilities			
Equity			
Equity share capital	13	130.00	130.00
Other equity	14	7,701.28	7,040.24
Total equity		**7,831.28**	**7,170.24**
Non-current liabilities			
Financial libilities			
Lease Liabilities	15	349.26	-
Provisions	16	35.30	35.94
Deferred tax liabilities (net)	17	566.03	648.52
		950.59	684.46
Current Liabilities			
Financial liabilities			
Borrowings	18	550.00	500.00
Trade payables	19		
- Due to Micro and Small Enterprises		5.61	1.93
- Due to Others		559.71	689.30
Other financial liabilities	20	346.50	485.95
Other current liabilities	21	196.27	107.43
Provisions	16	39.63	20.51
		1,697.72	1,805.12
Total		**10,479.59**	**9,659.82**
Summary of significant accounting policies	3		

The accompanying notes form an integral part of the financial statements

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402

Date : May 28, 2020
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vijay Partap Shrikent
Chief Executive Officer

Vanika Mahajan
Company Secretary
ICSI M.No - ACS34515

Harish Kumar
Chief Financial Officer
ICAI M. No - 534449

Date : May 28, 2020
Place : Varanasi

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

	Note	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
INCOME			
Revenue from operations	22	6,363.56	5,967.65
Other income	23	20.14	71.15
Total Income		**6,383.70**	**6,038.80**
EXPENSES			
Food and beverages consumed	24	620.06	588.47
Employee benefit expense and payment to contractors	25	1,123.72	1,059.78
Finance costs	26	107.64	75.80
Depreciation and amortisation expense		638.10	522.88
Other operating and general expenses	27	2,544.51	2,574.15
Total Expenses		**5,034.03**	4,821.08
Profit/ (Loss) before exceptional items and tax		1,349.67	1,217.72
Exceptional items		-	-
Profit/ (Loss) before tax		**1,349.67**	**1,217.72**
Tax expenses			
Current tax	28	312.15	271.54
Deferred tax	28	(23.68)	73.89
Total		**288.47**	**345.43**
Profit/ (Loss) after tax		**1,061.20**	**872.29**
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(16.44)	2.95
Change in fair value of equity instruments designated irrevocably as FVTOCI		-	-
Less :-income tax expense	28	4.14	0.82
Other comprehensive income for the year, net of tax		**(12.30)**	**2.13**
Total comprehensive Income for the year		**1,048.90**	**874.42**
Earnings per share:	35		
Basic - (₹)		81.63	67.10
Diluted - (₹)		81.63	67.10
Face value per ordinary share - (₹)		10.00	10.00
Summary of Significant Accounting Policies	3		
The accompanying notes form an integral part of the Financial Statements			

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402

Date : May 28, 2020
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vijay Partap Shrikent
Chief Executive Officer

Vanika Mahajan
Company Secretary
ICSI M.No - ACS34515

Harish Kumar
Chief Financial Officer
ICAI M. No - 534449

Date : May 28, 2020
Place : Varanasi

CASH FLOW STATEMENT
for the year ended March 31, 2020

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Cash Flow From Operating Activities		
Net Profit Before Tax	1,349.67	1,217.72
Adjustments For :		
Depreciation and Amortisation	635.06	522.88
Depreciation on Right of Use Assets	3.03	-
Finance Cost	72.96	75.80
Interest on lease liability	34.68	-
Provision for Doubtful Debts net of bad debts	15.32	4.31
(Gain)/ Loss on sale of assets	33.49	(29.16)
Interest Income	(15.03)	(25.17)
Provision for Employee Benefits	(16.44)	2.95
	763.07	551.61
Cash Operating Profit before working capital changes	2,112.74	1,769.33
Adjustments For :		
Trade Receivables	(13.28)	(31.22)
Inventories	22.87	(3.46)
Non Current- Other Financial Asset	2.25	(7.27)
Other non-current assets	4.92	(15.98)
Current-Other Financial Assets	(21.06)	(12.34)
Other current assets	(120.13)	69.74
Trade Payables	(125.91)	83.77
Current liabilities- Other Financial Liabilities	89.00	(17.28)
Other Liabilities & Provisions	18.48	5.06
	(142.86)	71.02
Cash Generated from Operating Activities	1,969.88	1,840.35
Direct Taxes Paid	(293.62)	(267.01)
Net Cash From Operating Activities (A)	1,676.26	1,573.34
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(1,517.70)	(1,675.56)
Sale of Fixed Assets	50.07	36.37
Interest Received	17.64	24.79
Bank Balances not considered as Cash and Cash Equivalents	127.02	(19.97)
Net Cash Used In Investing Activities (B)	(1,322.97)	(1,634.37)
Cash Flow From Financing Activities *		
Interest Paid	(71.31)	(73.36)
Payment of lease liabilities and interest	(27.20)	-
Short-term Loans raised / (repaid) (net)	50.00	-
Dividend Paid (Including tax on dividend)	(235.08)	(235.10)
Net Cash Used In Financing Activities (C)	(283.59)	(308.46)
Net Increase/ (Decrease) in Cash and cash equivalents (A + B + C)	69.70	(369.49)
Cash and cash equivalents - Opening (Refer Note 11)	112.02	481.51
Cash and cash equivalents - Closing (Refer Note 11)	181.72	112.02

* Refer foot note under Borrowings (Note 18) for Net Debt Reconciliation.

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402

Date : May 28, 2020
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vijay Partap Shrikent
Chief Executive Officer

Vanika Mahajan
Company Secretary
ICSI M.No - ACS34515

Harish Kumar
Chief Financial Officer
ICAI M. No - 534449

Date : May 28, 2020
Place : Varanasi

STATEMENT OF CHANGES IN EQUITY
as at March 31, 2020

₹ lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus			Grand Total
		Capital Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2018	130.00	0.86	2,167.22	4,232.84	6,530.92
Balance at the beginning of the reporting period	**130.00**	**0.86**	**2,167.22**	**4,232.84**	**6,530.92**
Profit for the year ended March 31, 2019	-	-	-	872.29	872.29
Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L)				2.13	2.13
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**-**	**874.42**	**874.42**
Dividends				(195.00)	(195.00)
Tax on Dividend				(40.10)	(40.10)
Balance as at March 31, 2019	130.00	0.86	2,167.22	4,872.16	7,170.24
Balance at the beginning of the reporting period	130.00	0.86	2,167.22	4,872.16	7,170.24
Changes in accounting policy - Transition impact of Ind AS 116	-	-	-	(152.77)	(152.77)
Restated balance at the beginning of the reporting period	**130.00**	**0.86**	**2,167.22**	**4,719.39**	**7,017.47**
Profit for the year ended March 31, 2020	-	-	-	1,061.20	1,061.20
Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L)				(12.30)	(12.30)
Total Comprehensive Income for the year ended March 31, 2020	**-**	**-**	**-**	**1,048.90**	**1,048.90**
Dividends			-	(195.00)	(195.00)
Tax on Dividend			-	(40.08)	(40.08)
Balance as at March 31, 2020	**130.00**	**0.86**	**2,167.22**	**5,533.20**	**7,831.28**

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Date : May 28, 2020
Place : Varanasi

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2020

NOTE 1. CORPORATE INFORMATION

Benares Hotels Limited (“BHL” or the “Company”), is a listed public limited company incorporated in 1971. The Company operates its hotels, viz. Taj Ganges and Taj Nadesar Palace in Varanasi and The Gateway Hotel Balaghat Road, Gondia in Maharashtra. In May, 2011, the Company became a subsidiary of The Indian Hotels Company Limited, a company promoted by Tata Sons Private Limited.

The financial statements were approved by the Board of Directors and authorised for issue on May 28, 2020.

NOTE 2. APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparation of these Financial Statements.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance:

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) issued under section 133 of the Companies Act, 2013 and notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) issued under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

Recent Accounting Pronouncements:

(i) New standards notified and adopted by the Company

Ind AS 116 Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, ‘Leases’ as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after April 1, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Company has adopted Ind AS 116 with the date of initial application being April 1, 2019. Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’) and lease contracts for which the underlying asset is of low value (‘low-value assets’).

Before the adoption of Ind AS 116, Company classified each of its leases at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance cost) and reduction of the lease liability. In an operating lease, the leased asset was not capitalised, and the lease payments were recognised as rent expense in Company income statement on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised within prepayments and trade and other payables, respectively.

Under Ind AS 116, Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term. Right-of-use assets are subject to impairment testing.

At the commencement date of the lease, Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period over which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payment or a change in the assessment regarding the purchase of the underlying asset.

Company applies the short-term lease recognition exemption to its short-term leases of equipment. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Refer Note No. 29 of the Financial Statement for the transition disclosures.

(ii) Other Amendments to the existing standards

A number of other accounting standards have been modified on miscellaneous issues with effect from April 1, 2019. Such changes include clarification/guidance on:

a) business combination accounting in case of obtaining control of a joint operation;

b) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;

c) income tax consequences in case of dividends;

d) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;

e) accounting treatment for specific borrowings post capitalisation of corresponding qualifying asset;

f) accounting for prepayment features with negative compensation in case of debt instruments;

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

g) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;

h) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

The above amendments did not have any material impact on the financial statements for the current year.

(b) Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

(c) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value i.e. Defined Benefit Plans at the end of each reporting period, as explained in the accounting policies below.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

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 under current market conditions

The Company categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

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

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

(d) Critical accounting estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

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 in any future periods affected.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has with the help of group technical assessment estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and the tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgments 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 or loss.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

- **Leases**
  The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

  Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Estimation uncertainty relating to the global health pandemic on COVID-19**
  On March 11, 2020, the World Health Organisation declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 24, 2020, and extended up to May 31, 2020. All airline, road, and railway travel was suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sports facilities & retail outlets, etc were closed, except for a few essential services/supplies like grocery stores, pharmacies, etc. There has been a partial lifting of the stringent measures in the last few days.

  The hotel business has been severely impacted on account of COVID-19. The company has taken a series of actions focused on health & safety of our employees & customers, ensuring adequate liquidity and cost optimisation measures. We have judiciously invoked the Force Majeure clauses for relief during the lock down period. Cash Conservations measures have also included deferral of discretionary spending & Capex, unless absolutely required.

  The Company has assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, right of use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

(e) Revenue recognition:

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Revenue from operations

Rooms, Food and Beverage & Banquets:
Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals:
Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognised in the period in which services are being rendered.

Other Allied services:
In relation to the, laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognised by reference to the time of service rendered.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Interest
Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend
Dividend income is recognised when the Company's right to receive the amount is established.Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations.

(f) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up by the respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

ii. Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

iv. Short Term Obligations

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

(g) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation made at the group level, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Improvement to the buildings	15 years
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Assets costing less than ₹ 5000	4 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipments are not yet ready for their intended use and are carried at cost determined as aforesaid.

(h) Intangible Assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

i) the technical feasibility and Company's intention and ability of completing the project;

ii) the probability that the project will generate future economic benefits;

iii) the availability of adequate technical, financial and other resources to complete the project; and

iv) the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets is as under:

Class of Assets	Estimated Useful Life
Website Development Cost	5 years
Software and Licences	6 years
Service and Operating Rights	10 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

(i) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(j) Foreign Currency Translation:

The functional currency of the Company is Indian rupee.

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(k) Non-current assets held for sale:

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(l) Assets taken on lease:

The Company as a lessee:

Accounting Policy from FY 2019-20 onwards

On inception of a contract, Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs incurred, lease payments made at or before the commencement date, any asset restoration

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

obligation, and less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are also adjusted for any re-measurement of lease liabilities. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option and any lease modification.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments are presented as follows in the Company's statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;

- payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from operating activities; and

- payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities

Refer Note No. 29 of the Financial Statement for details.

Accounting Policy up to FY 2018-19

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

- Company as a lessee

lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss over the lease term.

(m) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Inventory cost includes the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(n) Government Grants:

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(o) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i. Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

ii. Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Deferred tax liabilities are generally recognised for all taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(p) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the non – current provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

(q) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(r) Cash and Cash Equivalents (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
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(s) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

(t) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(u) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Since the Company's business consists of its hotel operations only, no separate information for segment-wise disclosures is given.

(v) Financial Instruments:

Financial Assets:

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 its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Debt instruments at amortised cost
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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.

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 Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

₹ lakhs

	Freehold Land	Buildings Refer Footnote (i)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost							
At April 1, 2018	13.05	3,075.83	2,252.79	750.07	75.59	0.12	6,167.46
Additions	-	1,476.72	1,211.64	569.86	17.38	-	3,275.60
Less: Disposals	-	91.50	40.29	22.23	-	-	154.02
At March 31, 2019	**13.05**	**4,461.05**	**3,424.14**	**1,297.71**	**92.97**	**0.12**	**9,289.04**
Additions	-	562.78	496.30	427.93	5.00	-	1,492.01
Less: Disposals	-	74.86	17.98	8.61	-	-	101.45
At March 31, 2020	**13.05**	**4,948.97**	**3,902.46**	**1,717.03**	**97.97**	**0.12**	**10,679.60**
Depreciation							
At April 1, 2018	-	259.20	428.70	132.78	43.11	-	863.78
Add: Charge for the year	-	125.93	262.57	96.32	16.53	-	501.35
Less: Disposals		91.77	35.21	19.83	-	-	146.81
At March 31, 2019	**-**	**293.36**	**656.06**	**209.26**	**59.64**	**-**	**1,218.32**
Add: Charge for the year	-	170.97	284.04	140.52	17.10	-	612.63
Less: Disposals	-	5.55	8.21	4.13	-	-	17.89
At March 31, 2020	**-**	**458.78**	**931.89**	**345.65**	**76.74**	**-**	**1,813.06**
Net Block							
At March 31, 2019	**13.05**	**4,167.69**	**2,768.08**	**1,088.45**	**33.33**	**0.12**	**8,070.72**
At March 31, 2020	**13.05**	**4,490.19**	**2,970.57**	**1,371.37**	**21.23**	**0.12**	**8,866.53**

Footnotes :

(i) Gross block includes:

Buildings constructed on leasehold land - INR 1,889.52 lakhs (previous year - INR 1,695.46 lakhs)

NOTE 5 : INTANGIBLE ASSETS (ACQUIRED) - SOFTWARES & RIGHTS

	₹ in lakhs
Cost	
At April 1, 2018	154.67
Additions	0.54
Less: Disposals	-
At March 31, 2019	**155.21**
Additions	19.93
Adjustments	
Less: Disposals	-
At March 31, 2020	**175.14**
Amortisation	
At April 1, 2018	59.73
Charge for the year	21.53
Disposals	-
At March 31, 2019	**81.26**
Charge for the year	22.44
Disposals	
At March 31, 2020	**103.70**
Net Block	
At March 31, 2019	**73.95**
At March 31, 2020	**71.44**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 6. RIGHT OF USE ASSETS

₹ lakhs

	Building	Total
Gross Block at Cost		
At April 1, 2018	-	-
Translation Adjustment	-	-
Opening Adjustments	-	-
Addition on accquisition	-	-
Additions	-	-
Deductions for the year	-	-
As at March, 2019	-	-
Translation Adjustment	-	-
Opening Adjustments	-	-
Addition on accquisition	-	-
Additions	130.19	130.19
Deductions for the year	-	-
As at March, 2020	130.19	130.19
Depreciation		
At April 1, 2018	-	-
Translation Adjustment	-	-
Opening Adjustments	-	-
Charge for the year	-	-
Deductions for the year	-	-
As at March, 2019	-	-
Translation Adjustment	-	-
Opening Adjustments	-	-
Charge for the year	3.03	3.03
Deductions for the year	-	-
As at March, 2020	3.03	3.03
Net Block		
As at March, 2019	-	-
As at March, 2020	127.16	127.16

NOTE 7 : OTHER FINANCIAL ASSETS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(Unsecured, considered good unless stated otherwise)		
A) Non Current		
Deposits with Public Bodies and Others at amortised costs		
Public Bodies and Others	23.96	23.96
Deposits with Banks	-	2.26
	23.96	**26.22**
B) Current		
Deposit with public bodies and others		
Others	1.03	2.34
	1.03	2.34
Other advances		
Considered good	14.99	24.77
Interest receivable		
Bank Deposits	0.08	2.69
	0.08	2.69

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
On Current Account dues :		
Related Parties (Refer Note 32)	64.50	69.73
Others	66.34	28.96
	130.84	**98.69**
Total	**146.94**	**128.48**

NOTE 8 : OTHER ASSETS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(Unsecured, considered good unless stated otherwise)		
A) Non Current		
Capital Advances	19.23	26.55
Prepaid Expenses	1.42	4.30
Export incentive receivable (Refer Foot Note below)	77.95	79.99
Deposits with Government Authorities	10.00	10.00
Total	**108.60**	**120.84**
Foot Note: Export incentive receivable		
Opening balance	79.99	67.34
Add: SEIS accrued during the year	43.59	34.22
Less: Sale proceeds/ used during the year	45.63	21.57
Closing balance	77.95	79.99
B) Current		
Prepaid Expenses	46.08	40.48
Indirect tax recoverable	109.73	-
Advance to Suppliers*	16.76	11.96
Total	**172.57**	**52.44**

*For related party balances refer Note 32

NOTE 9 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Food and Beverages	60.08	61.79
Stores and Operating Supplies	45.28	66.44
	105.36	**128.23**

NOTE 10 : TRADE AND OTHER RECEIVABLES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(Unsecured)		
Considered good*	432.87	434.91
Balance having significant increase in credit risk	-	-
Credit impaired	42.95	27.63
Total	**475.82**	**462.54**
Less : Provision for impairment (Refer foot note - 1)	42.95	27.63
	432.87	**434.91**

*For related party balances refer Note 32

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 10 : TRADE AND OTHER RECEIVABLES (Contd..)

Footnote:
1) Provision for Impairment

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Opening Balance	27.63	23.32
Add: Provision during the year	18.62	10.24
	46.25	33.56
Less: Bad debts written off against past provisions	3.30	5.93
Less: Reversal of provision no longer required	-	-
Closing Balance	42.95	27.63

NOTE 11: CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Cash on hand	4.67	5.62
Balances with bank in current account	177.05	57.03
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	-	49.37
	181.72	**112.02**

NOTE 12: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Other Balances with banks		
Call and Short-term deposit accounts*	5.03	126.84
Earmarked balances	46.17	51.38
	51.20	**178.22**

*includes FDRs having maturity less than 12 months of INR 5.03 lakhs (PY - INR 3.73 lakhs) which are under lien for issuance of Bank Guarantees.

NOTE 13 : SHARE CAPITAL

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Authorised Share Capital		
Ordinary Shares		
15,00,000 (Previous Year- 15,00,000) Ordinary Shares of ₹ 10/- each	150.00	150.00
	150.00	**150.00**
Issued Share Capital		
13,00,000 (Previous Year- 13,00,000) Ordinary Shares of ₹ 10/- each	130.00	130.00
	130.00	**130.00**
Subscribed and Paid Up		
13,00,000 (Previous Year- 13,00,000) Ordinary Shares of ₹ 10/- each	130.00	130.00
	130.00	**130.00**

Footnotes:

(1) The company has one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of the liquidation, the

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the shareholding.

(2) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Ordinary shares			
Year ended 31-03-2020			
- Number of shares	13.00	-	13.00
- Amount (Rupees)	130.00	-	130.00
Year ended 31-03-2019			
- Number of shares	13.00	-	13.00
- Amount (Rupees)	130.00	-	130.00

(3) Ordinary Shares with voting rights held by Holding Company along with its Subsidiaries & Associate Companies

	No. of Shares 31-Mar-20	No. of Shares 31-Mar-19
Name of the Company		
Holding Company		
The Indian Hotels Company Limited	6,43,825	6,43,825
Subsidiaries of Holding Company		
Piem Hotels Limited	54,063	54,063
Northern India Hotels Limited	150	150
Associate of Holding Company		
Oriental Hotels Limited	50	50

(4) Shareholders holding more than 5% shares in the Company :

	No. of Shares 31-Mar-20	No. of Shares 31-Mar-19
The Indian Hotels Company Limited	6,43,825	6,43,825
% of Holding	49.53%	49.53%

(5) Aggregate number and class of shares allotted as fully paid-up in previous year pursuant to contracts without payment being received in cash, bonus shares and shares bought back for a period of 5 years immediately preceding the balance sheet date NIL (previous year NIL).

NOTE 14 : OTHER EQUITY

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
a) Reserves & Surplus		
Capital Reserve	0.86	0.86
General Reserve		
Opening Balance	2,167.22	2,167.22
Closing Balance	**2,167.22**	**2,167.22**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 14 : OTHER EQUITY (Contd..)

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Retained Earnings		
Opening Balance	4,872.16	4,232.84
Less : Ind AS 116 Transition	(152.77)	-
Add: Current year profits	1,061.20	872.29
Add: Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings)	(12.30)	2.13
Less : Final Dividend	(195.00)	(195.00)
Less : Tax on Dividend	(40.08)	(40.10)
Closing Retained Earnings	**5,533.20**	**4,872.16**
Total	**7,701.28**	**7,040.24**

NOTE 15 : LEASE LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Non Current		
Lease Liabilities	349.26	-
Total	**349.26**	**-**

NOTE 16 : PROVISIONS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
A) Non Current provisions		
Employee Benefit Obligation (Non-current)		
Compensated absences	35.30	35.94
	35.30	**35.94**
B) Current provisions		
Employee Benefit Obligation (Current)		
Compensated absences	8.18	8.63
Gratuity (Refer Note 33)	31.45	11.88
	39.63	**20.51**

NOTE 17 : DEFERRED TAX LIABILITIES (NET)

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	653.19	697.74
Total (A)	**653.19**	**697.74**
Deferred Tax Assets:		
Provision for Employee Benefits	10.95	12.40
OCI- Defined Benefit Obligations	-	(0.82)
Provision for doubtful debts	10.81	7.69
Ind AS 116 Impact	55.86	-
Others	9.55	29.95
Total (B)	87.16	49.22
Net Deferred Tax Liabilities (A-B)	**566.03**	**648.52**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 18 : BORROWINGS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Short term borrowings		
Short Term Borrowings from Related Parties		
Secured	-	-
Unsecured @ 9%	555.31	503.66
Total Short term borrowings	**555.31**	**503.66**
Less: Interest accrued (included in Note 20)	5.31	3.66
Total Borrowings	**550.00**	**500.00**
(Refer foot note below)		

Foot Note:

Financial liabilities

Net debt reconciliation

Particulars	31-Mar-20 ₹ lakhs	31-Mar-19 ₹ lakhs
a) Net debt		
Cash and cash equivalents	181.72	112.02
Current Investment	-	-
Short Term Borrowings	(550.00)	(500.00)
Long term Borrowings (Including Current portion)	-	-
Net (debt)/ Cash & Cash Equivalents	**(368.28)**	**(387.98)**
b) Other financial Liability		
Unclaimed Deposits/Interest	-	-
Derivative	-	-
Interest Accrued	(5.31)	(3.66)
Total Other financial Liability	**(5.31)**	**(3.66)**
Grand Total	**(373.59)**	**(391.64)**

	Accrued during the Year		Paid during the Year	
Interest expenses	**31-Mar-20**	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
On Long term borrowings	-	-	-	-
On Short term borrowings	72.96	75.80	71.31	73.36
FV Changes for Derivatives (i.e. IRS)	-	-	-	-
Other Interest costs	-	-	-	-
Total	**72.96**	**75.80**	**71.31**	**73.36**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

	Other Assets		Borrowings	Total Net borrowings	Other Financial Liability	Grand Total
	Cash and cash equivalents	Current Investment	Short Term Borrowings		Interest Accrued	
Net (debt)/ Cash & Cash Equivalents as at April 1, 2018	481.51	-	(500.00)	(18.49)	(1.22)	(19.71)
Cash Flows				-	-	-
Increase/(Decrease) in cash and cash equivalents	(369.49)	-	-	(369.49)	-	(369.49)
Borrowings	-	-	-	-	-	-
Repayment	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	-	-	-	(75.80)	(75.80)
Interest paid	-	-	-	-	73.36	73.36
(Net debt)/ Cash & Cash Equivalents as at March 31, 2019	**112.02**	**-**	**(500.00)**	**(387.98)**	**(3.66)**	**(391.64)**
Net (debt)/ Cash & Cash Equivalents as at April 1, 2019	**112.02**	**-**	**(500.00)**	**(387.98)**	**(3.66)**	**(391.64)**
Cash Flows						
Increase/(Decrease) in cash and cash equivalents	69.70	-		69.70	-	69.70
Borrowings	-	-	(50.00)	(50.00)	-	(50.00)
Repayment	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	-	-	-	(72.96)	(72.96)
Interest paid	-	-	-	-	71.31	71.31
(Net debt)/ Cash & Cash Equivalents as at March 31, 2020	**181.72**	**-**	**(550.00)**	**(368.28)**	**(5.31)**	**(373.59)**

NOTE 19: TRADE PAYABLES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Micro and Small Enterprises (Refer Footnote - 1)	5.61	1.93
Vendor Payables	415.87	511.74
Accrued expenses and others	143.84	177.56
	565.32	**691.23**

Footnotes:

1) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Refer Note 34 for disclosures relating to Micro and Small Enterprises.
2) For related party balances refer Note 32.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 20: OTHER FINANCIAL LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current financial liabilities		
Payables on Current Account dues :		
Related Parties*	5.40	4.38
Others	5.98	9.28
Total	**11.38**	**13.66**
*For related party balances refer Note 32.		
Deposits from others		
Unsecured	36.79	36.06
Total	**36.79**	**36.06**
Interest accrued but not due on borrowings	5.31	3.66
Creditors for capital expenditure	137.96	279.22
Unclaimed dividend (Refer Foot Note - 1)	46.17	51.38
Employee related liabilities	96.58	81.95
Others	12.31	20.02
Grand Total	**346.50**	**485.95**

Foot Note:

1) A sum of INR 4.97 lakhs (PY INR 4.36 lakhs) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.

NOTE 21 : OTHER CURRENT LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current		
Advances collected from customers*	148.95	85.85
Statutory dues	47.32	21.58
	196.27	**107.43**

*For related party balances refer Note 32.

NOTE 22 : REVENUE FROM OPERATIONS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Room Income, Food, Restaurants and Banquet Income	6,035.85	5,687.82
Shop rentals	66.69	48.25
Membership fees	-	0.25
Others	261.02	231.33
Total	**6,363.56**	**5,967.65**

NOTE 23 : OTHER INCOME

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Interest Income from financial assets at amortised cost		
Inter-corporate deposits		
Deposits with banks	6.22	22.18
Interest on Income Tax Refunds	8.81	2.99
Total	**15.03**	**25.17**
Profit on sale of assets (Net)	-	29.16
Others	5.11	16.82
Grand Total	20.14	71.15

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 24 : FOOD AND BEVERAGES CONSUMED

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Opening Stock	61.79	49.94
Add : Purchases	618.35	600.32
	680.14	650.26
Less : Closing Stock	60.08	61.79
Food and Beverages Consumed	**620.06**	**588.47**

NOTE 25 : EMPLOYEE BENEFIT EXPENSE AND PAYMENT TO CONTRACTORS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Salaries, Wages, Bonus etc.	587.05	594.80
Company's Contribution to Provident and Other Funds	47.85	44.63
Reimbursement of Expenses on Personnel Deputed to the Company	257.81	189.50
Payment to Contractors	106.14	95.12
Staff Welfare Expenses	124.87	135.73
Total	1,123.72	1,059.78

NOTE 26 : FINANCE COSTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Interest Expense at effective interest rate on borrowings	72.96	75.80
	72.96	75.80
Interest on Lease liability	34.68	-
Total	**107.64**	**75.80**

NOTE 27 : OTHER OPERATING AND GENERAL EXPENSES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(i) Operating expenses consist of the following :		
Linen and Room Supplies	99.56	112.37
Catering Supplies	43.36	64.74
Other Supplies	10.25	15.04
Fuel, Power and Light (Refer footnote (i))	466.72	519.25
Repairs to Buildings	42.59	64.94
Repairs to Machinery	106.34	111.65
Repairs to Others	6.91	11.83
Garden Expenses	57.79	57.66
Linen and Uniform Washing and Laundry Expenses	78.37	69.41
Payment to Orchestra Artistes and Security Charges	43.27	44.53
Guest Transportation	57.62	52.30
Travel Agents' Commission	61.62	62.35
Discount to Collecting Agents	34.36	34.95
Other Operating Expenses	112.33	140.99
Total	1,221.09	1,362.01

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(ii) General expenses consist of the following :		
Rent	17.34	16.40
Licence Fees	15.76	41.35
Rates and Taxes	33.83	44.91
Insurance	14.25	10.91
Advertising and Publicity	271.69	232.36
Management Fee Expenses	452.83	413.99
Reimbursable Fees Expenses- Corporate Services and CRS/ CIS	125.04	117.89
Printing and Stationery	14.98	22.91
Passage and Travelling	22.23	25.15
Provision for Doubtful Debts/ Bad debts written off (Refer Note 9)	18.62	10.24
Expenditure on Corporate Social Responsibility (Refer Footnote (iii))	20.48	21.28
Professional Fees	36.73	32.21
Outsourced Support Services	62.03	30.41
Exchange Loss (Net)	0.06	0.09
Loss on Sale of Fixed Assets (Net)	33.49	-
Payment made to Statutory Auditors (Refer Footnote (iv))	11.27	9.48
Directors' Fees and Commission	52.05	48.99
Other Expenses	120.74	133.57
Total	**1,323.42**	**1,212.14**
Grand Total	**2,544.51**	**2,574.15**

NOTE 27 : OTHER OPERATING AND GENERAL EXPENSES

Footnotes:

(i) Expenditure recovered from other parties :

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Fuel, Power and Light	11.45	21.19
Total	11.45	21.19

(ii) The following direct expenses incurred during the year and to the extent attributable to construction or renovation of hotel buildings have been capitalised:

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Employee benefits expense	41.57	99.45
Fuel, power and light	16.95	18.05
Other expenses (Net)	10.69	13.98
Total	**69.21**	**131.48**

(iii) Corporate Social Responsibility Expenditure

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Amount required to be spent as per Section 135 of the Act	20.35	21.17
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	20.48	21.28

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(iv) Payment made to Statutory Auditors:

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
As auditors	5.00	5.00
As tax auditors	1.50	1.50
For other services	2.20	2.20
For Reimbursement of Expenses	2.57	0.78
	11.27	**9.48**

NOTE 28: TAX DISCLOSURES

i) Income Tax recognised in Profit or loss:

Particulars	31-Mar-20	31-Mar-19
Current Tax		
In respect of the current year	312.15	271.54
In respect of earlier years		
Resulting from reversal of provision for tax for earlier years	-	-
Other demands and tax paid for earlier years	-	
	312.15	**271.54**
Deferred Tax		
In respect of the current year		
Set off of carried forward losses (unabsorbed deduction u/s 35AD)	-	-
Other items includes the impact on account of change in tax rates	(23.68)	73.89
Total tax expense recognised in the current year relating to continuing operations	**288.47**	**345.43**

ii) Reconciliation of tax expense with the effective tax:

Particulars	31-Mar-20	31-Mar-19
Profit before tax from continuing operations (a)	1349.67	1,217.72
Income tax rate as applicable (b)	25.1680%	27.82%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	339.69	338.78
Permanent tax differences due to:		
Effect of expenses that are not deductible in determining taxable profit Others	4.77	4.96
Other	-	-
Deferred Tax reversal		
Net Impact of the change in the tax rates*	(56.21)	-
Adjustment to Opening Deferred Tax	0.22	1.70
Total tax expense recognised in the current year	**288.47**	**345.43**

Foot Note:
* The change of tax rate from 25% to 22% was enacted on Sept 20, 2019 and will be effective from Oct 1, 2019. As a result, the relevant deferred tax balances have been remeasured. Deferred tax reversed in the year ended 31st Mar'20 and later, has been measured using the current effective rate which is 25.168%.

Further changes in tax rates are expected in future years and the effective rate will be modified accordingly as and when the revised tax rates are enacted.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 28: TAX DISCLOSURES

iii) Income tax recognised in other comprehensive income:

₹ lakhs

Particulars	March 31, 2020	March 31, 2019
Deferred tax/ Income Tax		
(a) Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	4.14	0.82
	4.14	**0.82**

iv) Reconciliation of Deferred Tax Asset and Deferred Tax Liability:

March 31, 2020	Opening Balance	Recognised in Retained Earning	Recognised in profit or loss - Change in Tax Rates	Recognised in profit or loss - CY Impact	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities/ assets in relation to:						
Property, Plant and equipment & Intangible Assets	697.74	-	(66.51)	21.96	-	653.19
Provision for Employee Benefits	(12.40)	-	1.18	0.27	-	(10.95)
Provisions for Defined benefit obligations	0.82	-	(0.08)	(0.74)	-	-
Provision for doubtful debts	(7.69)	-	0.73	(3.85)	-	(10.81)
Ind AS 116 impact	-	(58.82)	5.61	(2.65)	-	(55.86)
Others (Expenses disallowed to be allowed in future)	(29.95)	-	2.86	17.54	-	(9.55)
Total Deferred Tax Liability	**648.52**	**(58.82)**	**(56.21)**	**32.53**	**-**	**566.03**

March 31, 2019	Opening Balance	Recognised in Retained Earning	Recognised in profit or loss - Change in Tax Rates	Recognised in profit or loss - CY Impact	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities/ assets in relation to:						
Property, Plant and equipment & Intangible Assets	648.53	-	-	49.21	-	697.74
Provision for Employee Benefits	(10.60)	-	-	(1.80)	-	(12.40)
Provisions for Defined benefit obligations	0.41	-	-	(0.41)	0.82	0.82
Provision for doubtful debts	(6.49)	-	-	(1.20)	-	(7.69)
Others (Expenses disallowed to be allowed in future)	(58.05)	-	-	28.10	-	(29.95)
Total Deferred Tax Liability	573.80	-	-	73.90	0.82	648.52

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 29: LEASE

A. Ind AS 116 Transition related disclosures

On transition, the Company recognized a lease liability measured at the present value of the remaining lease payments and the right to use asset recognized at its carrying amount as if the standard had been applied since the commencement of lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019 of 10.43% and the cumulative impact of the standard has been charged to the Retained Earnings net of deferred taxes. Accordingly, the comparative information in these Company's Financial Statements has not been restated. The impact of the new standard in Company's Financial Statement is summarised and set out below:

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4 Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 26 of annual financial statements forming part of 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

As on April 1, 2019 - Impact on Transition date	**₹ lakhs**
Recognition of Right to use Asset and presented separately	130.19
Recognition of Lease Liabilities and presented separately	341.78
Increase in Net Deferred Tax Assets	58.82
Net effect of above adjustments - reduction in Company's opening retained earnings by (Refer Note 14)	152.77

For the year ended March 31, 2020	**₹ lakhs**
Increase in depreciation expense relating to the depreciation of new right-of-use assets recognised.	3.03
Decrease in Rent expense relating to previous operating leases	27.20
Increase in Financial expenses relating to the interest expense on additional lease liabilities recognised	34.68
Increase in net cash from operating activities and decrease in financing activities by the same amount, representing repayments of principal and interest on the recognised lease liabilities.	27.20

As at March 31, 2020	**₹ lakhs**
Right-of-use assets recognised and presented separately in Company statement of financial position (Refer Note 6)	127.16
Lease liabilities recognised and presented separately in Company statement of financial position (Refer Note 15)	349.26
Net deferred tax assets increased on account of deferred tax impact of the changes in assets and liabilities (Refer Note 28)	55.86
Net effect of these adjustments increased Company's net liabilities by	166.24

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

B. IND AS 116 RELATED OTHER DISCLOSURES:

1. Total lease liabilities are analysed as follows:

Denominated in the following currencies:

	₹ lakhs 31-Mar-20
Indian Rupees	349.26
Other Currencies	-
Current	-
Non-current	349.26
Total	**349.26**

2. Amounts recognised in profit or loss

The following amounts were recognised as in profit and loss in the year:

	₹ lakhs 31-Mar-20
Depreciation of right-of-use assets	3.03
Expense relating to variable lease payments	15.76
Expense relating to short-term leases and low-value assets	-
Interest on lease liabilities	34.68
Gain on lease modification	-
Total recognised in Statement of Profit & Loss	53.47

Variable lease payments are payable under certain of Company's hotel leases and arise where Company is committed to making additional lease payments that are contingent on the performance of the hotels

3. Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

	₹ lakhs 31-Mar-20
Maturity analysis:	
Less than 1 year	28.05
Between 1 and 2 years	28.90
Between 2 and 5 years	91.80
More than 5 years	1,759.98
Total	1,908.73

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 30: CONTINGENCIES AND COMMITMENTS

Contingent Liabilities (to the extent not provided for)

a) On account of Income Tax matters in dispute:

i. In respect of other matters for which Company's appeals are pending with appellate authorities against the order of the assessing officer – ₹ Nil lakhs (previous year – ₹ 156.97 lakhs)

b) On account of other disputes in respect of:

i. Sales tax – ₹ 36.27 lakhs (previous year – ₹ 36.27 lakhs)

ii. Others – ₹ 1.21 lakhs (previous year – ₹ 1.21 lakhs)

c) Others

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

(iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented.

The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial statements, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 10.48 lakhs (Previous year – ₹ 254.03 lakhs).

NOTE 31: SEGMENT REPORTING

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments' (Ind AS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

32 (a) RELATED PARTY TRANSACTIONS

Details of related parties:

(i) Holding Company

(a) The Indian Hotels Company Limited (IHCL)
(Tata Sons Limited has substantial interest in The Indian Hotels Company Limited)

(ii) Fellow subsidiaries
KTC Hotels Limited
United Hotels Limited
Roots Corporation Limited
Piem Hotels Limited
Taj Trade and Transport Company Limited
Inditravel Limited
Northern India Hotels Limited
Taj Enterprises Limited
Luthria & Lalchandani Hotel & Properties Pvt. Ltd.
Skydeck Properties and Developers Private Limited
Sheena Investments Private Limited
ELEL Hotels & Investments Limited
Taj International Hotels (H.K) Limited
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited
IHMS LLC - San Francisco
IHMS LLC - USA
PIEM International Hotels (H.K) Limited
BAHC 5
United Overseas Holdings Inc.

(iii) Directors who held the office during the year and previous year:
Dr. Anant Narain Singh, Chairman
Mr. Rohit Khosla, Non Executive Director
Mr. Moiz Miyajiwala, Non Executive Director & Independent Director#
Mrs. Rukmani Devi, Non Executive & Independent Director#
Mr. Puneet Chhatwal, Non Executive Director (appointed w.e.f. 10th May 2018)
Mr. Puneet Raman, Additional Director & Independent Director# (appointed w.e.f. 12th Sep 2018)
Mr. Shriraman, Non Executive Director & Independent Director# (resigned w.e.f. 19th Jun 2018)
Mr. Giridhar Sanjeevi, Additional Director (resigned w.e.f. 16th May 2018)
Independent directors are included as related parties for the purpose of Indian Accounting Standards (Ind AS 24-Related Party Transactions) only. They are not related under the Companies Act , 2013.

(iv) Key Management Personnel (KMP) for Current and Previous year:
Mr. Ashwani Anand (Chief Executive Officer)#
Mr. Vijay Partap Shrikent (Chief Executive Officer)
Mr. Sopan Kedia (Chief Financial Officer) *
Mr. Harish Kumar (Chief Financial Officer) *
Ms. Vanika Mahajan (Company Secretary)
* For part of the current year
# For part of the previous year

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(v) Firms/ Corporation in which Directors are interested with whom transactions were carried out during the current and previous year:

Maharaja Prabhu Narain Physical Cultural Trust
Aditya Dairies Private Limited
Anant Electric Lamp Works Private Limited
Imlak Varanasi Developments Private Limited

(vi) Relatives of the Directors with whom transactions were carried out during the current and previous year:

Anamika Kumwar
MK Krishna Priya
MK Vishnupriya
MK Hari Priya
Raghubir Singh Gohil
Rama Raman
Shanti Raman
Renu Raman
Mukta Raman
Navneet Raman

(vii) Subsidiary, JV & Associates of the Entities having Significant influence with whom transactions were carried out during the current and previous year:

Taj GVK Hotels and Resorts Limited
TAL Maldives Resorts Private Limited
Taj Kerala Hotels and Resorts Limited
Taj Sats Air Catering Limited
Oriental Hotels Limited
Tata Communications Limited
Tata Consultancy Services Limited
Tata Teleservices Limited
Tata SIA Airlines Limited
Tata AIG General Insurance Company Limited
Tata Sky Limited
Tata Capital Limited
Tata International Limited
Tata Elxsi Limited
Godrej & Boyce Mfg Co Ltd

(viii) Others

Hotel Taj Ganges Employee Gratuity Trust

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

32 (b) DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED MARCH 31, 2020 AND BALANCES OUTSTANDING AS AT MARCH 31, 2020

S. No.	Particulars	Holding Company		Fellow subsidiaries, JV, Associates of the Holding company & Entity with significant influence or their subsidiaries/JV		Key Management Personnel (KMP)		Entities in which Directors are interested/ Relatives of Directors		Directors		Others	
		31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	Transactions during the year:												
1	ICD received during the year	-	-	500.00	700.00	-	-	-	-	-	-	-	-
2	Repayment of ICD received during the year	-	-	450.00	700.00	-	-	-	-	-	-	-	-
3	Interest expense on ICD	-	-	72.96	75.80	-	-	-	-	-	-	-	-
4	KMP remuneration (Foot Note -1)	-	-	-	-	86.97	77.07	-	-	-	-	-	-
5	Other Reimbursement to KMPs	-	-	-	-	1.04	1.36	-	-	-	-	-	-
6	Director Sitting Fees	-	-	-	-	-	-	-	-	11.10	13.20	-	-
7	Director Commission on cash basis	-	-	-	-	-	-	-	-	35.79	23.81	-	-
8	License Fees expenses paid/accrued	-	-	-	-	-	-	15.35	14.67	15.35	14.67	-	-
9	Management fees expenses paid/accrued	452.83	413.99	-	-	-	-	-	-	-	-	-	-
10	Fees paid for other services/accrued	281.34	265.25	72.54	40.57	-	-	-	-	-	-	-	-
11	Deputed Staff Expense at cost	149.79	164.77	76.97	62.48	-	-	-	-	-	-	-	-
12	Deputed Staff Expense Recovered	110.45	99.32	70.09	68.08	-	-	-	-	-	-	-	-
13	Purchase of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-
14	Purchase of Goods	-	-	-	2.15	-	-	-	-	-	-	-	-
15	Other Reimbursable Expense at cost	85.58	149.00	2.58	7.59	-	-	-	-	0.26	0.54	-	-
16	Other Operating Income- Rooms (including tax)	1.09	-	5.11	14.16	-	-	-	-	-	-	-	-
17	Other Income Earned/ Recoveries made	26.05	-	9.57	3.50	-	-	-	-	-	-	-	-
18	Dividend Paid	96.57	96.57	8.14	8.14	-	-	16.40	12.69	4.44	4.13	-	-
19	Contribution to Gratuity Trust on Cash Basis	-	-	-	-	-	-	-	-	-	-	11.88	13.30

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

S. No.	Particulars	Holding Company		Fellow subsidiaries, JV, Associates of the Holding company & Entity with significant influence or their subsidiaries/JV		Key Management Personnel (KMP)		Entities in which Directors are interested		Directors		Others	
		31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	Balances outstanding at the end of the year:												
1	Borrowings	-	-	550.00	500.00	-	-	-	-	-	-	-	-
2	Current Account Receivable	61.96	67.91	2.54	1.82	-	-	-	-	-	-	-	-
3	Trade Payables	252.91	292.69	13.76	0.20	-	-	5.39	5.12	5.15	5.91	-	-
4	Trade Receivables	-	4.16	3.49	7.86	-	-	-	-	-	-	-	-
5	Advance from Customer	-	0.33	-	-	-	-	-	-	-	-	-	-
6	Advance to supplier	-	-	-	3.39	-	-	-	-	-	-	-	-
7	Current Account Payables	-	-	5.40	4.38	-	-	-	-	-	-	-	-
8	Interest Payable	-	-	5.31	3.66	-	-	-	-	-	-	-	-

Foot Note:

1 KMP Remunerations paid as reimbursement to IHCL.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

32 (c) DETAILS OF MATERIAL TRANSACTIONS WITH RELATED PARTY DURING THE YEAR ENDED 31 MARCH, 2020 AND BALANCES OUTSTANDING AS AT 31 MARCH, 2020:

₹ lakhs

		Entities	March 31, 2020	March 31, 2019
		Material transactions during the year		
1		The Indian Hotels Company Limited (IHCL)		
	i	Management and operating Fees	452.83	413.99
	ii	Fee for other Services	281.34	265.25
	iii	Deputed Staff Expense at cost	149.79	164.77
	iv	Deputed Staff Expense Recovered	110.45	99.32
	v	Other Operating Income- Rooms (including tax)	1.09	-
	vi	Other Income Earned/ Recoveries made	26.05	-
	vii	Other Reimbursable Expense at cost	85.58	149.00
	vii	Dividend Paid	96.57	96.57
		Fellow Subsidiary company		
2.		**United Hotels Limited**		
	i	ICD Received	500.00	200.00
	ii	ICD Repayment made	450.00	200.00
	iii	Interest Expense	72.96	54.22
	iv	Deputed Staff Expense at cost	13.66	15.26
	v	Reimbursement of Expenses at cost	0.67	0.01
	vi	Reimbursement of Expenses recoverable	-	-
3		**KMP Remuneration - paid as reimbursement to IHCL**		
	i	Ashwani Anand	-	3.15
	ii	Vijay Shrikent	53.23	45.87
	iii	Sopan Kedia	13.41	17.74
	iv	Vanika Mahajan	14.94	10.31
	v	Harish Kumar	5.39	-

₹ lakhs

		Entities	March 31, 2020	March 31, 2019
		Balances outstanding at the end of the year:		
1		**The Indian Hotels Company Limited (IHCL)**		
	i	Management and operating fees payable	252.91	292.69
	ii	Receivable on Current account dues	61.96	67.91
	iii	Trade Receivables	-	4.16
	iv	Advance from Customer	-	0.33
2.		**United Hotels Limited**		
	i	Borrowings - Inter Corporate Deposit (ICD)	550.00	500.00
	ii	Interest Expense payable	72.96	3.66
	iii	Payable on Current account dues	0.91	0.47
3		**Payables to Directors & Entities in which Directors are related**		
	i	Dr. Anant Naraian Singh	5.15	5.86
	ii	Rukmani Devi	-	0.05
	iii	Maharaja Prabhu Naraian Physical Cultural trust	1.29	1.22
	iv	Aditya Dairies Private Limited	2.57	2.44
	v	Ananta Electrical Lamp Works Limited	1.53	1.46

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 33 : EMPLOYEE BENEFITS

(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries) :

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Provident Fund	39.23	35.29

(b) The Company operates post retirement defined benefit plans as follows :-

Funded : Post Retirement Gratuity

(c) Defined Benefit Plans (Gratuity)– As per Actuarial Valuation on March 31, 2020:-

(i) Amount to be recognized in Balance Sheet and movement in net liability

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Present Value of Funded Obligations	228.75	186.95
Fair Value of Plan Assets	197.30	175.07
Net (asset) / Liability - Current	31.45	11.88

(ii) Expenses recognized in the Statement of Profit & Loss

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current Service Cost	14.87	14.58
Interest on Net Defined Benefit Liability	0.14	0.25
Total	**15.01**	**14.83**

(iii) Amount recorded in Other Comprehensive Income

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Changes in financial assumptions	13.87	-
Changes in demographic assumptions	-	(0.08)
Experience Adjustments	(0.19)	(4.97)
Actual return on plan assets less interest on plan assets	2.76	2.10
Total	**16.44**	**(2.95)**

(iv) Reconciliation of Net Liability/ Asset

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Opening Net Benefit Liability	11.88	13.30
Expense charged to profit and loss	15.01	14.83
Amount recognized outside profit and loss	16.44	(2.95)
Employer Contribution	(11.88)	(13.30)
Closing Net Defined Benefit Liability/ (Asset) - Current	**31.45**	**11.88**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(v) Reconciliation of Defined Benefit Obligation

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Opening Defined Benefit Obligation	186.95	180.72
Current Service Cost	14.87	14.58
Past Service Cost	-	-
Interest on defined benefit obligation	13.84	12.54
Actuarial Losses / (Gain) arising from change in financial assumptions	13.87	-
Actuarial Losses / (Gain) arising from change in demographic assumptions	-	(0.08)
Actuarial Losses / (Gain) arising on account of experience adjustments	(0.19)	(4.97)
Benefits Paid	(1.22)	(19.81)
Liabilities assumed / (settled)*	0.63	3.97
Closing Defined Benefit Obligation	**228.75**	**186.95**

* on account of business combination or inter group transfer

(vi) Reconciliation of Fair Value of Plan Assets

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Opening Fair Value of Plan Assets	175.07	167.42
Employer Contribution	11.88	13.30
Interest on plan assets	13.70	12.29
Re-measurements due to Actual return on plan assets less interest	(2.76)	(2.10)
Benefits Paid	(1.22)	(19.81)
Liabilities assumed / (settled)*	0.63	3.97
Closing Fair Value of Plan Assets	197.30	175.07

* on account of business combination or inter group transfer

(vii) Description of Plan Assets

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Government of India Securities	0%	0%
Corporate Bonds	0%	0%
Special Deposit Scheme	5%	5%
Equity	0%	0%
Others - Bank FDR	95%	95%
Grand Total	100%	100%

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(viii) Actuarial Assumptions

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Discount rate (p.a.)	6.65%	7.55%
Salary Escalation Rate (p.a.)	Staff- 5.00%	Staff- 5.00%
	Executive-4.00%	Executive-4.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations. Further, Mortality has been assumed as per the published notes under the Indian Assured Lives Mortality (2006-08) Ult table Change in Benefit Obligation.

(ix) Maturity Profile

Maturity Profile	Amount in ₹ lakhs
Expected benefits for year 1	19.75
Expected benefits for year 2	29.81
Expected benefits for year 3	8.58
Expected benefits for year 4	47.75
Expected benefits for year 5	23.46
Expected benefits for year 6	23.42
Expected benefits for year 7	14.85
Expected benefits for year 8	34.54
Expected benefits for year 9	29.00
Expected benefits for year 10 & above	172.90

The weighted average duration to the payment of these cash flows is 7.11 years.

(x) Effect of Change in Key Assumptions

Year Ended 31st March 2020

Particulars	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	-3.45%	3.72%
Impact of decrease in 50 bps on DBO	3.66%	-3.53%

The expected contribution for the next year is ₹ 20 lakhs.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Information disclosed above is to the extent provided by actuary.

Exposure to Risks:
These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance Sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has made investments in special deposit schemes of banks & FDRs. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate to invest funds in the bank FDRs.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Interest risk: A decrease in the Government Securities (G-Sec Bonds) interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Other regulatory matters

NOTE 34: DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

₹ lakhs

Particulars	March 31, 2020	March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	5.61	1.93
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due & payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 35: EARNINGS PER SHARE (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share' prescribed under Section 133 of the Companies Act, 2013.

₹ lakhs

Particulars	March 31, 2020	March 31, 2019
Profit/ (Loss) after tax –(₹)	1,061.20	872.29
Number of Ordinary (Equity) Shares in lakhs	13.00	13.00
Weighted Average Number of Ordinary (Equity) Shares in lakhs:		
Considered in calculation of Basic EPS	13.00	13.00
Considered in calculation of Diluted EPS	13.00	13.00
Face Value per Ordinary (Equity) Share (₹)	10.00	10.00
Earnings Per Share (₹):		
Basic	81.63	67.10
Diluted	81.63	67.10

NOTE 36: FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Financial assets and liabilities

The carrying value of financial instruments by categories under the most relevant method i.e. amortised cost is as follows:

₹ lakhs

Particulars	March 31, 2020	March 31, 2019
Financial assets:		
Cash and cash equivalents	181.72	112.02
Bank Balances other than Cash & Cash Equivalents	51.20	178.22
Trade Receivables	432.87	434.91
Loans & Advances	-	-
Other financial assets - Non Current	23.96	26.22
Other financial assets - Current	146.94	128.48
Total	**836.69**	**879.85**
Financial liabilities:		
Borrowings	550.00	500.00
Lease Liabilities - Non Current	349.26	-
Lease Liabilities - Current	-	-
Trade Payables	565.32	691.23
Other financial liabilities - Non Current	-	-
Other financial liabilities - Current	346.50	485.95
Total	**1,811.08**	**1,677.18**

Fair value of Financial Instruments measured at amortised cost:

The management considers that the carrying amount of assets and liabilities recognised at amortised cost in financial statements is approximate to their fair value.

NOTE 37: FINANCIAL RISK MANAGEMENT

(a) Financial risk management:

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(c) Credit risk

Credit risk is the risk that a 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) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. During the year, following provisions for doubtful debts has been made:

₹ lakhs

Particulars	March 31, 2020	March 31, 2019
Opening provision for Impairment	27.63	23.32
Add- Provision made during the year	18.62	10.24
Less: Credit impaired Debts written off against past provisions	3.30	5.93
Less: Reversal of provision no longer required	-	-
Closing provision for doubtful debts	42.95	27.63

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

₹ lakhs

Particulars	March 31, 2020	March 31, 2019
No of Customers who owed more than 10% of the Total receivables	-	-
Contribution of Customers in owing more than 10% of Total receivables	-	-

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not requires the company to track changes in credit risk, rather it recognises impairment loss allowance based on life time expected credit loss at each balance sheet date, since its initial recognition.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low.

(d) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(e) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. Also, The company is having short term borrowings in form of inter corporate deposits renewing at a period of 90 days.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

₹ lakhs

Particulars	Interest rate %	Due in 1st year
Year ended 31 March 2020		
United Hotels Limited	9%	550.00
Total		550.00
Year ended 31 March 2019		
United Hotels Limited	9%	500.00
Total		500.00

(f) Other Risk – Impact of Covid 19

Financial assets of INR 232.92 lakhs as at March 31, 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks which carry a very low credit risk.

Other Financial assets of INR 170.90 lakhs as at March 31, 2020 carried at amortised cost which mainly includes receivables from group companies and deposit made with public bodies and other where the Company has assessed the counterparty credit risk and does not expect any losses.

Trade receivables of INR 432.87 lakhs as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost. The receivables does not have any concentrated risk and the Company expects to recover these outstanding in due course albeit with some delay due to the current situation. Basis our internal assessment, the impairment allowance of INR 42.95 lakhs existing as at March 31, 2020 is considered adequate.

NOTE 38:

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

₹ lakhs

Contractual Maturity of Financial Liabilities:	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due from 6th year onwards	Total
Year ended March 31, 2020					
Borrowings (for renewal)	550.00	-	-	-	550.00
Trade and other payables	565.32	-	-	-	565.32
Lease Liabilities	28.05	28.90	91.80	1,759.98	1,908.73
Other financial liabilities - Non Current	-	-	-	-	-
Other financial liabilities - Current	346.50	-	-	-	346.50
Year ended 31 March 2019					-
Borrowings (for renewal)	500.00	-	-	-	500.00
Trade and other payables	691.23	-	-	-	691.23
Other financial liabilities - Non Current	-	-	-	-	-
Other financial liabilities - Current	485.95	-	-	-	485.95

NOTE 39: GUARANTEES GIVEN

Bank Guarantees of ₹ 3.00 lakhs (PY - ₹ 3.00 lakhs) have been given by the company to various government authorities & other parties. These guarantees were issued against the Fixed Deposits of ₹ 5.03 lakhs made with the bank.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 40: DISCLOSURE PURSUANT TO IND AS 115

₹ lakhs

	Particulars	March 31, 2020	March 31, 2019
	Contract With Customers		
1	Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Income from operations		
	a) Room Income, Food & Beverages and Banquets	6,035.85	5,687.82
	b) Shop Rentals	66.69	48.25
	c) Others	217.43	197.37
	Total Income from operations	**6,319.97**	**5,933.44**
	Other operating revenue		
	a) Export Incentive	43.59	34.21
	b) Other revenue	-	-
		43.59	34.21
	Total Revenue from operations	6,363.56	5,967.65
2.	Impairment losses recognised on trade receivable during the year:	15.32	4.31
	Disaggregate Revenue		
3	The following table presents company revenue disaggregated by type of revenue stream and by reportable segment (Refer Note 29 for Segment Reporting):		
	Revenue based on geography		
	India	6,363.56	5,967.65
	Overseas	-	-
	Revenue based on product and services		
	a) Room Income	3,168.44	2,904.99
	b) Food & Beverages and Banquets	2,867.41	2,782.83
	c) Shop Rentals	66.69	48.25
	d) Others revenue from contract with customers	217.43	197.37
	Other operating revenue		
	a) Export Incentive	43.59	34.21
	b) Other revenue	-	-
4	The Company derives its revenue from the transfer of goods and services over time in its major service lines. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108. (Refer Note 31 for Segment Disclosure).		
5	**Contract balances**		
	The following tables present information about trade receivables, contract assets, and deferred revenue:		
	Trade Receivables	432.87	434.91
	Deferred Revenue	-	-
	Advance Collections	148.95	85.85

Advance Collections, deposits from customer

Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/Banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services. Refer Note No. 3 on significant accounting policies for details of performance obligation and revenue recognition.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

₹ lakhs

Particulars	March 31, 2020	March 31, 2019
At April 1	85.85	114.49
At March 31	148.95	85.85
Analysed as:		
Current	148.95	85.85
Non-current	-	-
Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to INR 85.85 lakhs (PY - INR 114.49 lakhs)		

NOTE 41: There are no financial liabilities and assets that are set off as at March 31, 2020 and March 31, 2019.

NOTE 42: DIVIDENDS

Dividends paid during fiscal year 2020 represent an amount of ₹ 195 lakhs @ ₹ 15/- per equity share towards dividend for fiscal 2019. Dividends paid during fiscal year 2019 represent an amount of ₹ 195 lakhs @ ₹ 15/- per equity share towards dividend for fiscal 2018.

The dividends declared by Benares Hotels Limited are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of Benares Hotels Limited. Subsequent to March 31, 2020, the Board of Directors of Benares Hotels Limited have proposed a dividend of ₹ 97.5 lakhs (₹ 7.50 per share) in respect of fiscal 2020. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 97.50 lakhs.

NOTE 43: CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern through a judicious mix for short term and long term sources. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents and Current Investment.

The Company has borrowings of ₹ 550.00 lakhs (previous year: ₹ 500.00 lakhs) and Net Debts of ₹ 368.28 lakhs (previous year: ₹ 387.98 lakhs) as at the end of the reporting period. Accordingly, the Company has 0.05 gearing ratio (Net Debt/ Total Equity) as at March 31, 2020 and 0.05 as at March 31, 2019.

NOTE 44: NEGATIVE WORKING CAPITAL

As at the year end, the Company's current liabilities have exceeded its current assets by ₹ 607.06 lakhs primarily on account of short term borrowings of ₹ 550.00 lakhs and other liabilities of ₹ 57.06 lakhs. The company has received a ₹ 172.92 lakhs refund of Income tax due including interest there on of ₹ 39.26 lakhs subsequent to the balance sheet date. This has further increased cash and bank balances resulting in easing of this position. With current capital gearing ratio which is one of the

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

lowest in the Industry, the Management is confident of its ability to generate cash from short terms sources and if required on a long term basis.

NOTE 45: The disclosure required to be made in terms of Schedule V of SEBI (Listing Obligation And Disclosure Requirement) 2015 is not applicable to the company.

As per our Report of even date attached
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No. 003990S/S200018

R. Suriyanarayanan
Partner
Membership No. 201402

Date : May 28, 2020
Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh
Chairman
DIN: 00114728

Rohit Khosla
Director
DIN: 07163135

Vijay Partap Shrikent
Chief Executive Officer

Vanika Mahajan
Company Secretary
ICSI M.No - ACS34515

Harish Kumar
Chief Financial Officer
ICAI M. No - 534449

Date : May 28, 2020
Place : Varanasi

INDEPENDENT AUDITOR'S REPORT

To the Members of INDITRAVEL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Indi Travel Limited ('the Company'), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement Of Changes In Equity and the Statement of Cash Flows and for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards Rules , 2015, as amended , ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Emphasis of matter(s)

We draw attention to:

Note 36 to the financial statements, regarding the management's impairment assessment of property, plant and equipment, intangible assets, investments, trade receivables valuation as at March 31, 2020 being considered recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from COVID19 pandemic.

Our opinion is not modified in respect of the above matter.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 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.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements 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 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:

- 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) The matter described in sub-paragraph (a) under the emphasis of matters paragraph above, in our opinion, may have adverse effect on the functioning of the Company.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

g) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year and hence the provisions of section 197 of Act is not applicable.

i) 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 21 to the Financial statements;

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

   iii. there are no amounts that are required to be transferred, to the Investor Education and Protection Fund by the Company .

2. 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.

For Chandrashekar Iyer & Co
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Partner
Membership No.47723

Mumbai, May 29, 2020
UDIN: 20047723AAAAAL1747

ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Indi Travel Limited of even date)

i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The Company has a programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, none of the fixed assets were due for physical verification by the management during the year.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is a service company, primarily rendering travel related services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clauses (a), (b) and (c) of clause (iii) of paragraph 3 of the said order are not applicable.

iv. According to the information and explanations given to us, the company has neither made any loans and investments. Accordingly, clause (iv) of paragraph 3 of the said order are not applicable.

v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Act and the rules framed there under are applicable.

vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities of the Company.

vii. a. Undisputed statutory dues including provident fund , employees state insurance , income tax , sales – tax , service tax, duty of custom , duty of excise, value added tax , cess , goods and service tax have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of service tax , Goods and Service Tax (GST) customs duty, excise duty were outstanding, as at March 31, 2020 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us and the records of the company examined by us, there are no dues of sales tax , income tax, customs duty and excise duty which have not been paid deposited on account of any dispute except the following :

Name of the Statue	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	₹ 10,41,995/-	Assessment Year 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	₹ 27,55,410/-	Assessment Year 2011-12	Commissioner of Income Tax (Appeals), Mumbai
Income Tax Act, 1961	Income Tax	₹ 8,06,180/-	Assessment Year 2012-13	Commissioner of Income Tax (Appeals), Mumbai

ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT (CONTD.)

viii. According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders or Government and accordingly clause viii of paragraph 3 of the said order is not applicable.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

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

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Accordingly clause (xi) of paragraph 3 of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Chandrashekar Iyer & Co
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Partner
Membership No.47723

Mumbai, May 29, 2020
UDIN: 20047723AAAAAL1747

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements section of our report to the Members of Indi Travel Limited of even date)

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 Indi Travel Limited ("the Company") as of 31st March 2020 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 Board of Directors of the Company 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 of the Company.

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

ANNEXURE ‘B’ TO THE INDEPENDENT AUDITORS’ REPORT (CONTD.)

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, to the best of our information and according to the explanations given to us , the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 , 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 Chandrashekar Iyer & Co
Chartered Accountants
Firm Registration No. 114260W

(Chandrashekhar Iyer)
Partner
Membership No.47723

Mumbai, May 29, 2020
UDIN: 20047723AAAAAL1747

BALANCE SHEET AS AT MARCH 31, 2020

	Note	March 31, 2020 ₹	March 31, 2019 ₹
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,22,14,789	1,14,68,247
Investment Property {refer note 33}		24,82,190	25,24,149
Intangible assets	4	7,128	8,573
		1,47,04,107	**1,40,00,969**
Financial assets			
Investments	5	7,46,68,450	9,33,40,123
Income Tax Assets		4,01,12,354	4,12,06,857
Other Financial Assets		20,000	20,000
Deferred Tax Assets (Net)	7	29,79,429	19,99,781
Total non-current assets		**13,24,84,340**	**15,05,67,730**
Current assets			
Financial assets			
Trade receivables	8	-	-
Cash and cash equivalents	9	8,35,659	1,08,296
Bank balances other than cash and cash equivalents	10	4,05,94,258	1,28,08,329
Loans	6	8,13,858	14,31,655
Total current assets		**4,22,43,775**	**1,43,48,280**
Total		**17,47,28,115**	**16,49,16,009**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	72,00,120	72,00,120
Other equity	12	16,16,39,405	15,26,84,577
Total equity		**16,88,39,525**	**15,98,84,697**
Non-current liabilities			
Financial liabilities			
Provisions	13	28,74,353	29,61,817
Total non-current liabilities		**28,74,353**	**29,61,817**
Current Liabilities			
Financial liabilities			
Trade payables	14	16,61,333	17,78,315
Other current liabilities	15	3,81,055	53,425
Provisions	13	9,71,849	2,37,755
Total current liabilities		**30,14,237**	**20,69,495**
Total		**17,47,28,115**	**16,49,16,009**
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the Financial Statements from 1 to 36			

As per our report attached
For Chandrashekar Iyer & Co.
Chartered Accountants

For and on behalf of the Board

Chandrashekhar Iyer
Partner
Membership No. 047723
Firm Registration No. 114260W

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Himanshu Jain
Director
DIN : 06890639

Place : Mumbai
Dated : May 29,2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note	March 31, 2020 ₹	March 31, 2019 ₹
INCOME			
Revenue from operations		-	-
Other income	16	16,84,173	44,11,030
Total Income		**16,84,173**	**44,11,030**
EXPENSES			
Employee benefit expense	17	37,38,592	34,09,194
Depreciation and amortisation expense		47,754	97,582
Other operating and general expenses	18	13,07,865	19,86,462
Total Expenses		**50,94,211**	**54,93,238**
Profit/ (Loss) before exceptional items and tax		**(34,10,038)**	**(10,82,208)**
Exceptional items	19	1,57,34,027	(1,52,75,910)
Profit/ (Loss) before tax		1,23,23,989	(1,63,58,118)
Tax expense			
Current tax		12,50,000	7,00,000
Deferred tax		(9,79,648)	(6,91,287)
Short / (Excess) provision for the earlier years		-	26,25,000
Total		**2,70,352**	**26,33,713**
Profit/ (Loss) after tax for the year from continuing operations		1,20,53,637	(1,89,91,831)
Profit/ (Loss) from discontinuing operations	20	(26,46,805)	98,27,328
Tax credit of discontinuing operations			
Profit/ (Loss) including discontinuing operations (after tax)		94,06,832	(91,64,503)
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(4,52,004)	(2,54,712)
		(4,52,004)	**(2,54,712)**
Total comprehensive Income for the period		**89,54,828**	**(94,19,215)**
Profit/ (Loss) for the period attributable to:			
Owners of the Company		94,06,832	(91,64,503)
Total Comprehensive Income for the period attributable to			
Owners of the Company		**89,54,828**	**(94,19,215)**
Earnings per share:			
Basic - (₹)		13.06	(12.73)
Diluted - (₹)		13.06	(12.73)
Face value per ordinary share - (₹)		10	10
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the Financial Statements from 1 to 36

As per our report attached
For Chandrashekar Iyer & Co.
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 047723
Firm Registration No. 114260W

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Himanshu Jain
Director
DIN : 06890639

Place : Mumbai
Dated : May 29,2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

		March 31, 2020 ₹	March 31, 2019 ₹
CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax		96,77,184	(65,30,789)
Adjustments For :			
Depreciation and Amortisation		3,34,998	4,13,403
Profit on sale of assets		-	(1,12,82,356)
Profit on sale of investments		(1,31,64,840)	-
Dividend Income		-	(4,78,549)
Interest Income		(15,38,059)	(36,71,780)
Sundry Credit balance written back		(1,46,114)	(2,60,701)
Provision for Diminution in value of long term Investments (reversal)		(25,69,187)	-
Deposits Non current		-	(20,000)
Provision for doubtful advances		-	(72,32,200)
Provision for Employee Benefits		(4,52,004)	(2,54,712)
		(1,75,35,206)	**(2,27,86,895)**
Cash Operating Profit before working capital changes		(78,58,022)	(2,93,17,684)
Adjustments for (increase)/ decrease in operating assets:			
Short-term loans and advances		11,37,003	4,91,27,449
		11,37,003	**4,91,27,449**
Adjustments for increase/ (decrease) in operating liabilities:			
Trade Payables		29,133	(9,38,136)
Short term provisions		7,34,094	1,54,577
Long term provisions		(87,464)	1,02,750
Other Current Liabilities		3,27,630	(51,17,595)
		10,03,393	**(57,98,404)**
Cash Generated from Operating Activities		(57,17,626)	1,40,11,361
Direct Taxes (Paid)/ Refunded		(1,55,499)	(13,92,045)
Net Cash Generated From Operating Activities (A)		**(58,73,125)**	**1,26,19,316**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(10,38,136)	(1,12,59,063)
Sale of Property, Plant and Equipment		-	1,52,59,063
Sale of current Investments		-	2,03,14,377
Purchase of long-term investment		3,44,05,700	(3,06,27,890)
Interest Received		10,18,854	36,12,096
Dividend Received		-	4,78,549
Fixed Deposit placed		(2,77,85,929)	(1,07,02,329)
Net Cash Generated/(Used) In Investing Activities (B)		**66,00,488**	**(1,29,25,197)**
CASH FLOW FROM FINANCING ACTIVITIES			
Long/ Short Term Deposits Refunded by companies		-	-
Long/ Short Term Deposits placed with companies		-	-
Dividend paid		-	-
Net Cash Generated/ (Used) In Financing Activities (C)		**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)		**7,27,363**	**(3,05,881)**
Cash and Cash Equivalents - Opening		1,08,296	4,14,177
Cash and Cash Equivalents - Closing		**8,35,659**	**1,08,296**
Summary of Significant Accounting Policies	2		

The accompanying notes form an Integral part of the Financial Statements from 1 to 36

As per our report attached
For Chandrashekar Iyer & Co.
Chartered Accountants

For and on behalf of the Board

Chandrashekhar Iyer
Partner
Membership No. 047723
Firm Registration No. 114260W

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

Himanshu Jain
Director
DIN : 06890639

Place : Mumbai
Dated : May 29,2020

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 1: CORPORATE INFORMATION

Inditravel Ltd is incorporated and domiciled in India and has its registered office at Mandlik House, Mandlik Road, Colaba, Mumbai 400 001. The Company is primarily engaged in the business ofTravel related services.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

(b) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

(c) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(d) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

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 or loss.

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

All assets and liabilities are classified into current and noncurrent generally on the criteria of realisation /settlement within twelve months period from the Balance sheet date.

(e) Revenue recognition:

Revenue and cost is recognised and accounted on accrual basis. Sale of goods is net of sales tax, returns and trade discounts. Service Income is net of service tax and is recognised when earned in accordance with the terms of the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognised when the Company’s right to receive the amount is established.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes all expenditure incidental to acquisition and installation.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets’ carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater that it’s estimated recoverable amount.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Depreciation is charged to profit or loss so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful life
Buildings	60 years
Plant & Machinery / Office Equipment	15 years
Furniture & Fixtures	15 years
Electrical fittings	10 years
Computers	6 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Capital work in progress represents property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(g) Intangible Assets:

Intangible assets include cost of acquired software and Licenses. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. The estimated useful life used for amortising intangible assets are as under:

Nature of Assets	Useful life adopted
Software and Licenses	6 years

(h) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(i) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(j) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell

(k) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(l) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognised in the financial statements.

(m) Employee Benefits

(i) Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

(ii) Gratuity Fund

The Company follows Unfunded Gratuity scheme and carry a provision based on actuarial valuation in the books of accounts. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

(iii) Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

(iv) Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

(n) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(o) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(p) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(q) Financial Instruments:

Financial Assets:

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 its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Investment in equity – others is carried at lower of cost or fair value

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either:

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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.

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 Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

	Improvements to leasehold buildings (Refer Note No.27)	Freehold Land	Plant and Equipment	Furniture and Fixtures	Office Equipment	Total
COST						
At April 1, 2018	41,91,193	-	13,98,295	59,244	5,917	56,54,649
Additions	96,34,975	16,24,088				1,12,59,063
Adjustments						-
Disposals/ Transfer	41,91,193					41,91,193
At March 31, 2019	**96,34,975**	**16,24,088**	**13,98,295**	**59,244**	**5,917**	**1,27,22,519**
Additions	10,38,136					10,38,136
Adjustments						-
Disposals/ Transfer						-
At March 31, 2020	**1,06,73,111**	**16,24,088**	**13,98,295**	**59,244**	**5,917**	**1,37,60,655**
DEPRECIATION						
At April 1, 2018	2,14,486	-	8,68,972	14,084	1,278	10,98,820
Charge for the year	1,60,583		2,04,235	4,694	426	3,69,938
Adjustments						-
Disposals	2,14,486					2,14,486
At March 31, 2019	**1,60,583**	**-**	**10,73,207**	**18,778**	**1,704**	**12,54,272**
Charge for the year	1,61,827	-	1,24,646	4,695	426	2,91,594
Adjustments						-
Disposals	-					-
At March 31, 2020	**3,22,410**	**-**	**11,97,853**	**23,473**	**2,130**	**15,45,866**
NET BLOCK						
At March 31, 2019	**94,74,392**	**16,24,088**	**3,25,088**	**40,466**	**4,213**	**1,14,68,247**
At March 31, 2020	**1,03,50,701**	**16,24,088**	**2,00,442**	**35,771**	**3,787**	**1,22,14,789**

NOTE 4 : INTANGIBLE ASSETS (ACQUIRED)

₹

	Software	Total
COST		
At April 1, 2018	**50,955**	**50,955**
Additions	-	-
Adjustments	-	
Disposals	-	-
At March 31, 2019	**50,955**	**50,955**
Additions	-	-
Adjustments	-	
Disposals	-	-
At March 31, 2020	**50,955**	**50,955**
AMORTISATION		
At April 1, 2018	**40,876**	**40,876**
Charge for the year	1,506	1,506
Adjustments	-	
Disposals	-	-
At March 31, 2019	**42,382**	**42,382**
Charge for the year	1,445	1,445
Adjustments	-	
Disposals	-	-
At March 31, 2020	**43,827**	**43,827**
NET BLOCK		
At March 31, 2019	**8,573**	**8,573**
At March 31, 2020	**7,128**	**7,128**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

NOTE 5 : INVESTMENTS

	March 31, 2020		March 31, 2019	
Non Current Investments	Holdings As at	₹	Holdings As at	₹
Fully Paid Unquoted Equity Instruments				
Investments in Other companies (At Cost)				
Taj Enterprises Ltd. Shares of ₹ 100/- each fully paid-up*	-	-	12,450	2,12,40,860
Taj Trade & Transport Compnay Ltd shares of ₹ 10/- each fully paid-up	5,50,766	2,83,11,373	5,50,766	2,83,11,373
Taj Safaris Ltd of ₹ 10/- each, fully paid-up **	1,11,70,380	11,17,03,800	1,11,70,380	11,17,03,800
	1,17,21,146	**14,00,15,173**	**1,17,33,596**	**16,12,56,033**
Total Non-current Investments - Gross		14,00,15,173		16,12,56,033
Less : Provision for Diminution in value of Investments **		(6,53,46,723)		(6,79,15,910)
Total Non-current Investments - Net		**7,46,68,450**		**9,33,40,123**

Footnotes :

1) Aggregate of Unquoted Investments - Gross	14,00,15,173	16,12,56,033
2) Aggregate amount of impairment in value of investments	(6,53,46,723)	(6,79,15,910)

3) * These companies are the fellow subsidiaries of Inditravel limited

4) ** Provision for diminution in value has been made on the basis of fair valuation of the shares of the company

NOTE 6 : LOANS

	March 31, 2020 ₹	March 31, 2019 ₹
A) CURRENT		
(Unsecured, considered good unless stated otherwise)		
Loans and Advances to Employees	18,000	54,996
Related Parties	-	11,00,006
Interest Receivable	7,95,858	2,76,653
Others:		
Considered Doubtful	72,32,200	72,32,200
	80,46,058	**86,63,855**
Less:		
Provision for Doubtful Advances	(72,32,200)	(72,32,200)
	8,13,858	**14,31,655**

NOTE 7 : DEFERRED TAX ASSETS / (LIABILITIES) (NET)

	March 31, 2020 ₹	March 31, 2019 ₹
DEFERRED TAX ASSETS:		
Provision for Employee Benefits	3,91,817	5,39,819
MAT Credit Entitlement	12,50,000	-
Others	17,53,543	16,26,881
Total (B)	**33,95,360**	**21,66,700**
DEFERRED TAX LIABILITIES:		
Property, Plant and equipment & Intangible Assets	4,15,931	1,66,919
Total (A)	**4,15,931**	**1,66,919**
Net Deferred Tax Assets /(Liabilities) (A-B)	29,79,429	19,99,781

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

NOTE 8 : TRADE RECEIVABLES

	March 31, 2020 ₹	March 31, 2019 ₹
EXCEEDING SIX MONTHS FROM THE DATE THEY WERE DUE FOR PAYMENT:		
Considered Good	-	-
Considered doubtful	78,07,181	78,07,181
	78,07,181	**78,07,181**
Less : Provision for Debts doubtful of recovery	(78,07,181)	(78,07,181)
	-	-

NOTE 9 : CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹	March 31, 2019 ₹
Balances with bank in current account	8,35,659	1,08,296
	8,35,659	**1,08,296**

NOTE 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹	March 31, 2019 ₹
OTHER BALANCES WITH BANKS		
Balances with bank in current account	4,05,94,258	1,28,08,329
	4,05,94,258	**1,28,08,329**

NOTE NO. 11

	March 31, 2020 ₹	March 31, 2019 ₹
SHARE CAPITAL		
1 Authorised Share capital		
a) Equity Shares		
750000 (Previous Year 750000) Equity Shares of ₹ 10 each	75,00,000	75,00,000
b) Preference Shares		
12000000 (Previous Year 12000000) 6 % Cumulative Optionally Convertible Preference Shares of ₹ 10 each	12,00,00,000	12,00,00,000
c) Unclassified Shares		
17250000 (Previous Year 17250000) Unclassified Shares of ₹ 10 each	17,25,00,000	17,25,00,000
	30,00,00,000	30,00,00,000
2 Issued, Subscribed and Paid up		
a) Equity Shares		
720012 (Previous Year 720012) Equity Shares of ₹ 10 each fully paid	72,00,120	72,00,120
	72,00,120	72,00,120

a. Shareholders holding more than 5% shares in the Company

	March 31, 2020		March 31, 2019	
Name of the Company	**No. of Shares**	**% holding**	**No. of Shares**	**% holding**
Equity share of ₹ 10/-each fully paid				
The Indian Hotels Company Limited	2,40,004	33.34%	2,40,004	33.34%
TIFCO Holding Lmited	99,005	13.75%	99,005	13.75%
Taj Trade and Transport company Limited	72,001	10.00%	72,001	10.00%
Piem Hotels Limited	1,89,002	26.25%	1,89,002	26.25%
Taj Enterprises Limited	72,000	10.00%	72,000	10.00%

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

b. Reconcilation of the shares outstanding at the beginning and at the end of reporting period

	March 31, 2020		March 31, 2019	
	No. of Shares	**₹**	**No. of Shares**	**₹**
Opening Balance	7,20,012	72,00,120	7,20,012	72,00,120
Add : Issued during the year	-	-	-	-
Less : Redeeemed / Bought Back	-	-	-	-
Closing Balance	**7,20,012**	**72,00,120**	**7,20,012**	**72,00,120**

c. Shares in the Company held by its ultimate holding company including shares held by subsidiaries or associates of ultimate holding company

	March 31, 2020		March 31, 2019	
Name of the Company	**No. of Shares**	**% holding**	**No. of Shares**	**% holding**
Shares held by Ultimate Holding Company				
The Indian Hotels Company Limited	2,40,004	33.34%	2,40,004	33.34%
	2,40,004	**33.34%**	**2,40,004**	**33.34%**
Shares held by Subsidiary of Ultimate Holding Company				
Piem Hotels Limited	1,89,002	26.25%	1,89,002	26.25%
Taj Trade and Transport Company Limited	72,001	10.00%	72,001	10.00%
TIFCO Holding Lmited	99,005	13.75%	99,005	13.75%
Taj Enterprises Limited	72,000	10.00%	72,000	10.00%
Northen Indian Hotels Limited	24,000	3.33%	24,000	3.33%
	4,56,008	**63.33%**	**4,56,008**	**63.33%**

d. The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, exepct in case of interim dividend. In event of liquidation, the equity shareholders are eligible to receive the remianing assets of the Company after distribution of all perferential amounts, in proportion to their shareholding.

NOTE: 12 STATEMENT OF CHANGES IN EQUITY

₹

Particulars	Equity Share Capital Subscribed	Other Equity				Total
		Reserves and Surplus				
		Capital Reserve	General Reserve	Other reserves	Retained Earnings	
BALANCE AS AT MARCH 31, 2018	72,00,120	15,50,000	5,19,18,242	12,00,00,000	(1,13,64,450)	16,93,03,912
Profit for the year ended March 31, 2019					(91,64,503)	(91,64,503)
Other Comprehensive Income for the year ended March 31, 2019, net of taxes, (excluding actuarial gain/ losses, given below)						-
Remeasurements of post employment benefit obligation, net of tax	-	-	-	-	(2,54,712)	(2,54,712)
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**-**	**-**	**(94,19,215)**	**(94,19,215)**
BALANCE AS AT MARCH 31, 2019	**72,00,120**	**15,50,000**	**5,19,18,242**	**12,00,00,000**	**(2,07,83,665)**	**15,98,84,697**
Profit for the year ended March 31, 2020					94,06,832	94,06,832
Other Comprehensive Income for the year ended March 31, 2019, net of taxes, (excluding actuarial gain/ losses, given below)					-	
Remeasurements of post employment benefit obligation, net of tax	-	-	-	-	(4,52,004)	(4,52,004)
Total Comprehensive Income for the year ended March 31, 2020	**-**	**-**	**-**	**-**	**89,54,828**	**89,54,828**
BALANCE AS AT MARCH 31, 2020	**72,00,120**	**15,50,000**	**5,19,18,242**	**12,00,00,000**	**(1,18,28,837)**	**16,88,39,525**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

NOTE 13: PROVISION

	March 31, 2020 ₹	March 31, 2019 ₹
A) LONG TERM PROVISIONS		
Employee Benefit Obligation (Non-current)		
Leave Encashment	3,98,128	5,71,295
Gratuity	24,76,225	23,90,522
	28,74,353	**29,61,817**
B) SHORT TERM PROVISIONS		
Employee Benefit Obligation (Current)		
Leave Encashment	1,55,436	99,975
Gratuity	8,16,413	1,37,780
	9,71,849	**2,37,755**

NOTE 14: TRADE PAYABLES

	March 31, 2020 ₹	March 31, 2019 ₹
Micro and Small Enterprises (Refer Footnote _ and _)	-	-
Vendor Payables	99,756	1,38,615
Accrued expenses and others	15,61,577	16,39,700
	16,61,333	**17,78,315**

NOTE 15 : OTHER CURRENT LIABILITIES

	March 31, 2020 ₹	March 31, 2019 ₹
CURRENT		
Statutory dues	38,755	53,425
Related Parties	3,18,300	-
Others	24,000	-
	3,81,055	**53,425**

NOTE 16 : OTHER INCOME

	March 31, 2020 ₹	March 31, 2019 ₹
Interest Income from financial assets at amortised cost		
Interest Income on		
Deposits with banks (Tax deducted at source ₹ 1,52,380/- (Previous Year ₹ 38,690/-)	15,36,184	4,95,975
Deposits with Related Parties	-	31,70,555
Others	1,875	5,250
Total	**15,38,059**	**36,71,780**
Dividend received on Investment carried at cost		
Dividend Income - Current Investment	-	4,78,549
Miscellaneous Income	1,46,114	2,60,701
Total	**16,84,173**	**44,11,030**

NOTE 17 : EMPLOYEE BENEFIT EXPENSE AND PAYMENT TO CONTRACTORS

	March 31, 2020 ₹	March 31, 2019 ₹
Salaries, Wages, Bonus etc.	31,17,383	28,85,797
Company's Contribution to Provident and Other Funds	4,74,619	4,30,088
Staff Welfare Expenses	1,46,590	93,309
Total	**37,38,592**	**34,09,194**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

	March 31, 2020 ₹	March 31, 2019 ₹
NOTE 18 : OTHER OPERATING AND GENERAL EXPENSES		
Rent Rates and Taxes	32,610	2,86,006
Insurance	1,97,902	1,82,890
Business Promotion Expenses	1,27,905	-
Printing and Stationery	1,274	-
Travelling and Conveyance Expenses	2,58,630	-
Legal and Professional Charges	4,15,486	11,78,142
Payment made to Statutory Auditors (Refer Footnote (i))	46,809	1,18,000
Miscellaneous Expenses	2,27,249	2,21,424
Total	**13,07,865**	**19,86,462**

	March 31, 2020 ₹	March 31, 2019 ₹
(i) Payment made to Statutory Auditors:		
As auditors	40,000	1,18,000
For out-of pocket expenses	6,809	
	46,809	**1,18,000**

	March 31, 2020 ₹	March 31, 2019 ₹
NOTE 19: EXCEPTIONAL ITEMS		
a) Provision for Dimunition in Value of Investments	-	(1,52,75,910)
b) Reversal of Provision for Dimunition in Value of Investments	25,69,187	
c) Profit on Sale of Investments	1,31,64,840	-
	1,57,34,027	**(1,52,75,910)**

	March 31, 2020 ₹	March 31, 2019 ₹
NOTE 20 : PROFIT/ (LOSS) ON DISCONTINUED OPERATIONS		
Income from discontinued operation		
Profit on Relinquishment of Land	-	1,12,82,356
Rental Income	-	3,75,000
Miscellaneous Income	-	7,31,534
	-	**1,23,88,890**
Expenses from discontinued operation		
Salaries, Wages, Bonus etc.	21,39,244	20,19,837
Rates and taxes	18,900	25,190
Repairs & Maintenance	60,867	-
Legal & Professional Expenses	1,05,000	1,02,000
Electricity	35,550	98,714
Depreciation	2,87,244	3,15,821
	26,46,805	**25,61,562**
Total	**(26,46,805)**	**98,27,328**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

21. CONTINGENT LIABILITIES:

	March 31, 2020 ₹	March 31, 2019 ₹
Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	-	-
(i) Income tax demand under appeal	46,03,585	46,03,585
	46,03,585	**46,03,585**

Employee Related Matters

Some casual workers had claimed minimum wages/permanency in the company. The amount is unascertainable and the matter is pending in court.

The management believes that the outcome of the proceedings will not have an adverse effect on the company's financial position and results of the operation.

22.DEFERRED TAX:
Following are the major components of deferred tax (asset)/liability:

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
DEFERRED TAX ASSETS:		
Gratuity & Leave Encashment	3,91,817	4,22,421
Bonus	-	1,17,398
Unabsorbed Depreciation	16,75,543	15,48,881
Others	78,000	78,000
MAT credit entitlement	12,50,000	-
Total of Deferred tax assets (A)	**33,95,360**	**21,66,700**
Deferred tax liabilities:		
Depreciation on Fixed assets	(4,15,931)	(1,66,919)
Total of Deferred tax liabilities (B)	**(4,15,931)**	**(1,66,919)**
Deferred tax net - Assets / (Libilities) - (A-B)	**29,79,429**	**19,99,781**

23.INCOME TAX EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS A/C:

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Current Tax		
In respect of the current year	12,50,000	7,00,000
In respect of earlier years	-	26,25,000
	12,50,000	**33,25,000**
Deferred Tax		
In respect of the current year	2,70,352	-6,91,287
MAT Credit	-12,50,000	-
	-9,79,648	**-6,91,287**
Total tax expense recognised in the current year	**2,70,352**	**26,33,713**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

RECONCILIATION OF TAX EXPENSE WITH THE EFFECTIVE TAX

Particulars	March 31, 2020	March 31, 2019
	₹	₹
Profit/loss before tax (a)	**96,77,184**	**(65,30,790)**
Income tax rate as applicable (b)	**26.00%**	**26.00%**
Calculated Taxes based on above, without any adjustments for **deduction [(a) x (b)] - c**	25,16,068	-16,98,005
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	-	(1,24,423)
Permanent disallowances	-34,77,362	16,58,947
Others (Difference due to change in rate of tax)	-	-
Deferred tax liability no longer required	-	(6,66,744)
Deferred tax assets not created due to no probable certainty	9,42,786	1,38,938
Deferred tax assets reversed due to no probable certainty	-	
Deferred tax assets no longer required	2,88,860	-
d	(22,45,716)	10,06,718
Tax for current year (c+d)	2,70,352	-6,91,287
Prior year taxes as shown above	-	-
Income tax expense recognised in profit or loss	2,70,352	-6,91,287

24.PARTICULARS OF EARNINGS PER SHARE:

Particulars	March 31, 2020	March 31, 2019
	₹	₹
Net profit /(loss) for the year as per the statement of profit and loss	94,06,832	(91,64,503)
Profit / (loss) to equity share holders	94,06,832	(91,64,503)
Weighted average number of equity shares	720,012	720,012
Nominal value per share	10	10
Earnings per share – Basic & Diluted	13.06	(12.73)

25. Closure of Units:

a) The Company discontinued its printing, electroplating and other operations and Car Hire division with effect from March 2001 and December 2014 respectively. As at March 31, 2020, the Company carried the following assets and liabilities of discontinued operations:

Particulars	March 31, 2020		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Divisions				
Printing	-	-	-	-
Others	1,44,62,979	-	1,36,28,629	-
Car Hire	1,00,000	-	1,00,000	-
Total	**1,45,62,979**	**-**	**1,37,28,629**	**-**

The Market values of these Assets are higher than the carrying value.

The Company has incurred Lossof ₹26,46,805/-(Previous Year Profitof ₹98,27,328/-) from discontinued business, which is included in the Profit and Loss Account, break-up of which is given as under:

Particulars	March 31, 2020			March 31, 2019		
	Revenue	Expenses	Profit/(Loss)	Revenue	Expenses	Profit/(Loss)
Divisions						
Printing	-	-	-	-	-	-
Others	-	5,07,561	(5,07,561)	1,23,88,890	5,41,725	1,18,47,165
Car Hire		21,39,244	(21,39,244)		20,19,837	(20,19,837)
Total	**-**	**26,46,805**	**(26,46,805)**	**1,23,88,890**	**25,61,562**	**98,27,328**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

26. In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of the Company's business.

27.Amounts due to Micro, Small and Medium Enterprises:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act,2006" has been determined to the extend such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

		March 31, 2020 ₹	March 31, 2019 ₹
(a)	Principal amount due thereon remaining Unpaid to any supplier at end of each accounting year.	-	-
(b)	Interest due there on remaining unpaid to supplier as at end of each accounting year.	-	-
(c)	The amount of interest paid in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d)	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 this Act	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(f)	The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro , Small and Medium Enterprises Development Act, 2006	-	-

28.Employee Benefits

Applicable Disclosures as per IND AS19:

The Company has calculated the various benefits to employees as under:

(A) Defined contribution plans

The company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and other funds(net of recoveries)

	March 31, 2020 ₹	March 31, 2019 ₹
Provident fund	2,58,608	1,81,253

(B) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Non Funded

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(C) Defined benefit plans(Gratuity) – as per actuarial valuation on March 31, 2020: -

Principal Actuarial Assumptions as at March 31, 2020.

		March 31, 2020 ₹	March 31, 2019 ₹
(i)	**Amount to be recognised in Balance Sheet and Movement in net Liability**		
	Present Value of unfunded defined benefit obligation	32,92,638	25,28,302
	Net (Assets)/ Liability	**32,92,638**	**25,28,302**
(ii)	**Expense recognised in Statement of Profit & Loss**		
	Current Service Cost	1,26,646	1,14,698
	Interest Cost	1,85,686	1,64,969
	Total	**3,12,332**	**2,79,667**
(iii)	**Expense recognised in Other Comprehensive Income**		
	Remeasurements Due to:		
	Changes in financial assumptions	89,135	-
	Experience adjustments	2,89,173	2,54,947
	Adjustment to recognise the effect of asset ceiling	73,696	(235)
	Total	**4,52,004**	**2,54,712**
(iv)	**Reconciliation of Defined Benefit Obligation:**		
	Opening Defined Benefit Obligation	25,28,302	21,90,858
	Current Service Cost	1,26,646	1,14,698
	Interest Cost	1,85,686	1,64,969
	Remeasurements due to actuarial loss/(gain) arising from		
	Changes in financial assumption	-	-
	Experience adjustments	4,52,004	2,54,712
	Benefits Paid	-	(1,96,935)
	Closing Defined Benefit Obligation	**32,92,638**	**25,28,302**
(v)	**Reconciliation of Fair Value of Plan Assets**		
	Contribution by Employer	-	1,96,935
	Benefit Paid	-	(1,96,935)
	Closing of Fair Value of Plan Assets	**-**	**-**
(vi)	**Actuarial Assumptions :**		
	Discount rate(p.a.) in %	6.65%	7.55%
	Salary escalation rate (p.a.) in %	7%	7%
	Pension Escalation Rate (p.a.) in %	-	-
	Annual Increase in Healthcare cost (p.a.)	-	-
	Mortality Table (LIC)	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

(vii) Sensitivity Analysis

	March 31, 2020	
	Discount Rate	**Salary Escalation Rate**
	(%)	**(%)**
Impact of increase in 50 bps on DBO	-1.52%	1.56%
Impact of decrease in 50 bps on DBO	1.57%	-1.53%
(viii) Data Summary :		
No. of Employees	10	10
Total Salary	**1,47,446**	**1,25,453**
Total Past Service	**20.51**	**19.51**
Value of liability	**32,92,638**	**25,28,302**

(ix) Any other additional disclosure given in the report

Mortality Table * - Table 1

Mortality in Service - Table 1

Mortality in Retirement - NA

*Table 1- Indian Assured Lives Mortality (2012-14) Ult table.

29. Related Party Disclosure AS – 18, issued by the Institute of Chartered Accountants of India.

A. Holding Company — The Indian Hotels Company Limited

B. Subsidiaries of Holding Company —
Taj SATS Air Catering Limited
TIFCO Holdings Limited
KTC Hotels Limited
United Hotels Limited
Roots Corporation Limited
Piem Hotels Limited
Taj Trade and Transport Company Limited
Northern India Hotels Limited
Taj Enterprises Limited
Benares Hotels Limited
Lands End Properties Private Limited
Luthria & Lalchandani Hotel & Properties Pvt. Ltd.
Skydeck Properties and Developers Private Limited
Sheena Investments Private Limited
ELEL Hotels & Investments Limited
Taj International Hotels (H.K) Limited
Cheiftain Corporation NV
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited - London
Samsara Properties Limited
Apex Hotel MGMT Services Pte Ltd
PIEM International Hotels (H.K) Limited
Apex Hotel Mangement Services (Australia) Pty Ltd
Premium Aircraft Leasing
BAHC 5 Pte. Ltd
United Overseas Holdings Inc.
IHMS Inc

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

C. Joint Ventures of Holding Company	Taj Kerala Hotels & Resorts Limited Taj Safaris Limited Kaveri Retreat & Resorts Limited Taj Madras Flight Kitchen Pvt Ltd Taj Karnataka Hotels & Resorts Ltd Taj GVK Hotels & Resorts Ltd TAL Hotels & Resorts Ltd IHMS Hotels (SA) (proprietary) Ltd

D. Details of Transactions with related parties are as follows:

Particulars	Holding Company		Subsidiaries of Holding Company	
	2019-20	2018-19	2019-20	2018-19
	₹	₹	₹	₹
Sale of Long Term Investments	3,44,05,700	-	-	-
Sale or services received	1,19,646	-	13,166	-
Due from Current Account	-	-	3,18,300	11,00,006

Particulars	Joint Ventures	
	2019-20	2018-19
	₹	₹
Purchase of Shares under Rights issue	-	4,59,03,800
Interest Received on ICD	-	31,70,555

(E) Statement of material transactions:

Company name	March 31, 2020 ₹	March 31, 2019 ₹
Holding Company		
The Indian Hotels Company Limited		
Sales or Services	1,19,646	-
Subsidiaries of Holding Company		
Taj Trade & Transport Company Limited		
Sales or Services	5,496	-
Current Account Dues	3,18,300	11,00,006
PIEM Hotels Limited		
Sales or Services	7,670	-
Joint Ventures		
Taj Safaris Limited		
Purchase of Shares under Rights issue	-	4,59,03,800
Interest Income on Inter Corporate Deposits	-	31,70,555

30. The details of provisions as required by the provisions of Indian Accounting Standard 37"Provisions, contingent Liabilities and Contingent Assets" are as under:

In ₹

Nature of Provision	Leave Encashment & Gratuity
Opening Balance	31,99,572
Additional provisioning	7,64,336
Amounts used during the year	-
Amounts reversed during the year	1,17,706
Closing Balance	**38,46,202**

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

31. The Company's only business being travel related services, disclosure of segment –wise information is not applicable under Indian Accounting Standard – Segmental Information (AS – 108 notified by the Company's (Accounting Standards) Rules, 2006. There is no geographical segment to be reported since all the operations are undertaken in India.

32. The Company was carrying an investment of 111,70,380 Shares of Taj Safari Limited Face value ₹10 each, at ₹ 4,63,57,077/-(P.Y. ₹437,87,890/-). During the year a provision for diminution in value of investments amounting to ₹25,69,187/- has been reversed from the existing provision based on fair valuation of the shares of the company and the same has been shown as an exceptional item in the Profit and Loss account.

33. The Company has investment in property amounting to ₹24,82,190/- (PY ₹25,24,149/-) where the right to title is executed through registered power of attorney.

34. ADDITIONAL INFORMATION:

Sr No.	Particulars	March 31, 2020	March 31, 2019
		(₹)	(₹)
(i)	Value of imports on CIF basis	Nil	Nil
(ii)	Expenditure in Foreign Currency -		
	a. Passage and Travelling	Nil	Nil
	b. Professional Fees	Nil	Nil
(iii)	Earnings in foreign exchange		
	a. Export - F.O.B. value	Nil	Nil

35. SALE OF SERVICES:

	March 31, 2020	March 31, 2019
	₹	₹
Car Hire and Other services	NIL	NIL

36. 'The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. This being an unprecedented event which is difficult to estimate, the actual implications could vary. The economic/social consequences of this event are impacting the very operation of the retail trade and consumer demand. However the management considers the impairment assessment of property, plant and equipment, intangible assets, investments, trade receivables valuation as at 31 March 2020 as recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from COVID19 pandemic.

37. As at March 31, 2020, the company's current liabilities do not exceed its current assets. The Company also has enough Cash and Bank balances for the next 12 months to prevent disruption of the operating cash flows and enable the Company to meet its debts and obligations as they fall due.

Accordingly, the financial statements of the Company are prepared on a going concern basis.

NOTES FORMING PART OF FINANCIAL STATEMENTS (CONTD.)

38. Previous year figures are regrouped and rearranged wherever necessary to match with current year's classification.

Signature to Notes Forming Part of Financial Statements 1 to 38

For Chandrashekar Iyer & Co. Chartered Accountants	For and on behalf of the Board		
Chandrashekhar Iyer Partner Membership No. 047723 Firm Registration No. 114260W	Faisal Momen Director DIN : 00064878	Nabakumar Shome Director DIN : 03605594	Himanshu Jain Director DIN : 06890639

Place : Mumbai
Dated : May 29,2020

INDEPENDENT AUDITOR'S REPORT

To the Members of **KTC Hotels Limited**

REPORT ON THE AUDIT OF THE STANDALONE IND-AS FINANCIAL STATEMENT

Opinion

We have audited the accompanying financial statements of KTC Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss(including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies along with the Notes forming part of the accounts 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 Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view inconformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements, on a test check basis, in accordance with the Standards on Auditing specified under Section 143(10) of the Act ("SAs"). Our responsibility under those standards are further described in the Auditors' responsibility for the audit of the financial statements section of this report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

SI. No	Key Audit Matter	Auditor's Response
1.	Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 2.(i) and 19.1 to the Financial Statements	Principal Audit Procedures Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties
2.	Recoverability of Indirect tax receivables As at March 31, 2020, non-current assets represents Others-Balance with Government Authorities includes service tax recoverable amounting to ₹ 6,35,883 which are pending adjudication. Refer Note 5 to the Financial Statements.	Principal Audit Procedures We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Information Other than the Financials Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to the Director's Report in the Annual Report of the Company for the financial year 2019-20, 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparationof these financial statements that give a true and fair view of the state of affairs, the profit, total comprehensive income, cash flowsand changes in equity of the Company in accordance with Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act forsafeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and applicationof appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementationand maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completenessof the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair viewand 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 goingconcern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unlessmanagement 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 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 ofassurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material mis-statementwhen it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonablybe 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:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design andperform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

INDEPENDENT AUDITOR'S REPORT (CONTD.)

provide abasis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting fromerror, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate inthe circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether thecompany has adequate internal financial controls with reference to financial reporting in place and the operating effectivenessof such controls.

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the auditevidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on theCompany's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to drawattention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, tomodify 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.

5. 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

   c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equityand the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

   d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act to the extentapplicable;

INDEPENDENT AUDITOR'S REPORT (CONTD.)

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the year.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 19.1 to the Ind AS financial statements;

   ii. The Company did not have any long term contracts including derivative contracts for which they have 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 **Varma and Varma**
Chartered Accountants
FRN No:004532S

S. Raghunandan
Partner
M No. 23592

Place: Calicut
Date: 4/06/2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KTC Hotels Limited of even date)

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

(b) We are informed that major items of the fixed assets of the Company have been physically verified by the management during the year, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets and that no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a service company, primarily engaged in business of renting of immovable property. Accordingly, it does not hold any physical inventories .Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) The Company has not made any investment or granted any loans or given any security or given any guarantee for which the provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable.

(v) The Company has not accepted any deposits from the public and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

(vii) As per the information and explanations furnished to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, and as per the records of the company examined by us, the following disputed amount of statutory dues have not been deposited with the relevant authorities as per details given below:

Nature of the Statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Income tax Act 1961	Income Tax	9,59,450/-	Assessment Year 2005 -06	CIT(Appeals), Kozhikode
Finance Act 1994	Service tax	22,47,062/-	Financial Year2007 – 08 and 2008 –09	Office of the Commissioner of Central Excise, Customs and Service Tax(Appeals), Cochin

*Out of the above, an amount of ₹ 5,24,190/- have been adjusted against the refund due for the Assessment Year 2009-10

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT (CONTD.)

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The company has not availed any term loans during the year.

(x) During the course of our examination of the books 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 instances of material fraud by the Company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.

(xi) According to the information and explanations give to us,and the records of the Company examined by us, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the order is not applicable.

(xii) The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 wherever applicable and details have been disclosed in Note No. 19.4 to the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and records of the Company, examined by us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us and the records of the company examined by us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under Clause (xvi) of paragraph 3 of the Order is not applicable.

For **Varma and Varma**
Chartered Accountants
FRN No:004532S

S. Raghunandan
Partner
M No. 23592

Place: Calicut
Date: 4/06/2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of KTC Hotels Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 KTC Hotels Limited(“the Company”) as of March 31, 2020 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 Management and Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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.

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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, 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 **Varma and Varma**
Chartered Accountants
FRN No:004532S

S. Raghunandan
Partner
M No. 23592

Place: Calicut
Date: 4/06/2020

BALANCE SHEET
as at March 31, 2020

	Note	As at March 31, 2020	As at March 31, 2019
		(Amount in Rupees)	
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	29,338,087	29,971,887
		29,338,087	**29,971,887**
Financial Assets			
i) Other financial assets	4	-	16,913
Income tax assets (Net)		**137,912**	**99,091**
Other non-current assets	5	635,883	635,883
Total non-current assets		**30,111,882**	**30,723,774**
Current assets			
Financial Assets			
i) Trade receivables	6	2,899,481	1,324,306
ii) Cash and cash equivalents	7(a)	10,357,189	11,197
iii) Bank Balances other than Cash and Cash Equivalents	7(b)	11,400,000	19,700,000
iv) Loans	8	152,300	152,300
v) Other financial assets	4	211,762	901,239
Other current assets	5	24,682	16,942
Total current assets		**25,045,415**	**22,105,984**
Total Assets		**55,157,297**	**52,829,758**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	9	6,040,000	6,040,000
(b) Other Equity	10	20,731,493	17,583,160
Total equity		**26,771,493**	**23,623,160**
Liabilities			
Non-current liabilities			
Financial libilities			
i) Borrowings	11	1,090,042	998,742
Deferred Tax Liabilities (Net)	12	5,821,400	6,122,090
Other non-current Liabilities	13	20,784,110	21,365,426
Total non-current liabilities		**27,695,552**	**28,486,258**
Current liabilities			
Financial libilities			
i) Trade payables	14	75,600	75,600
Other current liabilities	13	614,652	644,740
Total current liabilities		690,252	720,340
Total Liabilities		**28,385,804**	**29,206,598**
Total Equity and Liabilities		**55,157,297**	**52,829,758**
Accounting Policies	1-2		
Additional Information	19		

The accompanying notes form an integral part of the financial statements.
For and on behalf of the Board of directors of
KTC Hotels Limited

As per our report attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

V. Mohan
Director
DIN: 00215718

Place: Calicut
Date: 04/06/2020

Prabhat Verma
Director
DIN: 06548864

Place: Bangalore
Date: 04/06/2020

S. Raghunandan
Partner
M. No. 23592

STATEMENT OF PROFIT AND LOSS
for the Period ended March 31, 2020

			(Amount in Rupees)
Particulars	**Note**	**For the Year ended March 31, 2020**	**For the Year ended March 31, 2019**
INCOME			
Revenue from operations	15	3,601,330	3,584,229
Other income	16	1,293,386	1,407,478
Total Income		**4,894,716**	**4,991,707**
EXPENSES			
Finance costs	17	91,300	91,300
Depreciation and Amortisation expenses	3	633,800	635,181
Other expenses	18	221,973	328,755
Total expenses		**947,073**	**1,055,236**
Profit / (Loss) before exceptional items and tax		**3,947,643**	**3,936,472**
Exceptional items		-	-
Profit / (Loss) before tax		**3,947,643**	**3,936,472**
Tax Expense			
(1) Current tax		1,100,000	1,126,000
(2) Deferred tax		(300,690)	(42,460)
(3) Relating to earlier years (net)		-	1,436,547
Profit for the year		**3,148,333**	**1,416,385**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Remeasurement of defined benefit obligation		-	-
Total other comprehensive income (net of tax)		-	-
Total comprehensive income for the year		**3,148,333**	**1,416,385**
Earnings per equity share - Basic and diluted (₹)		5.21	2.35
Weighted average number of equity shares (face value of ₹ 10 each)		604000	604000
Accounting Policies	1-2		
Additional Information	19		

The accompanying notes form an integral part of the financial statements.
For and on behalf of the Board of directors of
KTC Hotels Limited

As per our report attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

V. Mohan
Director
DIN: 00215718

Place: Calicut
Date: 04/06/2020

Prabhat Verma
Director
DIN: 06548864

Place: Bangalore
Date: 04/06/2020

S. Raghunandan
Partner
M. No. 23592

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

Particulars	Note	Equity shares	Amount
Equity shares of INR 10 each issued at par, subscribed and fully paid-up	-	-	-
As at March 31, 2018	9	604,000	6,040,000
Changes in equity share capital during 2018-19		-	-
As at March 31, 2019		**604,000**	**6,040,000**
Changes in equity share capital during 2019-20		-	-
As at March 31, 2020		**604,000**	**6,040,000**

B. OTHER EQUITY

Particulars	Reserves and surplus		Total equity attributable to equity share share holders of the Company
	General Reserve	Retained Earnings	
As at March 31, 2018	3,300,000	22,697,237	25,997,237
Total comprehensive income for the year ended March 31, 2020			
Profit for the year	-	1,416,385	1,416,385
Other comprehensive income, net of taxes	-	-	-
Total comprehensive income	**-**	**1,416,385**	**1,416,385**
Transactions with owners, recorded directly in equity			
Dividend paid	-	8,154,000	8,154,000
Dividend tax	-	1,676,462	1,676,462
Contributions by and distributions to owners	**-**	**9,830,462**	**9,830,462**
As at March 31, 2019	**3,300,000**	**14,283,160**	**17,583,160**
Total comprehensive income for the year ended March 31, 2020			
Profit for the year	-	3,148,333	3,148,333
Other comprehensive income, net of taxes	-	-	-
Total comprehensive income	**-**	**3,148,333**	**3,148,333**
Transactions with owners, recorded directly in equity			
Contributions by and distributions to owners			
Dividend paid	-	-	-
Dividend tax	-	-	-
Total contributions by and distributions to owners	-	-	-
As at March 31, 2020	**3,300,000**	**17,431,493**	**20,731,493**

For and on behalf of the Board of directors of
KTC Hotels Limited

As per our report attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

V. Mohan
Director
DIN: 00215718

Prabhat Verma
Director
DIN: 06548864

S. Raghunandan
Partner
M. No. 23592

Place: Calicut
Date: 04/06/2020

Place: Bangalore
Date: 04/06/2020

CASH FLOW STATEMENT
for the year ended 31/03/2020

Statement of Cash Flows	Year Ended March 31, 2020	Year Ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	3,947,643	3,936,472
Adjustments for:		
Depreciation and amortization	633,800	635,181
Finance Costs	91,300	91,300
Interest Income	(1,975,663)	(1,586,789)
Total Adjustments	**(1,250,563)**	**(860,308)**
Operating profit before working capital changes	**2,697,080**	**3,076,164**
Adjustments for:		
Trade receivables	(1,575,176)	1,688,053
Loans , other financial assets and other assets	997,740	523,941
Trade payables	-	12,600
Other financial liabilities, provisions and other liabilities	(1,711,404)	(1,699,172)
Cash generated from operating activities (A)	**408,241**	**3,601,586**
Income tax paid	(337,912)	(469,081)
Net cash from / (used) in operating activities	**70,329**	**3,132,505**
Cash flow from investing activities:		
Payment for purchase of Tangible Assets	-	-
Bank Balances other than Cash and Cash Equivalents	8,300,000	5,120,000
Interest income	1,975,663	1,586,789
Net Cash from / (used) In Investing Activities (B)	**10,275,663**	**6,706,789**
Cash flow from financing activities:		
Deposit from holding company	91,300	91,300
Inter corporate deposit given	(10,000,000)	-
Inter corporate deposit refunded	10,000,000	-
Finance Costs	(91,300)	(91,300)
Dividends paid (including dividend distribution tax)	-	(9,830,462)
Net Cash from / (used) In Financing Activities (C)	**-**	**(9,830,462)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**10,345,992**	**8,832**
Cash and cash equivalents at the beginning of the year	11,197	2,365
Cash and cash equivalents at the end of the year (Refer Note No:7a)	10,357,189	11,197
NET INCREASE/(DECREASE) AS DISCLOSED ABOVE	**10,345,992**	**8,832**

Significant Accounting Policies - See Note No.1 & 2

For and on behalf of the Board of directors of
KTC Hotels Limited

As per our report attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

V. Mohan
Director
DIN: 00215718

Place: Calicut
Date: 04/06/2020

Prabhat Verma
Director
DIN: 06548864

Place: Bangalore
Date: 04/06/2020

S. Raghunandan
Partner
M. No. 23592

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020

NOTE 1 : CORPORATE INFORMATION

KTC Hotels Limited (“the Company”), was set up in the year 1984 and has its registered office at The Gateway Hotel, Marine Drive, Ernakulam, Kochi – 682 011. The Major shareholders of the Company are The Indian Hotels Company Limited. The Company is engaged in the business of renting of immovable property.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (‘Ind AS’) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts are presented in Indian Rupees in Crores, except share data, unless otherwise stated.

(c) Basis of preparation of financial statements

These financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

All assets and liabilities are classified as current and non-current as per Company’s normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(d) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

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 in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

(e) Critical accounting estimates

a. Useful lives of property, plant and equipment and intangible assets

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

b. Impairment testing

Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

c. Income Taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and the tax charge in the statement of profit or loss.

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 or loss.

d. Litigation

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

(f) Property, plant and equipment

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(g) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31/03/2020 (Contd.)

(h) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

(i) Revenue recognition

(i) License fees are recognised in accordance with contractual terms under completed contract service method.

(ii) Interest accrued is recognised in time proportion basis taking into account amount outstanding and rates applicable.

(iii) Other incomes are recognised on accrual basis except when there are significant uncertainties.

(j) Assets taken on lease

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2015, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard

(k) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(1) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

(2) Deferred Tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(l) Borrowing Cost

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(m) Cash and Cash Equivalent (for the purpose of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(n) Cash and Cash Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year is classified by operating, investing and financing activities.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31/03/2020 (Contd.)

(o) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(p) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortized cost FVTPL or fair value in Other Comprehensive Income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition.

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses
Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de recognition is recognized in profit or loss.

Equity investments at FVOCI -These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de recognition is also recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

iii. **Derecognition**

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(q) Provisions, Contingent Liability and Contingent Assets

Disputed liabilities and claims against the company including claims raised by fiscal authorities pending in appeal for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which have remote chance for crystallisation are not provided for in accounts but disclosed by way of notes to the accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability. Contingent assets are not recognised in the accounts but are disclosed by way of notes to the accounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

NOTE 3 : PROPERTY, PLANT & EQUIPMENTS

Particulars	Land	Buildings	Total (A)+(B)
Gross carrying value			
Balance at April 1, 2018	4,252,675	39,971,450	44,224,125
Additions	-	-	-
Deletions	-	-	-
Balance at March 31, 2019	4,252,675	39,971,450	44,224,125
Balance at April 1, 2019	4,252,675	39,971,450	44,224,125
Additions	-	-	-
Deletions	-	-	-
Balance at March 31, 2020	**4,252,675**	**39,971,450**	**44,224,125**
Accumulated Depreciation			
Balance at April 1, 2018	-	13,617,057	13,617,057
Depreciation	-	635,181	635,181
Deletions	-	-	-
Balance at March 31, 2019	-	14,252,238	14,252,238
Balance at April 1, 2019	-	14,252,238	14,252,238
Depreciation	-	633,800	633,800
Deletions	-	-	-
Balance at March 31, 2020	**-**	**14,886,038**	**14,886,038**
Net carrying value as at March 31, 2020	**4,252,675**	**25,085,412**	**29,338,087**
Net carrying value as at March 31, 2019	4,252,675	25,719,212	29,971,887

NOTE 4 : OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Unsecured, considered good		
Security Deposits	-	16,913
	-	**16,913**
Current		
Interest Receivable - Others	211,762	901,239
	211,762	**918,181**
Total	**211,762**	**935,094**

NOTE 5 : OTHER ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Non current		
Unsecured, considered good		
Others-Balance with Government Authorities	635,883	635,883
	635,883	**635,883**
Current		
Unsecured, considered good		
Others-Balance with Government Authorities	24,682	16,942
	24,682	**16,942**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

NOTE 6 : TRADE RECEIVABLES

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured		
Considered good	2,899,481	1,324,306
Considered doubtful	-	-
	2,899,481	**1,324,306**
Less: Allowances for bad and doubtful debts	-	-
Net Trade Receivables	**2,899,481**	**1,324,306**

NOTE 7(A) : CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with bank in current accounts	10,357,189	11,197
	10,357,189	**11,197**

NOTE 7(B) : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

Particulars	As at March 31, 2020	As at March 31, 2019
Call and short term deposit accounts	11,400,000	19,700,000
	11,400,000	**19,700,000**

NOTE 8 : LOANS

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Others	152,300	152,300
	152,300	**152,300**

NOTE 9 : SHARE CAPITAL

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Share Capital		
Authorised		
15,00,000 (15,00,000) equity shares of ₹ 10/- each	15,000,000	15,000,000
(March 31, 2020: 15,00,000 Equity Shares of ₹ 10 each)		
(March 31, 2019: 15,00,000 Equity Shares of ₹ 10 each)		
	15,000,000	**15,000,000**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity share capital		
Issued, subscribed and paid-up		
Equity shares		
Face Value per ordinary share		
6,04,000 equity shares of ₹ 10/- each	6,040,000	6,040,000
(March 31, 2020: 6,04,000 Equity Shares of ₹ 10 each)		
(March 31, 2019: 6,04,000 Equity Shares of ₹ 10 each)		-
	6,040,000	**6,040,000**

The Company has only one class of shares referred to as equity shares having a par value of₹₹ 10/-. Each holder of equity shares is entitled to one vote per share.The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reported period

Equity Shares	March 31, 2020 No. of shares	March 31, 2019 No. of shares
At the beginning of the period	604,000	604,000
Issued during the period	-	-
Outstanding at the end of the period	**604,000**	**604,000**

(b) Details of shareholders holding more than 5% shares of the Company

Class of shares / Name of shareholder	March 31, 2020 & March 31, 2019	
	No. of shares	% of holding
Indian Hotel Company Ltd	604,000	100%

NOTE 10 : OTHER EQUITY

Particulars	As at March 31, 2020	As at March 31, 2019
Other Equity		
Reserves & Surplus		
General Reserve	3,300,000	3,300,000
Retained Earnings		
Balance at the beginning of the year	14,283,160	22,697,237
Current Year profits	3,148,333	1,416,385
Less: Dividend	-	8,154,000
Less: Dividend Distribution Tax	-	1,676,462
Total	**17,431,493**	**14,283,160**
Total Reserves and Surplus	**20,731,493**	**17,583,160**
Other Comprehensive Income	-	-
Total Other Comprehensive Income	**-**	**-**
Total	**20,731,493**	**17,583,160**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

NOTE 11 : BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
From Related Party		
Unsecured	1,090,042	998,742
Total	**1,090,042**	**998,742**

NOTE 12 : DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities:		
On excess of net book value over income tax written down value of fixed assets	5,821,400	6,122,090
Total (A)	**5,821,400**	**6,122,090**
Deferred Tax Assets:		
Provision for doubtful debts	-	-
Others	-	-
Total (B)		
Net Deferred Tax Liabilities (A-B)	**5,821,400**	**6,122,090**

NOTE 13 : OTHER LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Advances		
Others	20,784,110	21,365,426
	20,784,110	**21,365,426**
Current		
Income Received in Advance	581,318	581,318
Statutory dues	33,334	63,422
	614,652	**644,740**

NOTE 14 : TRADE PAYABLES

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer Note 14.1)		
Total outstanding dues of creditors other than micro enterprises and small enterprises	75,600	75,600
	75,600	**75,600**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

14.1 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount remaining unpaid to any supplier as at the end of the year	-	-
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the 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 Act	-	-
The amount of interest accrued and remaining unpaid at the end of the 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 the Act	-	-

NOTE 15 : REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
License Fees	3,601,330	3,584,229
	3,601,330	**3,584,229**
Income from Operation is derived from the following services:		
Management & Operating Fees	3,601,330	3,584,229
	3,601,330	**3,584,229**

NOTE 16 : OTHER INCOME

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income - Intercorporate Deposits	179,596	-
Interest Income - Others	1,106,590	1,393,963
Interest on Income Tax refund	7,016	13,515
Excess provision written back	184	-
Total	**1,293,386**	**1,407,478**

NOTE 17 : FINANCE COSTS

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
Interest Expense on deposit	91,300	91,300
Total	**91,300**	**91,300**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

NOTE 18 : EXPENSES

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rates and taxes	2,528	62,024
Other expenses	144,445	196,731
Auditors Remuneration		
i. Statutory Audit Fees	60,000	60,000
ii. Taxation Matters	15,000	10,000
	221,973	**328,755**

NOTE 19 : ADDITIONAL INFORMATION

19.1 Contingent liabilities and commitments (to the extent not provided for in the accounts)

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
I. Contingent Liabilities:		
(a) Claims against the Company not acknowledged as debts		
Income Tax Demands disputed in Appeals not provided for AY 2005-06 (Refer note 19.1.a)	9,59,450	9,59,450
Service Tax Demands disputed in Appeals not provided for 2007-08 to 2008-09	22,47,062	22,47,062
(b) Bank Guarantee	Nil	Nil
(c) Other money for which the Company is contingently liable	Nil	Nil
II. Commitments		
a) Estimated amount of contracts remaining to be executed on capital account not provided for	Nil	Nil
b) Uncalled liability on shares and other investments partly paid	Nil	Nil
c) Other Commitments	Nil	Nil

19 : 1.A

In respect of above, the company has good chance of getting orders in favour of the company and hence no provision is considered necessary at this stage.

Note 19.2 : Segment Information

The Company's only business being in the business of renting of immovable property, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments' (Ind AS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

19.3 : Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Indian Accounting Standard 33 – 'Earnings Per Share' – (Ind AS-33) prescribed under Section 133 of the Companies Act, 2013.

Particulars	March 31, 2020 Amount in (₹)	March 31, 2019 Amount in (₹)
Profit/ (Loss) after tax	31,48,333	14,16,385
Number of Equity Shares:		
Weighted average number of equity share considered in calculation of EPS	6,04,000	6,04,000
Considered in calculation of diluted EPS	6,04,000	6,04,000
Face value per equity share	10	10
Earnings per share:		
Basic	5.21	2.35
Diluted	5.21	2.35

19.4 : Disclosure of Related Party Transactions in accordance with IND AS 24 " Related Party Disclosures"

A. Related Party and Nature of Relationship:	
(a) Key Management Personnel	i. Visvanathan Mohan ii. Ashok Binnani iii. PrabhathVerma
(b) Relatives of Key Management Personnel	Nil
(c) Enterprises over which the key managerial personnel and their relatives are able to exercise significant influence having transactions with the company	Nil

Particulars	Nature of Transactions	Year ended 31/03/2020 ₹	Year ended 31/03/2019 ₹
Related Party Transactions			
Indian Hotels Company Ltd. (Holding Company)	License fee	36,01,330	35,84,229
	Receivables	28,99,481	13,24,306
	Loan/Deposit Given	1,00,00,000	Nil
	Loan/Deposit Refund Received	1,00,00,000	Nil

No amount has been provided/written off as doubtful debts or advances written back in respect of payables due from or to any of the above related parties.

19.5 : Activity in foreign currency

Earnings in Foreign Exchange - Nil (Nil)
Expenditure in Foreign Currency - Nil (Nil)

19.6 Remittance in foreign currencies on account of dividend

(i) Number of Non-resident share holders - Nil (Nil)
(ii) Number of shares held by them –Nil (Nil)
(iii) Dividend remitted in Foreign Currency - Nil (Previous year Nil)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020 (Contd.)

19.7 The Company has an internal control system in place, including in relation to internal controls over financial reporting, which is commensurate with the nature and size of its operations. These internal controls are reviewed/ tested by the management on an ongoing basis and there are no material weaknesses/deficiencies. Further strengthening of the internal control system/ improvements thereof are being assessed/carried out by the management on a continuing basis.

19.8 In the opinion of the Board, current assets and long term loans & advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

19.9 Previous years figures:

The Company has regrouped/reclassified the previous year's figures to conform to the current year's presentation.

The accompanying notes form an integral part of the financial statements.
For and on behalf of the Board of directors of
KTC Hotels Limited

As per our report attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

V. Mohan
Director
DIN: 00215718

Place: Calicut
Date: 04/06/2020

Prabhat Verma
Director
DIN: 06548864

Place: Bangalore
Date: 04/06/2020

S. Raghunandan
Partner
M. No. 23592

INDEPENDENT AUDITOR'S REPORT

To the Members of **Northern India Hotels Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Northern India Hotels Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's 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, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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 based on our audit, we report that:

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

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

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

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 **O.P.DADU & CO.**
Chartered Accountants
FRN. 001201N

(O.P.DADU)
Partner
M.No.010871
UDIN: 20010871AAAAAA7510

Place: New Delhi
Date: June 1, 2020

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT

In our opinion, and in so far as we have been able to ascertain from the records produced, Information furnished and the explanations given to us by the Company.

1. a) The Company has maintained proper records of its Fixed Assets , showing full particulars including their quantitative detail and situation.

   b) The Company has, during the year, physically verified all the Fixed Assets in respect of which record is kept. No discrepancies were noticed on such verification.

   c) According to information and explanation given to us, the title deeds of Immovable Properties are held in the name of the company and the title deeds in respect of Land admeasuring 14744.60 Sq.Yards are pending Registration.

2. The company doesn’t hold any inventory, during the year. Thus paragraph 3 (ii) of the order is not applicable to the Company.

3. The Company has not granted loan, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus paragraph 3(iii) of the order is not applicable to the Company

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. The Company has not accepted any deposit from the public.

6. As far as we are aware, the Central Government has not specified the maintenance of cost records by the company under section 148(1) of the Companies Act, 2013.

7. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Custom duty, Goods and Service Tax. cess and other statutory dues wherever applicable to it.

   According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, ESI, Income Tax, Service Tax, customs duty, excise duty, value added Tax, Goods Services Tax and cess were in arrears, as at 31.03.2020 for a period of more than six months from the date they became payable.

   b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax, Goods and Services Tax and cess which have not been deposited on account of any dispute.

8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year.

10. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.

11. The company has not paid or provided any managerial remuneration during the year.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

13. According to the information and explanation given to us, the transaction with Related Parties are in compliance with section 177 and 188 of the Act, and details have been disclosed in Financial Statements etc, as required by the applicable accounting standards.

14. According to the information and explanation given to us, the Company has not made any Preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanation given to us, the Company has not entered into any non cash transaction with Director or persons connected with him during the year.

16. The Company is not required to registered U/s 45 IA of Reserve Bank of India Act, 1934.

For **O.P.DADU & CO.**
Chartered Accountants
FRN. 001201N

(O.P.DADU)
Partner
M.No.010871

Place: New Delhi
Date: June 1, 2020

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 **Northern India Hotels Limited** ("the Company") as of 31, March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

ANNEXURE ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT (CONTD.)

assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone 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 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 March 31, 2020, 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 **O.P.DADU & CO.**
Chartered Accountants
FRN. 001201N

(O.P.DADU)
Partner
M.No.010871

Place: New Delhi
Date: June 1, 2020

BALANCE SHEET
as at March 31, 2020

	Note	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3	27.56	28.51
Intangible Assets	4	0.03	0.06
		27.59	**28.57**
Financial Assets			
Investments	5	10.43	10.43
Other financial assets	7	931.46	489.62
Current Tax (Net)		8.45	-
Other Non-current Assets	8	5.89	6.55
		983.82	**535.17**
Current Assets			
Financial assets			
Trade and Other Receivables	9	37.37	46.98
Cash and Cash Equivalents	10	19.19	70.53
Bank Balances other than Cash and Cash Equivalents	11	2,064.62	2,245.53
Loans	6	-	-
Other financial assets	7	-	-
Other Current Assets	8	0.78	0.78
		2,121.96	**2,363.82**
Total Assets		**3,105.78**	**2,898.99**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	44.15	44.15
Other equity	13	3,045.22	2,834.01
Total Equity		**3,089.37**	**2,878.16**
Liabilities			
Non-current Liabilities			
Deferred Tax Liabilities (Net)	14	5.76	6.62
		5.76	**6.62**
Current Liabilities			
Financial liabilities			
Other financial Liabilities	15	1.05	0.93
Provision for tax (net)		-	0.66
Other current liabilities	16	9.60	12.62
		10.65	**14.21**
Total Equity and Liabilities		**3,105.78**	**2,898.99**
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 21		

In terms of our report of even date
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871

Place: New Delhi
Date: June 1, 2020

For and on behalf of the Board

Sudhir Nagpal
Director
DIN: 00044762

Rajesh Nagpal
Director
DIN: 00032123

Place: Mumbai
Date: June 1, 2020

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2020

	Note	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
INCOME			
Revenue from Operations			
Income from Hotel Operations	17	115.42	116.71
Other Income	18	192.36	178.93
Total		**307.78**	**295.64**
EXPENSES			
Depreciation and Amortisation	3 & 4	0.98	0.98
Other Operating and General Expenses	19	24.97	17.37
Total		**25.95**	**18.35**
Profit/ (Loss) Before Tax and Exceptional items		281.83	277.29
Exceptional Items	20	-	-
Profit/ (Loss) Before Tax		**281.83**	**277.29**
Tax Expenses			
Current Tax		71.35	77.60
Deferred Tax		-0.86	-0.18
Short/ (Excess) Provision of Tax/ Deferred Tax of Earlier Years (net)		0.13	0.40
Total		**70.62**	**77.82**
Profit/ (Loss) for the period after tax		**211.21**	**199.47**
Other Comprehensive income, net of tax		-	-
Other Comprehensive income for the period, net of tax		**-**	**-**
Total Comprehensive Income for the period		**211.21**	**199.47**
Earning Per Equity Share			
a) Weighted average number of shares		4,37,600	4,37,600
b) Nominal value of shares (₹)		10	10
c) Basic and diluted earnings per share (₹)		48.27	45.58
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 21		

In terms of our report of even date
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871

Place: New Delhi
Date: June 1, 2020

For and on behalf of the Board

Sudhir Nagpal
Director
DIN: 00044762

Rajesh Nagpal
Director
DIN: 00032123

Place: Mumbai
Date: June 1, 2020

CASH FLOW STATEMENT
for the year ended March 31, 2020

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Cash Flow From Operating Activities		
Profit Before Tax	281.83	277.29
Adjustments For :		
Depreciation and Amortisation	0.98	0.98
Dividend Income	(0.02)	(0.02)
Interest Income	(192.34)	(178.90)
	-191.38	**-177.94**
Cash Operating Profit before working capital changes	90.45	99.35
Adjustments for (increase)/ decrease in operating assets:		
Trade and Other Receivables	9.61	3.75
Other Current Assets	(0.00)	(0.12)
Other Non-Current Assets	0.66	0.66
	10.27	**4.29**
Adjustments for increase/ (decrease) in operating liabilities:		
Other Current Liabilities	(3.02)	4.30
Other Financial Liabilities	0.12	0.14
	(2.90)	**4.44**
Cash Generated from Operating Activities	97.82	108.08
Direct Taxes (Paid)/ Refunded	(80.59)	(68.90)
Net Cash From Operating Activities (A)	**17.23**	**39.18**
Cash Flow From Investing Activities		
Interest Received	192.34	178.90
Dividend Received	0.02	0.02
ICD's Given	-	-
Other Financial Assets	-	-
Proceeds from maturity of short-term deposits with banks	(260.93)	(153.85)
Net Cash Used In Investing Activities (B)	**(68.57)**	**25.07**
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	-	-
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	(51.34)	64.24
Cash and Cash Equivalents - Opening	70.53	6.28
Cash and Cash Equivalents - Closing (Refer Note 10)	19.19	70.53

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871

Place: New Delhi
Date: June 1, 2020

For and on behalf of the Board

Sudhir Nagpal
Director
DIN: 00044762

Rajesh Nagpal
Director
DIN: 00032123

Place: Mumbai
Date: June 1, 2020

STATEMENT OF CHANGES IN EQUITY
as at March 31, 2020

₹ in lakhs

	Equity Share Capital Subscribed	Reserves and Surplus				
		Retained Earning	Retained Earning		Other reserves	Grand Total
			General Reserve	Profit & Loss B/fd		
Balance as at March 31, 2019	44.15	2,834.01	-	2,834.01	-	2,878.16
Changes in accounting policy/prior period errors						-
Restated balance as at March 31, 2019	**44.15**	**2,834.01**	**-**	**2,834.01**	**-**	**2,878.16**
Profit for the year	-	211.21	-	211.21	-	211.21
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	-	-
Actuarial Gains/Losses (Not Reclass to P&L)	-	-	-	-	-	-
Total Comprehensive Income for the year	**-**	**211.21**	**-**	**211.21**	**-**	**211.21**
Dividends	-	-	-	-		-
Tax on Dividend	-	-	-	-		-
Balance as at March 31, 2020	**44.15**	**3,045.22**	**-**	**3,045.22**	**-**	**3,089.37**

In terms of our report of even date
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871

Place: New Delhi
Date: June 1, 2020

For and on behalf of the Board

Sudhir Nagpal
Director
DIN: 00044762

Rajesh Nagpal
Director
DIN: 00032123

Place: Mumbai
Date: June 1, 2020

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2020

NOTE 1. CORPORATE INFORMATION

Northern India Hotels Limited ("NIHL" or the "Company"), is a public limited company incorporated in 1971 and has its registered office at Tajview Hotel, Fatehabad Road, Taj Ganj, Agra – 282001. It is subsidiary of PIEM Hotels Ltd., Mumbai. The company is primarily engaged in the business of owing hotel.

The financial statements were approved by the Board of Directors and authorised for issued on 1st June 2020.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

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 in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

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 or loss.

- **Fair value measurement of financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

(d) Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises Licence Fee relating to hotel operations.

Licence fee earned is under long-term contracts with the PIEM Hotels Limited and is recognised when earned in accordance with the terms of the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognised when the Company's right to receive the amount is established.

(e) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(j) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Hotel Buildings	60 years
Plant and Equipment	10 to 20 years
Assets costing less than ₹ 5000	4 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

(f) Intangible Assets:

Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

i) the technical feasibility and Company's intention and ability of completing the project;

ii) the probability that the project will generate future economic benefits;

iii) the availability of adequate technical financial and other resources to complete the project; and

iv) the ability to measure the development expenditure reliably.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful lives used for amortising intangible assets are as under:

Class of Assets	Estimated Useful Life
Software	6 years

An intangible assets is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(g) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

(h) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(i) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognised in the financial statements.

(j) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(k) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(l) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(m) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(n) Financial Instruments:

Financial Assets:

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 its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Financial Liabilities

Classification
The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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.

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 Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

₹ in lakhs

	Freehold Land	Buildings (Refer Footnote (i) & (ii))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Gross Block at Cost							
At March 31, 2019	**3.80**	**28.50**	**0.01**	**-**	**-**	**-**	**32.31**
Additions							-
Adjustments							-
Disposals							-
At Mrach 31, 2020	**3.80**	**28.50**	**0.01**	**-**	**-**	**-**	**32.31**
Depreciation (Refer Footnote (ii))							
At March 31, 2019	**-**	**3.80**	**-**	**-**	**-**	**-**	**3.80**
Charge for the year		0.95					0.95
Disposals							-
At Mrach 31, 2020	**-**	**4.75**	**-**	**-**	**-**	**-**	**4.75**
Net Block							
At March 31, 2019	**3.80**	**24.70**	**0.01**	**-**	**-**	**-**	**28.51**
At Mrach 31, 2020	**3.80**	**23.75**	**0.01**	**-**	**-**	**-**	**27.56**

Footnote :

1) Gross block including freehold land admeasuring 14744.60 Sq.yd Aggregating to ₹ 1,93,499/- pending conveyance.

NOTE 4 : INTANGIBLE ASSETS (ACQUIRED)

	Website Development Cost	Software and Licenses	Service and Operating Rights	Total	Intangible assets under development
At March 31, 2019	**-**	**0.51**	**-**	**0.51**	**-**
Additions	-	-	-	-	-
Adjustments	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2020	**-**	**0.51**	**-**	**0.51**	**-**
Amortisation					
At March 31, 2019	**-**	**0.45**	**-**	**0.45**	**-**
Charge for the year	-	0.03	-	0.03	-
Adjustments	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2020	**-**	**0.48**	**-**	**0.48**	**-**
Net Block					
At March 31, 2019	**-**	**0.06**	**-**	**0.06**	**-**
At March 31, 2020	**-**	**0.03**	**-**	**0.03**	**-**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 5 : INVESTMENTS

	Face Value	March 31, 2020		March 31, 2019	
		Holdings As at	₹ in lakhs	Holdings As at	₹ in lakhs
Non Current					
Trade Investments					
Fully Paid Quoted Equity Investments :					
Investments in Fellow Subsidiary					
Beneras Hotels Limited	10	150	0.02	150	0.02
			0.02		**0.02**
Fully Paid Unquoted Equity Investments :			-		-
Investments in Associate Companies					
Taida Trading and Industries Limited	100	4,000	0.09	4,000	0.09
Inditravel Limited	10	24,000	2.40	24,000	2.40
Taj Trade and Transport Company Limited	10	49,998	7.91	49,998	7.91
			10.40		**10.40**
Total Trade Investment			**10.42**		**10.42**
Non-trade Investments					
Investment in Equity Instruments					
Fully Paid Unquoted Equity Instruments					
Sarswat Co-operative Bank Ltd.	10	1,000	0.10	1,000	0.10
			0.10		**0.10**
Total Non-current Investments - Gross			10.52		10.52
Less: Provision for Diminution in value of Investments			0.09		0.09
Total Non-current Investments - Net			**10.43**		**10.43**
Aggregate amount of quoted investments					
Cost			0.02		0.02
Market Value			1.94		2.35
Aggregate amount of unquoted investments					
Cost			10.50		10.50

NOTE 6 : LOANS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
A) **Current**		
Short-term Loans		
(Unsecured, considered good unless stated otherwise)		
ICD to Related Parties	-	-
Others	-	-
	-	**-**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 7 : OTHER FINANCIAL ASSETS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
A) Non Current		
Deposits with Public Bodies and Others at amortised costs		
Term Deposit with Bank maturing after 12 months	930.87	489.03
Public Bodies and Others	0.59	0.59
	931.46	**489.62**
Less: Provision for Deposits doubtful of recovery	-	-
	931.46	**489.62**
B) Current		
Interest receivable		
Related Parties	-	-
Others	-	-
	-	**-**

NOTE 8 : OTHER ASSETS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
A) Non Current		
Prepaid Expenses	5.89	6.55
	5.89	**6.55**
B) Current		
Prepaid Expenses	0.66	0.66
Deposits adjustable against future payments	0.12	0.12
	0.78	**0.78**

NOTE 9 : TRADE AND OTHER RECEIVABLES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(Unsecured) (Refer Footnote)		
Considered good	37.37	46.98
Considered doubtful	-	-
	37.37	**46.98**
Less : Provision for Debts doubtful of recovery	**-**	**-**
	37.37	**46.98**

NOTE 10: CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Cash on hand	0.02	0.05
Balances with bank in current account	19.17	70.48
	19.19	**70.53**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 11 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Other Balances with banks		
Call and Short-term deposit accounts	2,064.62	2,245.53
	2,064.62	**2,245.53**
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current	-	-
	2,064.62	**2,245.53**

NOTE 12 : SHARE CAPITAL

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Authorised Share Capital		
Equity Shares		
5,50,000 (Previous year - 5,50,000) Equity Shares of ₹ 10 each	55.00	55.00
Preference Shares		
5,000 (Previous year - 5,000) Preference Shares of ₹ 100/- each	5.00	5.00
	60.00	**60.00**
Issued Share Capital		
4,37,600 (Previous year - 4,37,600) Equity Shares of ₹ 10 each	44.91	44.91
	44.91	**44.91**
Subscribed and Paid Up		
4,37,600 (Previous year - 4,37,600) Equity Shares of ₹ 10 each	43.76	43.76
Add 11450 Shares Forfeited	0.39	0.39
	44.15	**44.15**

Footnotes :

(i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2020		March 31, 2019	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
As at the beginning of the year	4,37,600	43,76,000	4,37,600	43,76,000
Add/ less : Shares issued during the year	-	-	-	-
Add/ less : Shares bought back during the year	-	-	-	-
As at the end of the year	**4,37,600**	**43,76,000**	**4,37,600**	**43,76,000**

(iii) Shares Held by Holding Company

	March 31, 2020		March 31, 2019	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity share of ₹10 each fully paid				
PIEM Hotels Limited	4,12,083	94.16%	4,12,083	94.16%

(iv) Shareholders holding more than 5% shares in the Company :

	March 31, 2020		March 31, 2019	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity share of ₹ 10 each fully paid				
PIEM Hotels Limited	4,12,083	94.16%	4,12,083	94.16%

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 13 : OTHER EQUITY

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Reserves & Surplus		
Retained Earning		
Surplus/Deficit in the Profit And Loss b/f	2,834.01	2,634.54
Add: Current Year profits	211.21	199.47
Closing retained earning	**3,045.22**	**2,834.01**
Other Comprehensive Income		
Total	**3,045.22**	**2,834.01**

NOTE 14 : DEFERRED TAX LIABILITIES (NET)

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Deferred Tax Liabilities:		
Property, Plant & Equipment	5.76	6.62
Total (A)	**5.76**	**6.62**
Deferred Tax Assets:		
Total (B)	-	-
Net Deferred Tax Liabilities (A-B)	**5.76**	**6.62**

NOTE 15 : OTHER FINANCIAL LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current financial liabilities		
Payables on Current Account dues :		
Related Parties	-	0.07
Others	-	-
	-	**0.07**
Employee related liabilities	-	-
Others (Refer Footnote _)	1.05	0.86
	1.05	**0.93**

NOTE 16 : OTHER CURRENT LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current		
Advances against plot	5.00	5.00
Statutory dues	4.60	7.62
	9.60	**12.62**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 17 : REVENUE FROM OPERATIONS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Income from Hotel Operations	115.42	116.71
Total	**115.42**	**116.71**

NOTE 18 : OTHER INCOME

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Interest Income		
Inter-corporate deposits		
Related Parties	-	-
Others	-	-
	-	-
Deposits with banks	192.34	178.90
Total	**192.34**	**178.90**
Dividend Income on investments held at the end of period/ year		
From others	0.02	0.02
Others	-	0.01
Total	**192.36**	**178.93**

NOTE 19 : OTHER OPERATING AND GENERAL EXPENSES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
General expenses consist of the following :		
Rent	0.16	0.16
Licence Fees	0.66	0.66
Printing and Stationery	0.29	0.30
Passage and Travelling	0.06	0.03
Telephone Expenses	0.36	0.36
Professional Fees	8.76	2.05
Payment made to Statutory Auditors (Refer Footnote (i)	1.27	1.25
Service Charges	12.39	11.88
Other Expenses (Refer Footnote (iv))	1.02	0.68
Total	**24.97**	**17.37**
(i) Payment made to Statutory Auditors:		
As auditors	0.80	0.80
As tax auditors	0.08	0.08
For other services (Taxation Matters)	0.20	0.20
For out-of pocket expenses	0.19	0.17
	1.27	**1.25**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 20 : EXCEPTIONAL ITEMS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Exceptional Items comprises the following :	-	-
Total	**-**	**-**

21. NOTES ON ACCOUNT

21.1 Additional information to the financial statements

21.1.1 Contingent Liabilities

Contingent liabilities and commitments (to the extent not provided for)

S. No.	Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
1.	Contingent liabilities	NIL	NIL
	(a) Claims against the Company not acknowledged as debt	NIL	NIL
	(b) Guarantees	NIL	NIL
	(c) Other money for which the Company is contingently liable	NIL	NIL
	Total	**NIL**	**NIL**
2.	Commitments	NIL	NIL
	Total	**NIL**	**NIL**

Note: Contingent assets are not recognised in the financial statements.

21.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

S. No.	Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL
(iv)	The amount of interest due and payable for the year	NIL	NIL
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	NIL	NIL

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

21.3 Related Party Transactions

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

(a) Ultimate Holding Company

Name	Country	Holding as at	
		March 31, 2020	March 31, 2019
The Indian Hotels Company Limited	India	-	-

(b) Holding Company

Name	Country	Holding as at	
		March 31, 2020	March 31, 2019
PIEM Hotels Limited	India	94.16%	94.16%

(a) Details of transactions made during the year:

(1) PIEM Hotels Limited

S. No.	Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
1.	Operating/License Fees Income	115.42	116.71
2.	Reimbursement of Services	12.39	11.88
3.	Interest on ICD	-	-
4.	Sundry Expenses	0.11	0.11

(2) PIEM Hotels Limited

S. No.	Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
1.	Balance at the year end (Payable)	-	0.07
2.	Balance at the year end (Receivable)	37.37	46.98
3.	Balance of ICD	-	-
4.	Interest Receivable	-	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

21.4 Earnings Per Share

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Profit/ (Loss) after tax ₹ /lakhs	211.21	199.47
Number of Ordinary Shares	437600	437600
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS	437600	437600
Considered in calculation of Diluted EPS	437600	437600
Face Value per Ordinary Share	10	10
Earnings Per Share: (₹)		
Basic	48.27	45.58
Diluted	48.27	45.58

21.5 Impact of taxes low Taxation Laws (Amendment) Ordinance, 2019

The Company has elected to exercise the option permitted under section 115BAA of the Income tax act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and remeasured its opening deferred tax liability at the reduced tax rate. The full impact of the remeasurement of the opening deferred tax liabilities amounting to ₹ 0.62 lacs has been recognised in the statement of Profit and loss account for the year ended March 31, 2020."

21.6 Income Tax recognised in Profit or loss:

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current Tax		
In respect of the current year	71.35	77.60
In respect of earlier years	0.13	0.40
	71.48	**78.00**
Deferred Tax		
In respect of the current year		
MAT credit	-	-
Other items	(0.24)	(0.18)
Adjustment to deferred tax attributable to changes in tax rates and laws	(0.62)	-
In respect of earlier years	-	-
	(0.86)	**(0.18)**
Total tax expense recognised in the current year relating to continuing operations	**70.62**	**77.82**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

21.7 Reconciliation of tax expense with the effective tax

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Profit before tax from continuing operations (a)	281.83	277.29
Income tax rate as applicable (b)	25.17%	27.82%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	70.93	77.14
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	(0.01)	(0.01)
Income considered as capital in nature under tax and tax provisions	-	-
Effect of expenses that are not deductible in determining taxable profit	0.19	0.03
Expense considered as capital in nature under tax and tax provisions	-	0.18
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	-	0.14
Effect on deferred tax balances due to the change in income tax rate	(0.62)	(0.06)
Prior year taxes as shown above	0.13	0.40
Income tax expense recognised in profit or loss (relating to continuing operations)	**70.62**	**77.82**

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Deferred Tax Assets	-	-
Deferred Tax Liabilities	(5.76)	(6.62)
Net Deferred Tax Liability	**(5.76)**	**(6.62)**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

Particulars	Opening Balance	Recognised in profit or loss		Closing balance
		Impact of change in Income Tax Rate	Others	
Deferred tax assets / (liabilities):				
Property. Plant and equipment & Intangible Assets	(6.62)	0.62	0.24	(5.76)

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

Particulars	Opening Balance	Recognised in profit or loss		Closing balance
		Impact of change in Income Tax Rate	Others	
Deferred tax assets / (liabilities):				
Property. Plant and equipment & Intangible Assets	(6.80)	-	0.18	(6.62)

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

21.8 Financial Instruments

21.8.1 The carrying value and fair value of financial instruments by categories is as follows:

(a) As of March 31, 2020

Particulars	FVPL ₹ in lakhs	FVOCI ₹ in lakhs	Amortised cost ₹ in lakhs	Total ₹ in lakhs
Financial assets:				
Investments				
Equity Investment				
Subsidiaries, JVs and Associates	-	-	10.33	10.33
External Companies	-	-	0.10	0.10
Loans	-	-		
Other Financial Assets	-	-	931.46	931.46
Trade Receivables	-	-	37.37	37.37
Cash and cash equivalents	-	-	19.19	19.19
Bank Balance Other than Cash & Cash Equivalent	-	-	2064.62	2064.62
Total - Financial Assets	**-**	**-**	**3063.07**	**3063.07**
Financial liabilities:				
Other Financial Liabilities	-	-	1.05	1.05
Total - Financial Liabilities	**-**	**-**	**1.05**	**1.05**

(b) As of March 31, 2019

Particulars	FVPL ₹ in lakhs	FVOCI ₹ in lakhs	Amortised cost ₹ in lakhs	Total ₹ in lakhs
Financial assets:				
Investments				
Equity Investment				
Subsidiaries, JVs and Associates	-	-	10.33	10.33
External Companies	-	-	0.10	0.10
Loans	-	-	-	-
Other Financial Assets	-	-	489.62	489.62
Trade Receivables	-	-	46.98	46.98
Cash and cash equivalents	-	-	70.53	70.53
Bank Balance Other than Cash & Cash Equivalent	-	-	2245.53	2245.53
Total - Financial Assets	**-**	**-**	**2863.09**	**2863.09**
Financial liabilities:				
Other Financial Liabilities	-	-	0.93	0.93
Total - Financial Liabilities	**-**	**-**	**0.93**	**0.93**

21.9 Segment Reporting (Ind AS-108)

Disclosure of segment wise information is not applicable as Hoteliering is the Company’s only business segment.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

21.10 Payments to the auditor comprises of:

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Audit Fees (As statutory auditors)	0.80	0.80
Tax Audit Fees	0.08	0.08
Taxation Matters	0.20	0.20
Reimbursement	0.19	0.17
Total	**1.27**	**1.25**

21.11 Events occurring after the reporting period

There are no events which qualify for events happening after the reporting period.

21.12 Offsetting financial assets and financial liabilities

There are no financial liabilities and assets that are off set during the financial years 31.03.2020 and 31.03.2019.

In terms of our report of even date
For **O. P. Dadu & Co.**
Chartered Accountants
Firm Registration No. 001201N

O. P. Dadu
Partner
Membership No. 010871

Place: New Delhi
Date: June 1, 2020

For and on behalf of the Board

Sudhir Nagpal
Director
DIN: 00044762

Rajesh Nagpal
Director
DIN: 00032123

Place: Mumbai
Date: June 1, 2020

INDEPENDENT AUDITORS' REPORT

To the Members of PIEM HOTELS LIMITED

REPORT ON THE AUDIT OF THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **PIEM Hotels Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

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 Companies Act, 2013 ('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 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows 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 Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of* 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to:

Note 2(h) to the financial statements, regarding the management's impairment assessment of property, plant and equipment, right-to-use assets, intangible assets, investments, trade receivables, inventories and other current assets appearing in the financial statements of the Company as at 31 March 2020 being considered as unimpaired and recoverable based on its internal & external sources of information and estimates, and its judgment on implications expected to arise from COVID-19 pandemic, wherein actual results could vary.

Our opinion is not modified in respect of the above matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' report but does not include the financial statements and our auditors' 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Responsibilities of the Management and Those Charged with Governance for Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and total comprehensive income, changes in equity and cash flows 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. 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 financial statements 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 and Board of Directors are 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.

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

Auditors' 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 auditors' 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:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- 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

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

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

   (e) At this juncture, we are unable to comment whether the matter described in the Emphasis of Matter paragraph above, may have an adverse effect on the functioning of the Company.

   (f) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (h) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact, of pending litigations as at March 31, 2020 on its financial position in its financial statements – Refer Note 23 of financial statements;

      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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

3. With respect to the matter to be included in the Auditors Report under section 197(16):

   In our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 20220369AAAAFS7058

Place of Signature: Chennai
Date: 01 June, 2020

ANNEXURE A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of PIEM HOTELS LIMITED ("the Company") on the financial statements as of and for the year ended 31 March 2020.

(i) In respect of the Company's fixed assets :

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold as disclosed in Note 3(a) to the financial statements, are held in the name of the Company as at Balance Sheet date, except in case of a piece of land at Agra having a gross block and net block of ₹ 4.32 lacs, where registration has not been effected after purchase. However, a settlement reached in a tripartite agreement with the vendors and a claimant has been duly recorded in Court. In respect of immovable properties of land and building that have been taken on lease and disclosed as right to use assets in the financial statements, the lease agreements are in the name of the Company.

(ii) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax (GST), Duty of customs,

ANNEXURE A (CONTD.)

Excise duty and Value added tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of Statute	Nature of Dues	Awmount ₹ in Lacs	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act,1961	Income Tax	10.75	FY 2009-10	Income Tax Appellate Tribunal, Mumbai
The Income Tax Act,1961	Income Tax	0.14	FY 2011-12	Assistant Commissioner of Income Tax, Mumbai
The Income Tax Act, 1961	Income Tax	11.50	FY 2015-16	Commissioner of Income Tax Appeals, Mumbai
The Finance Act,1994	Service Tax	689.13	FY 2005-06 to 2015-16	Commissioner of Central Excise and Customs and Service tax, Lucknow
The Finance Act,1994	Service Tax	157.60	FY 2005-06 to 2010-11	Commissioner of Central Excise and Customs and Service tax, Pune
The U.P Sales Tax Act	Sales Tax	3.30	FY 2007-08 to 2011-12	Commissioner of Sales Tax, Lucknow

(viii) As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or fully or partly paid convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures 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 them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 20220369AAAAFS7058

Place of Signature: Chennai
Date: 01 June, 2020

ANNEXURE B

Referred to in paragraph 2(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **PIEM HOTELS LIMITED** ("the Company") as of 31 March 2020 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 and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE B (CONTD.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal control with reference to financial statements 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 (the “Guidance Note”).

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm’s Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN: 20220369AAAAFS7058

Place of Signature: Chennai
Date: 01 June, 2020

BALANCE SHEET
as at March 31, 2020

₹ in lakhs

	Notes	March 31, 2020	March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	3(a)	49,311.60	50,846.94
Rights to Use Assets	3(b)	9,310.10	-
Capital work-in-progress	3(a)	729.01	505.91
Intangible Assets	4	134.55	188.72
		59,485.26	**51,541.57**
Financial Assets			
Investments	5(a)	14,054.06	15,098.22
Other Financial non Current Assets	5(b)	397.94	411.80
Deferred Tax Assets (Net)	12	737.78	-
Advance Income Tax (Net)		801.58	446.77
Other non Current Assets	7	1,454.10	2,097.67
Total non-Current Assets		**76,930.72**	**69,596.03**
Current Assets			
Inventories	8	1,015.21	918.15
Financial Assets			
Investments	5(a)	2,001.19	416.32
Trade Receivables	5(c)	1,660.83	1,460.97
Cash and Cash Equivalents	5(d)	186.51	385.17
Bank Balances other than Cash and Cash Equivalents	5(d)	531.96	428.70
Other Financial Assets	5(b)	606.82	483.58
Other Current Assets	6	1,353.34	1,125.17
Total Current Assets		**7,355.86**	**5,218.06**
Total Assets		**84,286.58**	**74,814.09**
Equity and Liabilities			
Equity			
Equity Share Capital	9(a)	381.00	381.00
Other Equity	9(b)	61,842.31	62,955.06
Total Equity		**62,223.31**	**63,336.06**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities	10(c)	9,455.03	-
Other Financial Liabilities	10(a)	145.83	217.24
Provisions	11	565.29	570.79
Deferred Tax Liabilities (Net)	12	-	55.23
Total non-Current Liabilities		**10,166.15**	**843.26**
Current Liabilities			
Financial Liabilities			
Borrowings	10(c)	4,000.00	2,200.00
Lease Liabilities		12.40	-
Trade Payables			
Total outstanding dues of micro and small enterprises	10(b)	31.15	47.95
Total outstanding dues of creditors other than micro and small enterprises	10(b)	3,997.75	4,253.95
Other Financial Liabilities	10(a)	1,749.10	2,205.81
Other Current Liabilities	13	1,182.18	1,048.62
Provisions	11	924.54	878.44
Total Current Liabilities		**11,897.12**	**10,634.77**
Total Liabilities		**22,063.27**	**11,478.03**
Total Equity and Liability		**84,286.58**	**74,814.09**

To be read along with our audit report of even date attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Ramanarayanan J
Partner (220369)

Place : Chennai
Date : June 1, 2020

For and on behalf of the Board

Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Ms. Farzana Sam Billimoria
Company Secretary

Place : Mumbai
Date : June 1, 2020

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2020

₹ in lakhs

	Notes	March 31, 2020	March 31, 2019
Income			
Revenue			
Revenue from Operations	14	38,474.60	38,558.43
Other Income	15	457.61	3,084.89
Total Income		**38,932.21**	**41,643.32**
Expenses			
Food and Beverages Consumed	16	4,510.42	4,666.40
Employee Benefit Expense and Payment to Contractors	17	10,912.29	10,885.09
Finance Costs	18	1,213.85	125.72
Depreciation and Amortisation expenses	3a, 3b & 4	4,274.56	3,817.95
Other Operating and General expenses	19	17,606.39	18,605.22
Total expenses		**38,517.51**	**38,100.38**
Profit Before Exceptional items and Tax		414.70	3,542.94
Exceptional Item	33	280.92	-
Profit Before Tax		**695.62**	**3,542.94**
Tax Expenses			
Current Tax	20	140.81	785.98
Deferred Tax	20	(242.06)	26.30
Total tax expenses		**(101.25)**	**812.28**
Profit/ (Loss) during the year		**796.87**	**2,730.66**
Other Comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined benefit obligation		(7.52)	28.46
Change in fair value of equity instruments designated irrevocably as FVTOCI		(1,033.58)	985.42
Less :-income tax expense		121.33	124.72
Other Comprehensive income for the year, net of tax		**(919.77)**	**889.16**
Total Comprehensive Income for the year		**(122.90)**	**3,619.82**
Earnings per share - ₹ (Basic and Diluted)	34	**20.92**	71.67
Face value per ordinary share - (₹)		**10.00**	10.00

To be read along with our audit report of even date attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Ramanarayanan J
Partner (220369)

Place : Chennai
Date : June 1, 2020

For and on behalf of the Board

Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

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(Jt. Managing Director)
DIN No. 00032123

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Ms. Farzana Sam Billimoria
Company Secretary

Place : Mumbai
Date : June 1, 2020

STATEMENT OF CHANGES IN EQUITY

as at March 31, 2020

₹ in lakhs

	Equity Share Capital Subscribed	RESERVES AND SURPLUS						Total
					Retained Earning			
		Capital Reserve	Securities Premium	Retained Earning	General Reserve	Profit & Loss B/fd	Equity Instruments through other comprehensive income	
Balance at the beginning of April 1, 2018	**381.00**	**375.61**	**2,011.00**	**54,922.73**	**12,834.04**	**42,088.69**	**4,692.90**	**62,383.24**
Profit for the year	-	-	-	2,730.66	-	2,730.66	-	**2,730.66**
Other Comprehensive Income for the year ended March 31, 2019, net of taxes, excluding actuarial gain/ losses, given below	-	-	-	-	-	-	870.64	**870.64**
Actuarial Gains / Losses (Not Reclass to P&L)				18.52		18.52		**18.52**
Total Comprehensive Income for the year	**-**	**-**	**-**	**2,749.18**	**-**	**2,749.18**	**870.64**	**3,619.82**
Dividends	-	-	-	(2,667.00)	-	(2,667.00)	-	**(2,667.00)**
Tax on Dividend	-	-	-	-	-	-	-	**-**
Balance at the end of March 31, 2019	**381.00**	**375.61**	**2,011.00**	**55,004.91**	**12,834.04**	**42,170.87**	**5,563.54**	**63,336.06**
Balance at the beginning of April 1, 2019	**381.00**	**375.61**	**2,011.00**	**55,004.91**	**12,834.04**	**42,170.87**	**5,563.54**	**63,336.06**
Profit for the year	-	-	-	796.87	-	796.87	-	**796.87**
Other Comprehensive Income for the year ended March 31, 2020, net of taxes, excluding actuarial gain/ losses, given below	-	-	-	-	-	-	(914.45)	**(914.45)**
Actuarial Gains / Losses (Not Reclass to P&L)	-	-	-	(5.33)	-	(5.33)	-	**(5.33)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**791.54**	**-**	**791.54**	**(914.45)**	**(122.91)**
Dividends	-	-	-	(381.00)	-	(381.00)	-	**(381.00)**
Tax on Dividend	-	-	-	(78.32)	-	(78.32)	-	**(78.32)**
DTT Refund	-	-	-	270.87	-	270.87	-	**270.87**
Unreconciled Balance	-	-	-	-	-	-	-	
Adjustment on account of IndAS 116 Transition - (Refer No 9b)	-	-	-	(801.39)	-	(801.39)	-	**(801.39)**
Balance at the end of March 31, 2020	**381.00**	**375.61**	**2,011.00**	**54,806.61**	**12,834.04**	**41,972.57**	**4,649.09**	**62,223.31**

Summary of significant accounting policies 1

Critical Estimates and Judgements 2

The above statement of changes in equity should be read along with our audit report of even date attached.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Ramanarayanan J
Partner (220369)

Place : Chennai
Date : June 1, 2020

For and on behalf of the Board

Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Ms. Farzana Sam Billimoria
Company Secretary

Place : Mumbai
Date : June 1, 2020

CASH FLOW STATEMENT
for the year ended March 31, 2020

₹ in lakhs

	March 31, 2020	March 31, 2019
Cash Flow From Operating Activities		
Profit Before Tax	**695.62**	3,542.94
Adjustments For :		
Depreciation and Amortisation	4,274.55	3,817.95
Gain on termination of Ind AS 116 Lease	(37.53)	-
Provision for Doubtful Debts and Advances	16.41	-
(Profit)/Loss on sale of non-current investments	(280.92)	-
(Profit)/Loss on sale of current investments	(28.28)	(53.51)
Loss on sale of assets	199.93	64.89
Dividend Income	(62.75)	(2,755.36)
Interest Income	(51.44)	(53.23)
Interest Expense	275.80	125.72
Interest on Lease Liability (Ind AS 116)	938.04	-
Fair value movement on Investment measured at FVTPL	1.28	(10.07)
Provision for Employee Benefits (OCI Adjustments)	(7.52)	28.46
	5,237.57	**1,164.85**
Cash Operating Profit before working capital changes	5,933.19	4,707.79
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(97.06)	62.47
Trade Receivables	(216.27)	(257.62)
Other financial current assets	(198.45)	38.27
Other Current assets	(637.99)	(68.25)
Other financial non current assets	13.87	(28.73)
Other non current assets	(146.58)	(46.11)
	(1,282.48)	**(299.97)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	(273.00)	283.45
Other current liabilities	133.56	464.11
Other financial current liabilities	14.16	301.23
Other financial non current liabilities	17.25	57.57
Other liabilities	46.10	(206.28)
	(61.93)	**900.08**
Cash Generated from Operating Activities	4,588.78	5,307.90
Direct Taxes (Paid)/ Refunded	(495.62)	(775.99)
Net Cash From Operating Activities (A)	**4,093.16**	**4,531.91**
Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment	(3,709.90)	(7,561.15)
Sale of Property, Plant & Equipment	31.85	38.93
(Purchase) / Sale of current Investments	(1,557.87)	196.55
Purchase of long-term investment	-	(0.71)
Sale of Investment in an Associate	291.50	-
Interest Received	126.66	42.92
Dividend Received	62.75	2,755.36
Bank balances other than cash and cash equivalents	(103.27)	377.94
Net Cash Used In Investing Activities (B)	**(4,858.28)**	**(4,150.16)**

CASH FLOW STATEMENT
for the year ended March 31, 2020 (Contd.)

₹ in lakhs

	March 31, 2020	March 31, 2019
Cash Flow From Financing Activities		
Interest Paid	(302.09)	(91.42)
Increase / (Decrease) in Lease Liability (Ind AS 116)	(743.00)	-
Proceeds from short term borrowings from related party	7,800.00	2,200.00
Repayment of short term borrowings from related party	(6,000.00)	-
Dividend & Tax paid	(459.32)	(2,667.00)
Refund of DDT	270.87	-
Net Cash Generated/ (Used) In Financing Activities (C)	**566.46**	**(558.42)**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	(198.66)	(176.67)
Cash and Cash Equivalents - Opening	385.17	561.84
Cash and Cash Equivalents - Closing	186.51	385.17

Note:

Previous year's figures have been regrouped wherever necessary.

For Net Debt position - Refer note 10(c)

Summary of Significant Accounting Policies	1
Critical Estimates and Judgements	2

The above Statement of cash flow should be read in conjunction with the accompanying notes.

To be read along with our audit report of even date attached

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Ramanarayanan J
Partner (220369)

Place : Chennai
Date : June 1, 2020

For and on behalf of the Board

Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Ms. Farzana Sam Billimoria
Company Secretary

Place : Mumbai
Date : June 1, 2020

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2020

BACKGROUND AND OPERATIONS

Piem Hotels Limited is a subsidiary of The Indian Hotels Company Limited. The Company is primarily engaged in the business of owning and operating hotels. The registered office of the Company is located at 90, Cuffe Parade, Mumbai 400005.

The financial statements were approved by the Board of Directors and authorised for issue on June 1, 2020.

1. SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance:

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 (as amended)] and other relevant provisions of the Act.

Recent Accounting Pronouncements:

(i) New standards notified and adopted by the Company

Ind AS 116 Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after April 1, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. Company has a number of material property leases.

The Company has adopted Ind AS 116 with the date of initial application being April 1, 2019. Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value ('low-value assets').

Before the adoption of Ind AS 116, Company classified each of its leases at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance cost) and reduction of the lease liability. In an operating lease, the leased asset was not capitalised, and the lease payments were recognised as rent expense in Company income statement on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised within prepayments and trade and other payables, respectively.

Under Ind AS 116, Company recognises right-to-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-to-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-to-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-to-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term. Right-to-use assets are subject to impairment testing.

At the commencement date of the lease, Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period over which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payment or a change in the assessment regarding the purchase of the underlying asset.

Company applies the short-term lease recognition exemption to its short-term leases of equipment. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Other Amendments to the existing standards

A number of other accounting standards have been modified on miscellaneous issues with effect from April 1, 2019. Such changes include clarification/guidance on:

a) business combination accounting in case of obtaining control of a joint operation;

b) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;

c) income tax consequences in case of dividends;

d) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;

e) accounting treatment for specific borrowings post capitalisation of corresponding qualifying asset;

f) accounting for prepayment features with negative compensation in case of debt instruments;

g) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;

h) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

The above amendments did not have any material impact on the financial statements for the current year.

(ii) New standards notified and yet to be adopted by the Company

None

b. Basis of presentation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period and plan assets in case of defined benefits plan, as explained in the accounting policies below.

c. 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. 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

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

The principal or the most advantageous market must be accessible by 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed in line with the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For 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 the fair value hierarchy as explained above.

d. Current versus non-current classification

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

- An asset is current when it is:
  - Expected to be realised within twelve months after the reporting period, or within the normal operating cycle of the company.
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
  - All other assets are classified as non-current.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

- A liability is current when:
  - It is expected to be settled in normal operating cycle
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
  - All other liabilities are classified as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

e. Use of Estimates and Judgements

Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis at each reporting date. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are provided in Note 2.

f. Consolidation

These financial statements represent the separate financial statements of the Company. The Ministry of Corporate Affairs (MCA) through its circular dated July 27, 2016 has exempted a company from preparing and filing of consolidated financial statements if its ultimate or intermediate holding company is filing consolidated financial statements.

Further Sub - Para (iv) to Para 4 of Ind AS 110 - Consolidated Financial Statements exempts a company from consolidation if its ultimate parent produces Ind AS complied consolidated financial statement, which are available for public use.

In view of above exemptions, the Company is not required to file the consolidated financial statements.

The Company has complied with Ind AS 27: Separate financial statements whereby investments in subsidiaries, joint ventures and associates are to be valued either

- at cost; or
- in accordance with Ind AS 109.

The Company has elected to measure its investment in subsidiaries and associates at cost determined in accordance with Ind AS 27 at original cost of investment in subsidiaries and associates.

g. Revenue recognition

- **Revenue from Services**

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Income from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals: Rentals basically consist of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognised in the period in which services are being rendered.

Other Allied services: In relation to the laundry income, communication income, health club income, transfers income and other allied services, the revenue has been recognised by reference to the time of service rendered.

Membership Fees: Membership fee income majorly consists of health club and spa membership fees. The performance obligations are satisfied over a period of time. Revenue is recognised at the allocated transaction price on a time-proportion basis.

- **Interest**

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's gross carrying amount on initial recognition.

- **Dividend**

Dividends are recognised in profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

h. Employee Benefits

(i) Short- term Obligations

Liabilities for the wages and salaries, including non- monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the balance sheet.

(ii) Other long-term employee benefit obligations

The Liabilities for earned leave and sick leave are not expected to be settled wholly with 12 months after the end of the period in which the employee render the related services. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of the reporting period having terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in Profit and Loss.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(iii) Post-employment obligations

i. Defined Contribution plan (Provident fund)

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss. The contributions as specified under the law are paid to the respective Regional Provident fund commissioner (RPFC) or to the trust set up by the Company. In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan.

j. Defined Benefit plans (Gratuity)

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item "Employee Benefits Expenses". Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognised in the Balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

k. Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

l. Property, plant and equipment

Freehold land is carried at historical Cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and where applicable accumulated impairment losses. Historical Cost includes expenditure that is directly attributable to acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of Property, Plant and equipment have differential useful life, they are accounted for as separate items (major components) of property, plant and equipment.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
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Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and equipment and are recognised within other income/ other expenses in the statement of profit and loss account

The Subsequent cost or cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of day to day servicing and all other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on group's technical evaluation, taking into the account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties, maintenance support, etc.

• Plant and machinery	10 to 20 years
• Electrical installations and equipment	20 years
• Hotel Wooden Furniture	15 years
• End User devices - Computers, Laptops, etc.	6 years
• Minor Additions to Furniture & Fittings/Plant & Machinery	4 years
• Improvements to Buildings	15 years
• Operating Supplies on opening of a new hotel	2 to 3 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values are not more than 5% of the original cost of the assets. The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

m. Intangible assets

(i) Computer Software

Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Useful life of the intangible assets are as follows

Website Development Cost	5 years
Cost of Customer Reservation System (including licensed software)	6 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

n. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount, an impairment loss is immediately recognised.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss section of the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately.

o. Foreign Currency Translation

(i) Functional and Presentation Currency

The Financial Statement is presented in Indian rupee (INR), which is Piem Hotels Limited’s functional and presentation currency.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

(iii) Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported in the functional currency, using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported in functional currency using the exchange rates that existed when the fair value measured. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

p. Leases

Accounting Policy from FY 2019-20 onwards

On inception of a contract, Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in Company statement of financial position as a right-to-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-to-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-to-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term. Right-to-use assets are also adjusted for any re-measurement of lease liabilities.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including ‘in-substance fixed’ payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. ‘In-substance fixed’ payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which Company is reasonably certain to exercise and excludes the effect of early termination options where Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the ‘in-substance fixed’ lease payments or as a result of a rent review or change in the relevant index or rate.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount

NOTES TO FINANCIAL STATEMENTS (CONTD.)

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of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

In case of early termination of lease contract with mutual consent of both the parties, the carrying amount of right to use assets and lease liabilities are de recognised on the date of termination, and the differential amount is debited/ credited to statement of profit and loss.

Company has opted not to apply the lease accounting model to leases of low-value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in Company statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities; and
- payments for the principal and interest element of recognised lease liabilities are presented within cash flows from financing activities.

Accounting Policy upto FY 2018-19

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss over the lease term.

q. Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits are deducted in determining the cost of purchase. Net realisable value represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sale.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

r. Taxes

a. Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on the taxable income of the year. The tax rates and tax laws used for computation of current tax includes those that are enacted or substantively enacted, at the reporting date

Current tax is recognised in the statement of profit and loss except to the extent it relates to an item recognised directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised using the liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of the report period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

c. Current and Deferred tax charge for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
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Minimum Alternate Tax (MAT) is accounted when the Company is subjected to such provisions of the Income Tax Act. Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

s. Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised, when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, there will be an outflow of resources and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). Present value is arrived by using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but only disclosed in the financial statements.

t. Cash and Cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank Overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

u. Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax 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 adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

v. Segment Reporting

The Company identifies operating segments based on the internal reporting provided to the Management of the Company. Disclosure of segment wise information is not applicable as Hoteliering is the Company’s only business segment.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

w. Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs (with 2 decimals) as per the requirement of Sch III, unless otherwise stated.

x. Financial Instruments & Risk Management

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.

(i) Financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The Classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investment when and only when its business model for managing those assets changes.

b) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

c) Subsequent measurement

- Debt instruments at amortised cost

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- Debt instrument at FVTOCI (Fair Value through Other Comprehensive Income)

  A 'debt instrument' is measured at Fair value through OCI if both the following conditions are met:

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; 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.

Interest income is recognised in Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to Statement of Profit and Loss.

- Debt instrument at FVTPL(Fair Value through Profit and Loss account)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

- Equity investments

All equity investments, other than those in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L. Where the Company has elected to present fair value gains and losses on equity investment in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and 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

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and bank balance;

NOTES TO FINANCIAL STATEMENTS (CONTD.)
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(b) Contract assets and trade receivables under Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(ii) Financial Liabilities and Equity

- 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 Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

- Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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.

- Financial liabilities subsequently measured at amortised cost
- This is the category most relevant to the Company. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of 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

NOTES TO FINANCIAL STATEMENTS (CONTD.)
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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 net carrying amount on initial recognition.

- 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.

- Derecognition

  The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange 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 derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

2. CRITICAL ESTIMATES & JUDGEMENTS

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

Estimates and assumptions

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

- **Estimated useful life of Property, Plant and Equipment & Intangible Assets**

  The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods. -Refer Note 3(a) & Note 4.

- **Impairment of non-financial assets**

  Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

- **Estimation of current tax expense and deferred tax**

  Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and the tax charge in the statement of profit or loss.

  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 or loss. -Refer Note 20.

- **Estimation of Defined Benefit Obligation**

  The cost of the defined benefit gratuity plan and compensated absences and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. - Refer Note 29(ii)

  The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

  The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates.

- **Estimation for Litigation**

  From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made, and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Refer Note 31.

- **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 judgement is required in establishing fair values. Judgements 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. Refer Note 21.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

- **Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Estimation uncertainty relating to the global health pandemic on COVID-19**

On March 11, 2020, the World Health Organisation declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020. All airline, road, and railway travel was suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sports facilities & retail outlets, etc were closed, except for a few essential services/ supplies like grocery stores, pharmacies, etc. There has been a partial lifting of the stringent measures in the last few days.

The hotel business has been severely impacted on account of COVID-19. Many of the hotels have been closed since the mandated lockdown from March 22, 2020. The Company is currently operating a few hotels and the Company expects all the hotels to become operational in a staggered manner after the lockdown has been lifted. However, revenues are expected to be softer in the initial phase of the lockdown and for some time after the lifting of the lockdown mainly due to lower occupancies arising out of reduced business and leisure travel.

The Company is taking all necessary measures to contain costs, rationalise resources taking initiatives to uplift revenue. The Company is also in discussion with all its lessors for waiver or deferment on lease rentals during the lockdown period. The Company is also holding back on discretionary spending, postponing renovations, and planning other cost optimisation measures.

The Company has assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, right-to-use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

₹ in lakhs

	Freehold Land Refer Footnote (i)	Buildings Refer Footnote (ii)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost							
At April 1, 2019	1,971.78	27,764.47	21,632.34	8,690.77	988.26	375.94	61,423.56
Additions	-	675.68	1,543.56	367.05	106.27	-	2,692.56
Disposals	-	157.29	264.90	29.96	29.04	0.57	481.76
At March 31, 2020	**1,971.78**	**28,282.86**	**22,911.00**	**9,027.86**	**1,065.49**	**375.37**	**63,634.36**
Depreciation							
At April 1, 2019	-	2,997.89	5,042.97	1,952.13	457.86	125.77	10,576.62
Charge for the year	-	1,158.10	1,812.86	823.72	166.95	34.48	3,996.11
Disposals / Adjustments	-	84.33	126.67	20.23	18.31	0.43	249.96
At March 31, 2020	**-**	**4,071.66**	**6,729.16**	**2,755.62**	**606.50**	**159.83**	**14,322.76**
Net Block							
At March 31, 2019	1,971.78	24,766.58	16,589.37	6,738.64	530.40	250.17	50,846.94
At March 31, 2020	**1,971.78**	**24,211.20**	**16,181.84**	**6,272.24**	**458.99**	**215.55**	**49,311.60**

Footnotes :

(i) Cost of Freehold land includes ₹ 4.32 lakhs pending registration (previous year ₹ 4.32 lakhs)

(ii) Gross Block includes

(a) Improvements to buildings constructed on leasehold land - ₹ 23,879.09 lakhs (previous year - ₹ 23,446.93 lakhs)

(b) Cost of shares of Co-operative Societies in case of Residential Buildings

NOTE 3B : RIGHT TO USE ASSETS

₹ in lakhs

	Land	Building	Total
Cost			
At April 1, 2019			
Opening Adjustments	7,064.62	2,501.94	9,566.56
Addition on acquisition	-	-	-
Additions	-	-	-
Deductions for the year	-	(58.90)	(58.90)
At March 31, 2020	**7,064.62**	**2,443.04**	**9,507.66**
Depreciation			
At April 1, 2019			
Opening Adjustments	-	-	-
Charge for the year	125.56	78.56	204.12
Deductions for the year	-	(6.56)	(6.56)
At March 31, 2020	**125.56**	**72.00**	**197.56**
Net Block			
At March 31, 2020	**6,939.06**	**2,371.04**	**9,310.10**

Footnote:

Company's leased assets mainly comprise land and hotel properties. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 30-99 years. The average lease term remaining is 42 years.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 4 : INTANGIBLE ASSETS

₹ in lakhs

	Website Development Cost	Software (Refer Footnote)	Total
Cost			
At April 1, 2019	4.38	487.22	491.60
Additions	-	20.16	20.16
Disposals	-	0.95	0.95
At March 31, 2020	**4.38**	**506.43**	**510.81**
Amortisation			
At April 1, 2019	4.38	298.50	302.88
Charge for the year	-	74.33	74.33
Disposals / Adjustments	-	0.95	0.95
At March 31, 2020	**4.38**	**371.88**	**376.26**
Net Block			
At March 31, 2019	**-**	**188.72**	**188.72**
At March 31, 2020	**-**	**134.55**	**134.55**

Footnote:

Software includes Customer Reservation System and other licensed software.

NOTE 5 (A) : NON-CURRENT INVESTMENTS

₹ in lakhs

	Face Value	March 31, 2020		March 31, 2019	
		Holdings As at	Value	Holdings As at	Value
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Companies (At cost)					
Piem International (H. K.) Limited (Wholly Owned)	$ 10	800,000	2,825.34	800,000	2,825.34
Northern India Hotels Limited	₹ 10	412,083	627.35	412,083	627.35
			3,452.69		**3,452.69**
Investments in Associates (At cost)					
Taida Trading and Industries Limited*	₹ 100	34,400	34.42	34,400	34.42
Taj Enterprises Limited	₹ 100	-	-	10,548	10.58
TAL Hotels and Resorts Limited	$ 1	280,108	132.69	280,108	132.69
Taj Karnataka Hotels and Resorts Ltd.	₹ 10	300,000	30.00	300,000	30.00
Roots Corporation Limited	₹ 10	6,535,948	5,000.00	6,535,948	5,000.00
Inditravel Limited	₹ 10	189,002	18.91	189,002	18.91
Taj Trade and Transport Company Limited	₹ 10	886,500	140.38	886,500	140.38
			5,356.40		**5,366.98**
Investment in Other Companies (Refer footnote)					
Damania Airways Ltd. *	₹ 10	500	-	500	-
Smile and Care Products Pvt. Ltd.*	₹ 10	49,800	-	49,800	-
MPOWER Information Systems Pvt Ltd.*	₹ 10	30,000	-	30,000	-
			-		**-**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

₹ in lakhs

	Face Value	March 31, 2020 Holdings As at	March 31, 2020 Value	March 31, 2019 Holdings As at	March 31, 2019 Value
Fully Paid quoted Equity Instruments					
Investment in Associates (At cost)					
Beneras Hotels Limited	₹ 10	54,063	5.41	54,063	5.41
Oriental Hotels Company Limited	₹ 1	3,657,170	596.81	3,657,170	596.81
			602.22		**602.22**
Investment in Other Companies (Fair Value Through OCI)					
Tulip Star Hotels Limited	₹ 10	35,800	9.67	35,800	23.25
Titan Company Limited	₹ 1	500,000	4,667.50	500,000	5,687.50
			4,677.17		**5,710.75**
Total Non-current Investments - Gross			14,088.48		15,132.64
Less : Provision for Diminution in value of Investments			34.42		34.42
Total Non-current Investments - Net			**14,054.06**		**15,098.22**

Footnotes:

(i) Aggregate amount of Quoted Investments	: Market Value	6,043.69	: Market Value	8,252.39
(ii) Aggregate amount of Unquoted Investments	: Cost	8,809.09	: Cost	8,819.67
(iii) Aggregate amount of impairment in value of investments		34.42		34.42

*Provision for diminution is created for these investments.

NOTE 5 (A) : CURRENT INVESTMENTS

₹ in lakhs

	March 31, 2020 Units	March 31, 2020 Amount	March 31, 2019 Units	March 31, 2019 Amount
Investments in Mutual Fund Units (Unquoted)				
Aditya Birla Sun Life Floating Rate Fund Short Term Plan - Growth-	185,599	2,001.19	-	
Tata Money Market Fund Regular Fund - Growth	-	-	14,206	416.32
Total Current Investments		**2,001.19**		**416.32**
Footnotes :				
(i) Aggregate amount of Investments	: NAV	2,001.19	: NAV	416.32

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 5 (B) : OTHER FINANCIAL ASSETS

₹ in lakhs

	March 31, 2020	March 31, 2019
A) Non Current		
Deposits with Public Bodies and Others at amortised cost		
Public Bodies and Others	290.00	320.70
	290.00	**320.70**
Advance to Employees	23.72	15.08
Deposits with Bank	84.22	76.02
	397.94	**411.80**
B) Current		
Loans and Advances		
(Unsecured, considered good unless stated otherwise)		
Others	4.41	6.36
	4.41	**6.36**
Deposit with public bodies and others	82.36	68.19
Other advances		
Considered good	464.56	256.51
Considered doubtful	4.87	4.87
	469.43	**261.38**
Less: Provision for Advances doubtful of recovery	4.87	4.87
	464.56	**256.51**
Interest receivable		
Others	15.00	90.21
	15.00	**90.21**
On Current Account dues :		
Related Parties	12.84	41.77
Others	27.65	20.54
	40.49	**62.31**
	606.82	**483.58**

NOTE 5 (C) : TRADE RECEIVABLES

₹ in lakhs

	March 31, 2020	March 31, 2019
Others :		
Considered good	1,660.83	1,460.97
Credit impaired	130.19	114.30
	1,791.02	**1,575.27**
Less : Provision for Trade Receivables credit impaired (Refer footnote)	130.19	114.30
	130.19	**114.30**
	1,660.83	**1,460.97**

*** Footnote:**

i) Provision for Trade Receivables credit impaired

	March 31, 2020	March 31, 2019
Opening Balance	114.30	105.94
Add : Provision during the year	33.57	30.04
	147.87	**135.98**
Less : Bad debts written off against past provisions	-	-
Less : Reversal of provision no longer required	17.68	21.68
Closing Balance	**130.19**	**114.30**

ii) For impairment of trade receivables and significant increase in credit risk refer note 22

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 5 (D) : CASH AND BANK BALANCES

₹ in lakhs

	March 31, 2020	March 31, 2019
Cash and cash equivalents		
Cash on hand	32.30	63.50
Cheques, Drafts on hands	6.31	63.77
Balances with bank in current account	147.90	257.90
	186.51	**385.17**

NOTE 5 (D) : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

	March 31, 2020	March 31, 2019
Unclaimed Dividend Account	0.10	-
Margin money deposits	572.75	464.09
Earmarked balances	43.33	40.63
	616.18	**504.72**
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/ Margin Money/ Pledged deposits classified as Non-Current (Note 5(b))	84.22	76.02
	531.96	**428.70**

NOTE 6 : OTHER CURRENT ASSETS

₹ in lakhs

	March 31, 2020	March 31, 2019
B) Current		
Prepaid Expenses	293.79	848.12
Advance to Suppliers	197.38	84.23
Advance to Employees	27.68	25.71
Balance with Statutory Authorities	757.67	-
Export Incentive Scrips	76.82	167.11
	1,353.34	**1,125.17**

NOTE 7 : OTHER NON CURRENT ASSETS

₹ in lakhs

	March 31, 2020	March 31, 2019
Capital Advances	470.89	235.54
Prepaid Expenses	31.52	1,039.84
Deposits for tax and other statutory dues	288.49	402.86
Export Incentive Receivable	663.20	419.43
	1,454.10	**2,097.67**

NOTE 8 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in lakhs

	March 31, 2020	March 31, 2019
Food and Beverages	795.89	713.58
Stores and Operating Supplies	219.32	204.57
	1,015.21	**918.15**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 9 (A) : SHARE CAPITAL

₹ in lakhs

	March 31, 2020	March 31, 2019
Authorised Share Capital		
Ordinary Shares		
4,750,000 (Previous year - 4,750,000) Equity Shares of ₹ 10/- each	475.00	475.00
	475.00	**475.00**
Preference Shares		
18,000 (Previous year - 18,000) 9.5% First Redeemable Cumulative Preference Shares of ₹ 100/- each	18.00	18.00
	18.00	**18.00**
Preference Shares		
7,000 (Previous year - 7,000) 3% First Redeemable Cumulative Preference Share of ₹ 100/- each	7.00	7.00
	7.00	**7.00**
	500.00	**500.00**
Issued Share Capital		
3,810,000 (Previous Year - 3,810,000) Equity Shares of ₹ 10/- each	381.00	381.00
	381.00	**381.00**
Subscribed and Paid Up		
3,810,000 (Previous Year - 3,810,000) Equity Shares of ₹ 10/- each	**381.00**	**381.00**
	381.00	**381.00**

(Refer Footnote (v))

Footnotes

(i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) During the year ended March 31, 2020, the amount of per share final dividend for financial year 2018-19 recognised as distribution to equity shareholders was ₹ 10/- per share.

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2020		March 31, 2019	
	No. of shares	**₹ Lakhs**	**No. of shares**	**₹ Lakhs**
As at the beginning of the year	3,810,000	381.00	3,810,000	381.00
Add : Shares issued during the year	-	-	-	-
As at the end of the year	**3,810,000**	**381.00**	**3,810,000**	**381.00**

(v) Share held by Holding Company and Subsidiary of Holding Company

	March 31, 2020		March 31, 2019	
	No. of shares	**% of Holding**	**No. of shares**	**% of Holding**
Holding Company				
The Indian Hotels Company Limited (IHCL)	1,964,770	52%	1,964,770	52%

(vi) Details of share held by other shareholders holding more than 5% the aggregate shares in the Company

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

	March 31, 2020		March 31, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Mr. Rajesh R. Nagpal	499,429	13%	499,429	13%
Mr. Sudhir L. Nagpal	509,757	13%	509,757	13%
New Vernon Private Limited	259,000	7%	259,000	7%
Mr. Rajkumar M. Nagpal	246,088	6%	246,088	6%
Mrs. Subhadra R. Nagpal	199,418	5%	199,418	5%

(vIi) Aggregate number of shares allotted as fully paid pursuant to contracts without payment being received in cash, bonus shares and shares bought back for period of 5 years immediately preceeding Balance sheet date NIL (previous year NIL)

NOTE 9 (B) : OTHER EQUITY

₹ in lakhs

	March 31, 2020	March 31, 2019
Reserves & Surplus		
Capital Reserve		
Opening and Closing Balance	**375.61**	**375.61**
Capital Redemption Reserve		
Opening and Closing Balance	**77.00**	**77.00**
Securities Premium		
Opening and Closing Balance	**2,011.00**	**2,011.00**
General Reserve		
Opening and Closing Balance	**12,834.04**	**12,834.04**
Retained Earning		
Opening Balance	42,170.87	42,088.69
Add: Current Year profits	796.87	2,730.66
Less : Appropriations		
Final Dividend	(381.00)	(1,524.00)
Tax on Final Dividend	(78.32)	-
Interim Dividend	-	(1,143.00)
Tax on Interim Dividend	-	-
DTT Refund (Refer Footnote below)	270.87	-
Adjustment on account of IndAS 116 Transition	(801.39)	-
Transfer to/(from) Revaluation Reserve		
Add: Remeasurement of post employment benefit obligation (net of taxes)	(5.33)	18.52
Closing retained earning	**41,972.57**	**42,170.87**
Reserves and Surplus	**57,270.22**	**57,468.52**
Other Comprehensive Income		
OCI - Equity Instruments (Not reclassified to P&L)		
Opening Balance	5,486.54	4,615.90
Less : Profit on Sale of Equity Instruments transferred to Retained Earnings	-	-
Add: Change in fair value of equity instruments designated irrevocably as FVTOCI (Net of Taxes)	(914.45)	870.64
Closing Balance	**4,572.09**	**5,486.54**
Total	**61,842.31**	**62,955.06**

Footnote:

During the year, the company has received DDT refund of ₹ 270.87 lakhs from Income Tax department pertaing to A.Y. 2014-15. Application for interest on refund has been filed with the department

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 10 (A) : OTHER FINANCIAL LIABILITIES

₹ in lakhs

	March 31, 2020	March 31, 2019
A) Non Current financial liabilities		
Deposits from others		
Unsecured	22.74	-
	22.74	**-**
Creditors for Capital goods and services	123.09	217.24
	145.83	**217.24**

₹ in lakhs

	March 31, 2020	March 31, 2019
B) Current financial liabilities		
Payables on Current Account dues :		
Related Parties	10.73	5.83
Others	22.07	10.26
	32.80	**16.09**
Deposits from others		
Unsecured	97.47	96.35
	97.47	**96.35**
Interest accrued but not due on borrowings at amortised costs	8.01	34.30
Creditors for capital expenditure	527.89	972.46
Unclaimed dividend	0.10	-
Employee related liabilities	1,034.42	1,027.00
Others	48.41	59.61
	1,749.10	**2,205.81**

Footnote:

There are no amounts due to be transferred to Investor Education and Protection Fund during the current year as well as previous year.

NOTE 10 (B) : TRADE PAYABLES

₹ in lakhs

	March 31, 2020	March 31, 2019
Trade Payables		
Micro and Small Enterprises {Refer Footnote (i) and (ii)}	31.15	47.95
	31.15	**47.95**
Other than Micro and Small Enterprises		
Vendor Payables	3,070.41	3,089.52
Accrued expenses and others	927.34	1,164.43
	3,997.75	**4,253.95**

Footnotes:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) The disclosures relating to Micro and Small Enterprises refer Note 26

(iii) For related party balances refer Note 32.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 10 (C) : FINANCIAL LIABILITIES

₹ in lakhs

	March 31, 2020	March 31, 2019
A) Lease Liabilities		
Long term maturities of finance lease obligations	9,455.03	-
	9,455.03	**-**
B) Current borrowings		
Borrowings from Related Parties	4,008.01	2,234.30
Total Short term borrowings	**4,008.01**	**2,234.30**
Less : Interest accurred (included in note10 (a))	8.01	34.30
Total Borrowings	**4,000.00**	**2,200.00**

NET DEBT RECONCILIATION

₹ in lakhs

	March 31, 2020	March 31, 2019
Cash and cash equivalents	186.51	385.17
Liquid investments	2,001.19	416.32
Current borrowings including interest	(4,008.01)	(2,234.30)
Non-current borrowings	-	-
Net (debt) / Cash & Cash Equivalents	**(1,820.31)**	**(1,432.81)**

	Other Assets		Liabilities from financing activities			
	Cash and bank overdraft	Liquid Investments	Finance lease obligations	Non-current borrowings	Current borrowings	Total
Net (debt) / Cash & Cash Equivalents as at April 1, 2018	561.84	549.28	-	-	-	1,111.12
Cash Flows	(176.67)	(196.55)	-	-	(2,200.00)	(2,573.22)
Interest expense	-	-	-	-	(125.72)	(125.72)
Interest paid	-	-	-	-	91.42	91.42
- Fair value adjustments	-	63.59	-	-	-	63.59
(Net debt) / Cash & Cash Equivalents as at March 31, 2019	**385.17**	**416.32**	**-**	**-**	**(2,234.30)**	**(1,432.81)**
Cash Flows	(198.66)	1,557.87			(1,800.00)	(440.79)
Interest expense	-	-	-	-	(275.80)	(275.80)
Interest paid	-	-	-	-	302.09	302.09
-Fair value adjustments	-	27.00	-	-	-	27.00
(Net debt) / Cash & Cash Equivalents as at March 31, 2020	**186.51**	**2,001.19**	**-**	**-**	**(4,008.01)**	**(1,820.31)**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 11 : PROVISIONS

₹ in lakhs

	March 31, 2020	March 31, 2019
A) Long term provisions		
Employee Benefit Obligation (Non-current)		
Leave obligations	565.29	570.79
	565.29	**570.79**
B) Short term provisions		
Employee Benefit Obligation (Current)		
Leave obligations	101.23	108.73
Gratuity	124.24	55.97
	225.47	**164.70**
Provision for Contingencies (Refer Note 31)	699.07	713.74
	699.07	**713.74**
Total Short term provisions	**924.54**	**878.44**

NOTE 12 : DEFERRED TAX (ASSETS) / LIABILITIES (NET)

₹ in lakhs

	March 31, 2020	March 31, 2019
Deferred Tax Liabilities:		
Property. Plant and equipment & Intangible Assets	2,721.05	2,986.49
Long Term Capital Gain - FVTOCI	37.65	156.79
Others	15.26	9.90
Total (A)	**2,773.96**	**3,153.18**
Deferred Tax Assets:		
DTA on Unabsorbed Losses	489.93	613.14
DTA-MAT credit entitlement	2,021.85	1,917.31
Provision for Compensated Absences	233.39	269.97
Liabilities / Provisions that are deducted for tax purposes when paid	248.75	255.72
Provisions - Others	39.62	41.81
Others	10.81	-
DTA-Right to Use Assets & Finance Lease Liabilities	467.39	-
Total (B)	**3,511.74**	**3,097.95**
Net Deferred Tax (Assets) / Liabilities (A-B)	**(737.78)**	**55.23**

Footnote:

Refer note 20 for detailed disclosures

NOTE 13 : OTHER NON FINANCIAL LIABILITIES

₹ in lakhs

	March 31, 2020	March 31, 2019
Income received in advance	38.61	35.73
Advances collected from customers and others	641.05	618.93
Statutory dues	502.52	393.96
	1,182.18	**1,048.62**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 14 : REVENUE FROM OPERATIONS

₹ in lakhs

	March 31, 2020	March 31, 2019
Room Income, Food, Restaurants and Banquet Income	36,440.15	36,534.50
Membership fees	4.41	4.91
Others	2,030.04	2,019.02
Total Revenue	**38,474.60**	**38,558.43**

NOTE 15 : OTHER INCOME

₹ in lakhs

	March 31, 2020	March 31, 2019
Interest Income from financial assets at amortised cost		
Deposits with banks	41.30	45.76
Others	20.85	17.87
Total	**62.15**	**63.63**
Dividend Income on non-current investments held at the end of the year		
From related parties	37.75	2,736.61
From others (FVTOCI)	25.00	18.75
Profit on sale of assets (Net)	4.23	6.05
Profit on sale of Investments (Net) (FVTPL)	28.28	53.52
Exchange Gain (Net)	-	0.84
Others	300.20	205.49
Total	**457.61**	**3,084.89**

NOTE 16 : FOOD AND BEVERAGES CONSUMED

₹ in lakhs

	March 31, 2020	March 31, 2019
Opening Stock	713.58	712.10
Add : Purchases	4,592.74	4,667.88
	5,306.32	**5,379.98**
Less : Closing Stock	795.90	713.58
Food and Beverages Consumed	**4,510.42**	**4,666.40**

NOTE 17 : EMPLOYEE BENEFIT EXPENSE AND PAYMENT TO CONTRACTORS

₹ in lakhs

	March 31, 2020	March 31, 2019
Salaries, Wages, Bonus etc.	6,207.53	6,276.41
Company's Contribution to Provident and Other Funds	440.95	370.24
Reimbursement of Expenses on Personnel Deputed to the Company	2,056.20	1,973.44
Payment to Contractors	1,003.31	927.80
Staff Welfare Expenses	1,204.30	1,337.20
Total	**10,912.29**	**10,885.09**

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 18 : FINANCE COSTS

₹ in lakhs

	March 31, 2020	March 31, 2019
Interest Expense at effective interest rate on borrowings	275.81	125.72
	275.81	**125.72**
Interest on RTU Lease Liabilities	938.04	-
Total	**1,213.85**	**125.72**

NOTE 19 : OTHER OPERATING AND GENERAL EXPENSES

₹ in lakhs

		March 31, 2020	March 31, 2019
(i)	**Operating expenses consist of the following :**		
	Linen and Room Supplies	544.09	617.52
	Catering Supplies	302.66	339.23
	Other Supplies	72.17	93.02
	Fuel, Power and Light	3,322.26	3,449.63
	Repairs to Buildings	442.69	530.30
	Repairs to Machinery	783.51	899.17
	Repairs to Others	164.64	180.50
	Linen and Uniform Washing and Laundry Expenses	524.47	483.73
	Payment to Orchestra Staff, Artistes and Others	754.00	741.24
	Guest Transportation	353.63	365.13
	Travel Agents' Commission	466.58	550.95
	Discount to Collecting Agents	279.28	321.07
	Other Operating Expenses	836.78	1,005.55
	Total	**8,846.76**	**9,577.04**
(ii)	**General expenses consist of the following :**		
	Rent	267.59	751.72
	Licence Fees	766.48	1,118.97
	Rates and Taxes	1,073.34	717.73
	Insurance	109.00	89.93
	Advertising and Publicity	2,146.75	2,151.82
	Printing and Stationery	151.81	167.57
	Passage and Travelling	84.16	79.46
	Provision for Doubtful Debts	16.41	8.36
	Expenditure on Corporate Social Responsibility (Refer Note 37)	43.28	39.94
	Management Fees	1,853.94	1,835.66
	Reservation and Information system	371.77	367.82
	Brand Common Cost	371.77	368.00
	Professional fees	295.17	302.93
	Outsourced Support Services	377.05	275.18
	Exchange Loss (Net)	2.14	3.24
	Loss on Sale / Scrapping of Fixed Assets (Net)	204.17	70.93
	Payment made to Statutory Auditors		
	i. As Auditors	41.80	43.00
	ii. As Tax Auditors	6.90	6.00
	iii. For Other Services	4.73	4.50
	iv. For Reimbursement of expenses	2.43	2.51
	Directors Sitting Fees and Commission	23.00	52.40
	Other Expenses	545.94	570.51
	Total	**8,759.63**	**9,028.18**
		17,606.39	**18,605.22**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 20 : INCOME TAX EXPENSE

a) Income tax expense

₹ in lakhs

	March 31, 2020	March 31, 2019
Current Tax		
Current Tax on profits for the year	140.81	785.98
	140.81	**785.98**
Deferred Tax		
Increase/(Decrease) in deferred tax liability	(242.06)	26.30
Total deferred tax expense/(benefit)	**(242.06)**	**26.30**
Income tax expense	**(101.25)**	**812.28**

b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	**March 31, 2020**	**March 31, 2019**
Profit before tax from continuing operations (a)	695.62	3,542.94
Income tax rate as applicable (b)	27.82%	34.94%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	193.52	1,238.05
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	(17.43)	(12.91)
Effect of expenses that are not deductible in determining taxable profit	35.27	62.74
Effect on deferred tax balances due to the change in income tax rate	(229.80)	-
Income subject to lower rate of income tax	(78.15)	(468.81)
Others	(4.66)	(6.79)
Income tax expense recognised in profit or loss (relating to continuing operations)	**(101.25)**	**812.28**

c) Income Tax recognised in Other Comprehensive Income

Particulars	**March 31, 2020**	**March 31, 2019**
Current Tax	-	-
	-	-
Deferred Tax		
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investments in equity shares at fair value through other comprehensive income	(119.14)	114.78
Re-measurement of Defined Benefit Obligation	(2.19)	9.94
Total	**(121.33)**	**124.72**
Total Income tax recognised in Other comprehensive Income	**(121.33)**	**124.72**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 21 : FINANCIAL INSTRUMENTS

Fair value hierarchy pertaining to financial instruments measured at fair value

₹ in lakhs

As of March 31, 2020:	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity shares	4,677.17	-	-	4,677.17
Debt Funds	2,001.19	-	-	2,001.19
Total	**6,678.36**	**-**	**-**	**6,678.36**

As of March 31, 2019:	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity shares	5,710.75	-	-	5,710.75
Liquid Funds	416.32	-	-	416.32
Total	**6,127.07**	**-**	**-**	**6,127.07**

The carrying value of financial instruments by categories is as follows:

As of March 31, 2020:

₹ in lakhs

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Equity Investment in External Companies	-	4,677.17	-	4,677.17
Debt Funds	2,001.19	-	-	2,001.19
Trade Receivables	-	-	1,660.83	1,660.83
Cash and cash equivalents	-	-	186.51	186.51
Bank Balances other than cash & cash equivalents	-	-	531.96	531.96
Other financial assets	-	-	1,004.75	1,004.75
Total - Financial Assets	**2.001.19**	**4,677.17**	**3,384.05**	**10,062.41**
Financial liabilities:				
Lease Liabilities	-	-	9,467.43	9,467.43
Borrowings	-	-	4,000.00	4,000.00
Trade Payables including capital creditors	-	-	4,679.87	4.679.87
Deposits	-	-	120.21	120.21
Other financial liabilities	-	-	1,123.75	1,123.75
Total - Financial Liabilities	**-**	**-**	**19,391.26**	**19,391.26**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

As of March 31, 2019:

₹ in lakhs

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets:				
Equity Investment in External Companies	-	5,710.75	-	5,710.75
Liquid Funds	416.32	-	-	416.32
Trade Receivables	-	-	1,460.97	1,460.97
Cash and cash equivalents	-	-	385.17	385.17
Bank Balances other than cash & cash equivalents	-	-	428.70	428.70
Other financial assets	-	-	895.38	895.38
Total - Financial Assets	**416.32**	**5,710.75**	**3,170.22**	**9,297.29**
Financial liabilities:				
Borrowings	-	-	2.200.00	2.200.00
Trade Payables including capital creditors	-	-	5,491.60	5,491.60
Deposits	-	-	96.35	96.35
Other financial liabilities	-	-	1,137.00	1,137.00
Total - Financial Liabilities	**-**	**-**	**8,924.95**	**8,924.95**

Note: The fair value of assets and liabilities approximates its carrying value.

NOTE 22 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise, lease liabilities, borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits 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 management is supported by finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance team 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 Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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 currency risk, interest rate risk and price risk. However, currency risk and interest rate risk are not significant for the company, since the company has only Indian Rupee Borrowings which are short term in nature.

Price Risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at profit or loss account.

To manage the price risk arising from the investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the directions of the investment committee.

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) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored, resulting in no significant credit risk.

Particulars	March 31, 2020	March31, 2019
No of Customers who owed more than 5% of the Total receivables	1	0
Contribution of Customers in owing more than 5% of Total receivables	7.23%	0%

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party. Counterparty credit limits are reviewed by the Company's management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Expiring within one year:		
Cash credit and Bank overdraft	500	500
Expiring beyond one year	-	-
Total	**500**	**500**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

The bank overdraft facilities may be drawn at any time by the Company.

The breakup of the borrowings into fixed and floating interest rates is as follows:

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed interest rate	4,000	2,200
Floating interest rate	-	-
Total	**4,000**	**2,200**

ii) Maturities of financial liabilities

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

₹ in lakhs

Particulars	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due from 6th year onwards	Total
Year ended March 31, 2020					
Lease Liabilities	776.19	776.19	2,425.37	71,936.82	75,914.57
Borrowings payable on demand	4,000.00	-	-	-	4,000.00
Other financial liabilities	1,749.10	145.83	-	-	1,894.93
Trade and other payables	4,028.90	-	-	-	4,028.90
	10,554.19	**922.02**	**2,425.37**	**71,936.82**	**85,838.40**
Year ended March 31, 2019					
Borrowings payable on demand	2,200.00	-	-	-	2,200.00
Other financial liabilities	2,205.81	217.24	-	-	2,423.05
Trade and other payables	4,301.90	-	-	-	4,301.90
	8,707.71	**217.24**	**-**	**-**	**8,924.95**

Other Risk – Impact of Covid 19

Financial instruments carried at fair value as at March 31, 2020 is ₹ 6,678.36 lakhs and financial instruments carried at amortised cost as at March 31, 2020 is ₹ 3,384.05 lakhs. A significant part of the financial assets are classified as Level 1 having fair value of ₹ 6,678.36 lakhs as at March 31, 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in equity shares of listed entities wherein the uncertainties arising out of COVID-19 has already been factored by the stock market as at March 31, 2020 and liquid debt securities wherein no material volatility is expected.

Financial assets of ₹ 1,723.22 lakhs as at March 31, 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk.

Trade receivables of ₹ 1,660.83 lakhs as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost. The Debtors do not have any concentrated risk and the Company do expect to recover these outstanding in due course. Further, adequate credit loss provision has been created based on the policy of the Company. The Company has specifically evaluated the potential impact with respect to customers in Airline and Travel Agents segments which could have an immediate impact though the outstanding is not significant. Further, we expect that there could be some delay in payments from debtors, over and above the credit cycle. Basis our internal assessment and the stringent provisioning policy of the Company, the management assessment for the allowance for doubtful trade receivables of ₹ 130.19 lakhs as at March 31, 2020 is considered adequate.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 23 : CONTINGENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Minimum amount to be paid to Punjab Urban Development Authority (PUDA) for Amritsar as per Revenue sharing Agreement. (Note)	400.00	400.00
Employee termination/ resignation cases	2.84	2.84
Demand raised by Tahsildar towards evacuation not approved	94.75	94.75
Total	**497.59**	**497.59**
(b) Guarantees		
Guarantee given to PUDA	1,220.00	1,220.00
Guarantee given to Local Authorities	45.00	45.00
Guarantee given for Foreign cars	7.11	7.11
Total	**1,272.11**	**1,272.11**
(c) Other money for which the Company is contingently liable		
Income Tax	38.52	38.52
Luxury Tax	11.55	11.55
Entertainment Tax	1.11	1.11
Sales Tax/VAT	15.76	864.85
Property Tax	87.65	87.65
Service Tax & Excise Duty	850.24	1,279.74
Others (Water & Sewerage Tax)	88.00	88.00
Total	**1,092.83**	**2,371.42**

Note:

The Punjab Urban Development Authority (PUDA) has contested the order passed by the Appellate Authority - Punjab Infrastructure Regulatory Authority (PIRA) at the High Court granting an extension of one year in the completion date of the Amritsar Project. The Company will be liable to pay the concession fee for the aforesaid period in case the above claim is upheld by the High Court.

Details of amounts paid under protest and accounted under 'Deposits for tax and other statutory dues' & 'Margin Money Deposit'

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Property Tax	274.38	248.43
VAT	12.46	148.79
Service Tax	3.50	11.24
Entertainment Tax	0.10	0.10
Total	**290.44**	**408.56**

The Company has been advised by its legal counsel that it is only possible, but not probable, that the actions initiated will succeed. Accordingly, no provision for any liability has been made in these financial statements.

NOTE 24 : CONTINGENT ASSET

The Company has instituted a suit against a Bank for recovery of rent amounting to ₹ 19.85 lakhs, as they continued to occupy the area leased to them at a hotel, even after the expiry of the lease agreement. The amount of refund receivable (if any) can be determined only on the conclusion of litigation.

Contingent assets are not recognised in the financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 25 : CAPITAL COMMITMENTS

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	1,760.11	1,742.75
Intangible assets	-	13.29
Total	**1,760.11**	**1,756.04**

NOTE 26 : DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

₹ in lakhs

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	31.15	47.95
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) the amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 27 : IND AS 116 RELATED DISCLOSURES

(i) Transition related disclosures

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments and the right to use asset recognised at its carrying amount as if the standard had been applied since the commencement of lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019 of 10.18% and the cumulative impact of the standard has been charged to the Retained Earnings net of deferred taxes. Accordingly, the comparative information in these Company's Financial Statements has not been restated. The impact of the new standard in Company's Financial Statement is summarised and set out below.

On April 1, 2019:

- Right-to-use assets of ₹ 9,566.55 lakhs were recognised and presented separately in Company statement of financial position.
- Lease liabilities of ₹ 9,365.36 lakhs were recognised and presented separately in Company statement of financial position.
- Prepayments of ₹ 1,028.87 lakhs related to leases previously classified as operating leases were derecognised.
- Advance to suppliers of ₹ 403.33 lakhs related to lease rent paid in advance were de-recognised
- Net deferred tax assets increased by ₹ 429.62 lakhs because of the deferred tax impact of the changes in assets and liabilities.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

The net effect of these adjustments reduce Company's opening retained earnings by ₹ 801.39 lakhs

For the 12 months ended 31 March 2020:

- Depreciation expense increased by ₹ 204.13 lakhs relating to the depreciation of new right-to-use assets recognised.
- Rent expense decreased by ₹ 743 lakhs relating to previous operating leases.
- Financial expenses increased by ₹ 938.04 lakhs relating to the interest expense on additional lease liabilities recognised.
- Net cash from operating activities increased by ₹ 743 lakhs and financing activities reduced by the same amount, representing repayments of principal and interest on the recognised lease liabilities.

At 31 March 2020:

- Right-to-use assets of ₹ 9,310.10 lakhs were recognised and presented separately in Company statement of financial position.
- Lease liabilities of ₹ 9,467.63 lakhs were recognised and presented separately in Company statement of financial position.
- Prepayments of ₹ 1,011.52 lakhs related to leases previously classified as operating leases were derecognised.
- Advance to suppliers of ₹ 403.33 lakhs related to lease rent paid in advance were de-recognised
- Net deferred tax assets increased by ₹ 467.39 lakhs because of the deferred tax impact of the changes in assets and liabilities.
- The net effect of these adjustments increased Company's net liabilities by ₹ 1,104.99 lakhs

(ii) Other Disclosures:

Total lease liabilities are analysed as follows:

	₹ lakhs
Denominated in the following currencies:	**March 31, 2020**
Indian Rupees	9,467.42
Other Currencies	-
Current	12.40
Non-current	9,455.02
Total	**9,467.42**

Amounts recognised in profit or loss

The following amounts were recognised as expense in the year:

	₹ lakhs
	Year ended March 31, 2020
Depreciation of right-to-use assets	204.13
Expense relating to variable lease payments	763.46
Expense relating to short-term leases and low-value assets	233.26
Interest on lease liabilities	938.04
Gain on lease modification	-37.53
Total recognised in Statement of Profit & Loss	**2,101.36**

Variable lease payments are payable under certain of Company's hotel leases and arise where Company is committed to making additional lease payments that are contingent on the performance of the hotels.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

	₹ lakhs
Maturity analysis:	
Less than 1 year	776.19
Between 1 and 2 years	776.19
Between 2 and 5 years	2,425.37
More than 5 years	71,936.83
Total	**75,914.57**

NOTE 28 : LEASE RENTAL INCOME

Details of leasing arrangements

The Company has given on lease certain residential flats to its parent company for a lease period of 3 years. These arrangements are in the nature of cancellable lease and are generally renewable by mutual consent or mutual agreeable terms.

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Cost	58.26	58.26
Accumulated Depreciation	15.80	12.64
Net Book Value	42.46	45.62
Current Period Depreciation	3.16	3.16
Future minimum lease receipts		
• Not Later than one year	36.00	36.00

NOTE 29 : EMPLOYEE BENEFITS

(i) Provident Fund

The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries):

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Provident Fund	331.80	291.18
Superannuation Fund	2.96	2.86

(ii) Gratuity Benefits

The Company provides for gratuity a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees.

Actuarial Valuation was done in respect of the aforesaid defined benefit plan using the following assumptions:

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.65%	7.55%
Salary escalation: -		
Staff	5.00%	5.00%
Executive	4.00%	4.00%

Note: Mortality has been assumed as per published notes under the Indian Assured Lives Mortality (2012-14) table

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Amount Recognised in the Balance Sheet

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Liability at the end of the year	2,351.25	2,153.50
Fair value of plan assets at the end of the year	2,227.01	2,097.53
Amount recognised in the Balance Sheet [(Asset) / Liability]	**124.24**	**55.97**

Reconciliation of Defined Benefit Obligation:

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Opening Defined Benefit Obligation	2,153.50	2,103.97
Current service cost	133.55	128.46
Past Service Cost	(0.00)	(56.58)
Interest cost	152.17	145.07
Remeasurements due to actuarial loss/ (gain) arising from		
• Changes in financial assumptions	138.64	(0.00)
• Changes in demographic assumptions	0.00	(0.76)
• Experience adjustments	(60.18)	0.77
Benefits Paid	(166.43)	(164.81)
Liabilities assumed/ (settled)	0.00	(2.62)
Closing Defined Benefit Obligation	**2,351.25**	**2,153.50**

Reconciliation of Plan Assets

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Fair value of Plan Assets at the beginning of the year	2,097.53	1,753.59
Expected Return on Plan Assets	152.47	123.15
Actuarial (loss)/gain on Plan Assets	70.94	28.47
Contribution by Employer	72.50	359.75
Benefits paid	(166.43)	(164.81)
Assets acquired / (settled)	0.00	(2.62)
Fair value of Plan Assets at the end of the year	**2,227.01**	**2,097.53**

Expenses recognised in the Statement of Profit and Loss

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Current service cost	133.55	128.46
Past Service Cost	0.00	(56.58)
Interest cost	(0.30)	21.92
Expense/(Reversal) recognised in the Statement of Profit and Loss	**133.25**	**93.80**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Amount recorded in Other Comprehensive Income

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Opening Amount recognised in OCI	55.67	84.13
Remeasurements in the period due to		
• Changes in Financial Assumption	138.64	0.00
• Change in Demographic Assumption	0.00	(0.76)
• Experience Adjustments	(60.18)	0.77
• Actual Return on Plan assets less interest on Plan Assets	(70.94)	(28.47)
Fair value of Plan Assets at the end of the year	**63.19**	**55.67**

Balance Sheet Reconciliation

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Opening net liability / (asset)	55.97	350.38
Expense/(Reversal) as above	133.25	93.80
Amount recognised outside Profit & loss account	7.52	(28.46)
Employers contributions	(72.50)	(359.75)
Amount recognised in Balance Sheet (Asset)/Liability	124.24	55.97
Expected Employer's Contributions next year	120.00	120.00

The discount rate is based on the government bond yields as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Sensitivity Analysis (for each defined benefit plan)

₹ in lakhs

	March 31, 2020		March 31, 2019	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	-3.36	3.62	-3.31	3.59
Impact of decrease in 50 bps on DBO	3.57	-3.43	3.51	-3.41

Disaggregation of Plan Asset

₹ in lakhs

Particulars	March 31, 2020			
	Quoted	Unquoted	Total	%
Insurer managed funds	-	2,088.33	2.088.33	94%
Government Debt Instruments	43.83	-	43.83	2%
Others	62.51	32.34	94.85	4%
Total	**106.34**	**2,120.67**	**2,227.01**	**100%**

₹ in lakhs

Particulars	March 31, 2019			
	Quoted	Unquoted	Total	%
Insurer managed funds	-	1,962.41	1,962.41	94%
Government Debt Instruments	45.40	-	45.40	2%
Others	62.50	27.22	89.72	4%
Total	**107.90**	**1,989.63**	**2,097.53**	**100%**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Maturity Profile - Benefits

₹ in lakhs

	Amount
Expected benefits for year 1	389.13
Expected benefits for year 2	230.73
Expected benefits for year 3	287.88
Expected benefits for year 4	214.94
Expected benefits for year 5	263.52
Expected benefits for year 6	156.50
Expected benefits for year 7	158.70
Expected benefits for year 8	174.84
Expected benefits for year 9	183.49
Expected benefits for year 10 and above	2,049.77

The weighted average duration of these payments is 6.92 years.

NOTE 30 : IND AS 115 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

₹ in lakhs

Sr No	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
	Contract with Customers		
1	Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Revenue from operations		
	Revenue from contract with customers		
	a) Room Income, Food & Beverages and Banquets	36,440.15	36,534.50
	b) Membership fees	4.41	4.91
		36,444.56	**36,539.41**
	Other operating revenue		
	a) Export Incentive	243.78	212.93
	b) Others	1,786.26	1,806.29
		2,030.04	**2,019.02**
	Total Income from operations	**38,474.60**	**38,558.43**
2	**Disaggregate Revenue**		
	The following table presents Company's revenue disaggregated by type of revenue stream		
	Revenue based on product and services		
	Revenue from contract with customers		
	a) Room Income	16,784.65	16,479.95
	b) Food & Beverages and Banquets	19,655.50	20,054.55
	c) Membership fees	4.41	4.91
	Other operating revenue		
	a) Export Incentive	243.78	212.93
	b) Others	1,786.26	1,806.29
3	The Company derives its revenue from the transfer of goods and services over time in its major service lines.		
4	**Contract balances**		
	Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/ restaurant/Banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services.		
	At April	698.44	572.47
	At March	755.33	698.44

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 31 : DETAILS OF PROVISIONS

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

₹ in lakhs

Particulars	As at April 1, 2019	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at March 31, 2020
Provision for other contingencies					
Entertainment Tax	**166.00**	**0.00**	**0.00**	**0.00**	166.00
	(166.00)	(0.00)	0.00	0.00	(166.00)
Sales Tax	**78.78**	**0.00**	**78.78**	**0.00**	0.00
	(78.78)	0.00	(0.00)	0.00	(78.78)
Property Tax	**431.86**	**51.90**	**0.00**	**0.00**	483.76
	(372.61)	(59.25)	(0.00)	0.00	(431.86)
Others	**37.10**	**12.21**	**0.00**	**0.00**	49.31
	(0.00)	(37.10)	(0.00)	0.00	(37.10)
Total	**713.74**	**64.11**	**78.78**	**0.00**	**699.07**
	(617.39)	(96.35)	(0.00)	0.00	(713.74)

₹ in lakhs

Particulars	As at April 1, 2019	Provisions during the year	Debtors written off against past provision	Provision written back	As at March 31, 2020
Provision for doubtful debts	114.30	33.57	-	17.68	130.19
	105.94	30.04	-	21.68	114.30

₹ in lakhs

Particulars	Provisions during the year	Provision written back	Debtors written off in the past recovered	Net Expense
Provision for doubtful debts charged to P&L	33.57	17.68	(0.51)	16.40
	30.04	21.68	-	8.36

₹ in lakhs

Particulars	As at April 1, 2019	Provisions during the year	Advances written off against past provision	Provision written back	As at March 31, 2020
Provision for doubtful advances	4.87	-	-	-	4.87
	3.93	**0.95**	-	-	**4.87**

NOTE 32 : RELATED PARTY TRANSACTIONS

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

i. **Holding Company**
The Indian Hotels Company Limited (IHCL)

ii. **Company having significant influence**
Tata Sons Pvt.Ltd.(including its subsidiaries & joint ventures)

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

iii. Subsidiary Companies

Northern India Hotels Limited
Piem International (H.K.) Limited (PIHK)
BAHC 5 Pte Ltd (Subsidiary of PIHK)

iv. Associate Companies

Taida Trading and Industries Limited
Taj Enterprises Limited
Taj Trade and Transport Company Limited
Inditravel Limited
Roots Corporation Limited
Benares Hotels Limited
Oriental Hotels Limited
Taj Karnataka Hotels and Resorts Limited.
TAL Hotels and Resorts Limited

v. Fellow Subsidiaries / Joint Ventures (to the extent of transactions carried during the period)

United Hotels Limited
Taj SATS Air Catering Limited

vi. Key Management Personnel

Mr. Puneet Chhatwal – Chairman & Managing Director
Mr. Sudhir L. Nagpal - Jt. Managing Director
Mr. Rajesh R. Nagpal - Jt. Managing Director
Mr. Rajkumar M. Nagpal - Executive Director

vii. Relatives of Key Management Personnel

(Parties with whom transactions were conducted during the year)
Ms. N. M. Nagpal
Ms. Beryl. F. Nagpal
Ms. Subhadra. R. Nagpal
Mr. Aryaman. R. Nagpal
Ms. Sansara. R. Nagpal

viii. Firms/Companies in which Key Management personnel are Interested

MPOWER Information Systems Pvt Limited

ix. Others

Taj Residency Employees Provident Fund Trust (Bangalore Unit)
Piem Hotel Employees Gratuity Trust
Taj Residency Hotel Employees Gratuity Trust

- **Terms and conditions of transactions with related parties**
  The transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

₹ in lakhs

Particulars	Company having significant influence*		Holding Company		Subsidiaries		Associates		Fellow Subsidiaries / Joint Ventures	
	2019-20	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Purchase of Goods & Services and Sharing of Expenses (Footnote 1)	454.98	265.72	1,610.57	1580.22			6.43	0.11	1.64	-
Sale of Goods &Services	570.49	648.44	291.78	361.39	0.12	-	1.09	-	0.41	0.01
Interest Expense / (Income)	153.25	-	27.86	79.64					93.85	45.39
Lease Rent Income			36.00	36.00						
Lease Rent Expense			36.00	36.00						
Dividend Received					-	2683.20	37.75	53.41		
Dividend Paid			196.48	1375.34						
Inter Corporate Deposits Borrowed	5500.00	-	-	1000.00					2300.00	1200.00
Interest Accrued	8.01	-								
Inter Corporate Deposits Refunded	1500.00	-	1000.00	-					3500.00	-
Consultation / License Fees			1843.29	1824.50	115.42	116.71				
Loyalty Expenses (Net of Redemption Credit)	340.16	371.08								
Deputed Staff Salary expenses			1805.56	1747.19			131.29	82.73	58.02	56.65
Net Balance at year end-Receivable/(Payables)	(4041.13)	1.52	(1150.99)	(1877.26)	(37.37)	(46.98)	10.32	10.62	2.22	(1226.85)

₹ in lakhs

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Firm in which Key Management Personnel are Interested		Others	
	2019-20	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Purchase of Goods & Services and Sharing of Expenses (Footnote 1)								
Sale of Services	-	0.73						
Interest Expense / (Income)								
Lease Rent Income								
Lease Rent Expense								
F&B Consumed								
Dividend Received								
Dividend Paid	125.53	830.55	24.70	221.05				
Inter Corporate Deposits Payable								
Interest Accrued								
Inter Corporate Deposits Refunded								
Consultation / License Fees								
Commission / Remuneration (Refer Footnote 2)	462.12	252.48	6.80	-				
Deputed Staff Salary expenses								
Contribution to Trust							99.87	383.60
Net Balance at year end -Receivable / (Payables)							(124.24)	(55.97)

* Including its subsidiaries and joint- ventures.

Footnotes:

1. Purchase of Goods and Services includes Advertisement, Reservation and Information system expenses and Brand Common Cost
2. Commission to Executive Directors is considered on payment basis
3. Current account transactions and reimbursement transactions have not been considered for the purpose of above reporting.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

• Compensation of key management personnel of the Company

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Short Term Employee Benefits	230.06	238.70
Other Long-term Benefits*	247.50	130.00
Post-employment Benefits	14.56	13.78
Total	**492.12**	**382.48**

* - The amounts disclosed in the table are the amounts recognised as an expense during the reporting period pertaining to commission & incentive to key management personnel.

• Statement of Material Transactions

₹ in lakhs

Particulars	2019–20	2018 – 19
Holding Company		
The Indian Hotels Company Ltd (IHCL)		
- Purchase of Goods & Services	1,610.57	1,580.22
- Interest Expenses	27.86	79.64
- Sale of Goods & Services	291.78	361.39
- Dividend Paid	196.48	1,375.34
- Lease Rent Income	36.00	36.00
- Lease Rent paid	36.00	36.00
- Consultation / Licence Fees	1,843.29	1,824.50
- Inter Corporate Deposits Borrowed	-	1,000.00
- Inter Corporate Deposits Refunded	1,000.00	-
- Deputed Staff Salary paid	1,805.56	1,747.19
- Trade Receivable	166.88	53.89
- Deputed Staff Receivable	122.98	172.40
- Trade Payable	1,392.85	1,055.55
- Residential Deposit	48.00	48.00
- Borrowings	-	1,000.00
Company having significant influence and its subsidiaries &joint ventures		
Tata Sons Private Limited		
- Sale of Goods & Services	141.00	405.73
- Trade Receivable	2.15	0.61
Tata Consultancy Services Limited		
- Purchase of Goods & Services	381.80	200.02
- Sale of Goods & Services	186.81	123.27
- Trade Payables	49.79	2.93
- Trade Receivable	26.68	3.94
Taj Air Limited		
- Inter Corporate Deposits Borrowed	5,500.00	-
- Inter Corporate Deposits Refunded	1,500.00	-
- Sale of Goods & Services	2.74	3.03
- Interest Expenses	153.25	-
- Borrowings	4,000.00	-
Tata Communications Limited		
- Purchase of Goods & Services	25.61	7.03
- Sale of Goods & Services	7.31	0.68
- Trade Payables	12.70	-
Tata AIA Life Insurance		
- Sale of Goods & Services	85.89	29.55
- Trade Receivable	1.25	-
Tata Sky Limited		
- Purchase of Goods & Services	24.67	9.97
- Sale of Goods & Services	11.60	1.19
- Trade Payables	10.97	-
- Trade Receivable	0.11	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

₹ in lakhs

Particulars	2019–20	2018 – 19
Fellow Subsidiaries		
Taj SATS Air Catering Limited		
- Inter Corporate Deposits Borrowed	2,300.00	1,200.00
- Inter Corporate Deposits Refunded	3,500.00	-
- Interest Paid	93.85	45.39
Associates		
Oriental Hotels Limited		
- Purchase of Goods & Services	2.60	-
- Sale of Goods & Services	0.14	1.09
- Deputed Staff Salary Paid	61.55	59.75
- Dividend Received	18.29	-
- Trade Payables	14.00	6.98
- Deputed Staff recoverable	10.75	0.36
TAL Hotels and Resorts Limited		
- Dividend Received	11.35	45.30
Subsidiaries		
a) Northern India Hotels Limited		
- Consultation / Licence Fees	115.42	116.71
- Interest Paid	-	-
- Miscellaneous Income	0.12	-
b) Piem International (H.K) Limited		
- Dividend Received	-	2,683.20
Key Management Personnel		
a) Mr. Rajkumar M. Nagpal		
- Commission / Remuneration	105.97	49.90
- Divined Paid	24.61	172.26
b) Mr. Sudhir L. Nagpal		
- Commission / Remuneration	195.33	124.47
- Divined Paid	50.98	308.69
c) Mr. Rajesh R. Nagpal		
- Commission / Remuneration	160.82	78.11
- Divined Paid	49.94	349.60

Note:

During the year, the Company has re-assessed its related party relationships and disclosures in accordance with Ind AS 24 Related Party Disclosures (the "Standard") and has considered Tata Sons Limited & its subsidiaries and joint ventures as its related parties basis para 12 of the Standard. Accordingly, the relevant disclosures as required under the Standard have been made in the financial statements for current year as well as previous year.

NOTE 33 : EXCEPTIONAL ITEM

Exceptional item for the year ended March 31, 2020 represents profit arising out of sale of shares of Taj Enterprise Limited.

NOTE 34 : EARNINGS PER SHARE

Earnings Per Share is calculated in accordance with IND AS 33 – 'Earnings Per Share'

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Profit/ (Loss) after tax	796.87	2,730.66
Number of Ordinary Shares	38.10	38.10
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS & Diluted EPS	38.10	38.10
Face Value per Ordinary Share in ₹	10	10
Earning Per Share:		
Basic/Diluted in ₹	20.92	71.67

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 35 : EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no events occurring after the reporting period to be reported.

NOTE 36 : OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

There are no financial liabilities and assets that are off set during the financial years 31.03.2020 and 31.03.2019.

NOTE 37 : CORPORATE SOCIAL RESPONSIBILITY:

₹ in lakhs

Particulars	**March 31, 2020**	**March 31, 2019**
Amount required to be spent as per Section 135 of the Act	32.93	39.05
Amount Spent during the year on:		
(i) Construction/Acquisition of an asset	-	-
(ii) On purpose other than (i) above	43.28	39.94

NOTE 38 : NEGATIVE WORKING CAPITAL

As at the year end, the Company's current liabilities have exceeded its current assets by ₹ 4,541.27 lakhs primarily on account of short term borrowings of ₹ 4,000.00 lakhs and provision for contingencies of ₹ 699.07 lakhs. Management is confident of its ability to generate cash inflows from operations and also raise long term funds to meet its obligations on due date.

NOTE 38 : PREVIOUS YEAR'S FIGURES

The Company has regrouped /reclassified the previous year's figures to conform to the current year's presentation.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No.
003990S / S200018

Ramanarayanan J
Partner (220369)

Place : Chennai
Date : June 1, 2020

For and on behalf of the Board

Puneet Chhatwal
(Chairman & Managing Director)
DIN No. 7624616

Rajesh R. Nagpal
(Jt. Managing Director)
DIN No. 00032123

Sudhir L. Nagpal
(Jt. Managing Director)
DIN No. 00044762

Ms. Farzana Sam Billimoria
Company Secretary

Place : Mumbai
Date : June 1, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Roots Corporation Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Roots Corporation Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ('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 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows 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 Act. 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 41 to the financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the Management.

Our opinion is not modified in respect of the above matter.

Other information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is 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:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors' 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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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

1 As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

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

c. The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act;

e. On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act; and

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) with respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements – Refer Note 27 to the financial statements;

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 during the year ended 31 March 2020; and

iv. the disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership No: 105003
ICAI UDIN : 20105003AAAABE3989

Place: Mumbai
Date: June 1, 2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT - 31 MARCH 2020

(Referred to in our report of even date)

With reference to the Annexure A referred to in the Independent Auditors' Report to the Members of Roots Corporation Limited ("the Company") on the financial statements for the year ended 31 March 2020, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, plant and equipments).

(b) The Company has a regular programme of physical verification of its fixed assets (Property, plant and equipments) by which all the items are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, a portion of the fixed assets (Property, plant and equipments) has been physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings as disclosed in Note No. 3 to the financial statements, are held in the name of the Company as at the balance sheet date except in respect of one commercial building aggregating ₹ 395.33 Lakhs (Gross block ₹ 575.85 Lakhs) which is in the possession of the Company where the lease deed is yet to be registered in the name of the Company.

(ii) Inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The Company does not have any stock lying with third parties at the year-end. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investment or provided any guarantees or security under Section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 of the Act and the Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, value added tax, goods and services tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT (CONTD.)

As explained to us, the Company does not have any dues on account of duty of Customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, value added tax, goods and services tax, cess and any other material statutory dues were in arrears as on 31 March 2020 for a period of more than six months from the date they became payable except as disclosed below.

Name of the statute	Nature of dues	Amount (₹) in Lakhs	Period to which the amount relates	Due date	Date of payment
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	0.23	F.Y. 19-20	Multiple dates	Unpaid
The Employees State Insurance Act, 1948	Employee Sate Insurance	0.03	F.Y. 19-20	Multiple dates	Unpaid
Profession Tax	Profession Tax	0.51	F.Y. 19-20	Multiple dates	Unpaid

(b) According to the information and explanations given to us, there are no dues of income tax, goods and services tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute except as stated below:

Name of the statute	Nature of dues	Amount (₹) in Lakhs	Amount paid under protest (₹) in Lakhs	Period to which the amount relates	Forum where the dispute is pending
Bihar Stamps (Prevention of under Valuation of Instruments) Rule 1995	Cess	140.05	Nil	2006-07 to 2019-20	Deputy Commissioner, East Singhbhum

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks. The Company has not taken any loans from financial institutions or government and has not issued any debentures.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

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

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of sections 177 and 188 of the Act and details

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT (CONTD.)

of such related party transactions have been disclosed in the financial statements as required under Ind AS 24 - Related Party Disclosures.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) 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. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership No: 105003
ICAI UDIN : 20105003AAAABE3989

Place: Mumbai
Date: June 1, 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2020

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report)

Opinion

We have audited the internal financial controls with reference to financial statements of Roots Corporation Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

ANNEXURE ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT (CONTD.)

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership No: 105003
ICAI UDIN : 20105003AAAABE3989

Place: Mumbai
Date: June 1, 2020

BALANCE SHEET

as at March 31, 2020

	Note	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
NON-CURRENT ASSETS			
Property, Plant and Equipment	3 (a)	33,550.03	32,820.36
Capital work-in-progress	3 (a)	3,138.90	2,317.16
Right to Use Assets	30	27,754.34	-
Intangible assets	3 (a)	564.93	568.71
Financial Assets			
Security deposits	4 (a)	1,004.42	872.80
Margin Money Deposit	4 (a)	8.74	12.17
Advance Income Tax (net)	5	1,171.71	710.43
Other non-current assets	6 (a)	1,016.76	3,877.65
		68,209.83	**41,179.28**
Current assets			
Inventories	7	228.99	208.91
Financial assets			
Investments	8	101.42	440.00
Trade receivables	9	2,447.18	3,001.99
Cash and cash equivalents	10	133.99	541.46
Other balances with Banks	11	800.00	240.00
Other financial assets	4 (b)	613.90	62.52
Other current assets	6 (b)	1,057.80	832.59
		5,383.28	**5,327.47**
Total		**73,593.11**	**46,506.75**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	9,403.37	9,403.37
Other Equity	13	10,057.35	22,299.70
Total Equity		**19,460.72**	**31,703.07**
Non-current liabilities			
Financial liabilities			
Borrowings	14 (a)	6,739.13	9,184.12
Lease Liabilities		35,326.26	-
Other financial liabilities	15 (a)	75.14	57.11
Other non-current liabilities	16 (a)	1,805.40	-
Provisions	18 (a)	277.94	210.86
		44,223.87	**9,452.09**
Current Liabilities			
Financial liabilities			
Borrowings	14 (b)	1,240.40	-
Lease Liabilities	30	438.00	-
Trade payables			
Micro and small enterprises	17	4.65	7.61
Others	17	3,277.77	2,692.25
Other financial liabilities	15 (b)	3,784.98	1,941.48
Other current liabilities	16 (b)	1,101.91	648.32
Provisions	18 (b)	60.81	61.93
		9,908.52	**5,351.59**
Total		**73,593.11**	**46,506.75**
Significant Accounting Policies	1 &2		
The accompanying notes form an integral part of the financial statements	1 - 42		

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, June 1, 2020

For and on behalf of the Board of Directors
of Roots Corporation Limited
CIN: U55100MH2003PLC143639

Puneet Chhatwal
Chairman
DIN: 07624616

Deepika Rao
Managing Director and CEO
DIN: 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary
Membership No. ACS 43312

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

	Note	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
INCOME			
Revenue from operations	19	21,046.84	20,350.45
Other income	20	218.50	286.73
Total income		**21,265.34**	**20,637.18**
EXPENSES			
Food and beverages consumed	21	200.15	43.27
Employee benefit expenses	22	3,324.11	3,479.01
Finance costs	23	4,292.20	1,200.32
Depreciation and amortisation expenses	3 (b)	3,639.31	2,074.31
Other operating and general expenses	24	12,695.66	15,340.27
Total Expenses		**24,151.43**	**22,137.18**
(Loss) before exceptional items and tax		(2,886.09)	(1,500.00)
Exceptional items	25	609.06	-
(Loss) before tax		**(2,277.03)**	**(1,500.00)**
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		**-**	**-**
(Loss) after tax		(2,277.03)	(1,500.00)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		12.81	(14.02)
Add/ (Less) Income tax credit / (expense)		-	-
Other comprehensive income for the year, net of tax		**12.81**	**(14.02)**
Total comprehensive Income for the year		**(2,264.22)**	**(1,514.02)**
Earnings per share:			
Basic and Diluted - (₹)	36	(2.42)	(1.69)
Face value per equity share - (₹)		10.00	10.00
Significant Accounting Policies	1 & 2		
The accompanying notes form an integral part of the financial statements	1 - 42		

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, June 1, 2020

For and on behalf of the Board of Directors
of Roots Corporation Limited
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Managing Director and CEO
DIN: 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary
Membership No. ACS 43312

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2020

₹ lakhs

Particulars	Equity Share Capital Subscribed	Reserve & Surplus		Total	Total Equity
		Securities Premium Account	Retained Earnings		
Balance as at April 1, 2018	**9,403.37**	**31,912.37**	**(8,098.87)**	**23,813.50**	**33,216.87**
(Loss) for the year ended March 31, 2019	-	-	(1,499.78)	(1,499.78)	(1,499.78)
Other Comprehensive Income for the year ended March 31, 2019, net of taxes	-	-	(14.02)	(14.02)	(14.02)
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**(1,513.80)**	**(1,513.80)**	**(1,513.80)**
Balance as at March 31, 2019	**9,403.37**	**31,912.37**	**(9,612.67)**	**22,299.70**	**31,703.07**
Add: Impact of adoption of Ind AS 116 - Leases	-	-	(9,978.13)	(9,978.13)	(9,978.13)
(Loss) for the year ended March 31, 2020	-	-	(2,277.03)	(2,277.03)	(2,277.03)
Other Comprehensive Income for the year ended March 31, 2020, net of taxes	-	-	12.81	12.81	12.81
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**(12,242.35)**	**(12,242.35)**	**(12,242.35)**
Balance as at year ended March 31, 2020	**9,403.37**	**31,912.37**	**(21,855.02)**	**10,057.35**	**19,460.72**

Significant Accounting Policies (1&2)

The accompanying notes form an integral part of the financial statements (Refer Notes 1 - 42).

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, June 1, 2020

For and on behalf of the Board of Directors
of Roots Corporation Limited
CIN: U55100MH2003PLC143639

Puneet Chhatwal
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Managing Director and CEO
DIN: 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary
Membership No. ACS 43312

STATEMENT OF CASH FLOWS
for the year ended March 31, 2020

Particulars	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) Before Tax	(2,277.03)	(1,500.00)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	3,639.31	2,074.31
Loss on Sale/Discard of Property, Plant and Equipment	192.78	212.85
Finance costs	4,292.20	1,200.17
Interest income	(58.01)	(79.19)
Gain on investments carried at fair value through statement of profit and loss	(43.05)	(48.27)
Provision for Compensated Absences & Gratuity	101.71	61.05
Bad Debts Written Off	6.69	54.08
Provision for doubtful trade and other receivables	179.14	210.12
Imputed Lease Expense	-	127.48
Liabilities / provisions no longer required written back	(15.29)	(31.00)
	8,295.48	**3,781.59**
Cash operating profit generated before working capital changes	6,018.45	2,281.59
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(20.08)	(11.17)
Trade receivables	403.74	(330.39)
Other Current Financial assets	-	(127.48)
Financial assets	(766.97)	76.45
Other Assets	131.30	(467.17)
	(252.01)	**(859.76)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	582.56	316.06
Financial Liabilities	169.15	276.11
Other Liablities	2,274.28	65.65
Provisions	(22.94)	32.76
	3,003.05	**690.58**
Cash Generated from Operating Activities	8,769.49	2,112.42
Income taxes paid	(461.28)	(256.85)
Net Cash Generated From Operating Activities (A)	**8,308.21**	**1,855.58**
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(5,659.28)	(2,451.58)
Proceeds from disposal of property, plant and equipment	1,707.16	20.90
Purchase of current Investments	(7,271.38)	(5,417.50)
Sale of current Investments	6,889.75	5,025.76
Interest Received	110.65	134.67
Balances with Bank	(800.00)	-
Balances with Bank matured	240.00	-
Net Cash Used In Investing Activities (B)	**(4,782.16)**	**(2,687.75)**

STATEMENT OF CASH FLOWS
for the year ended March 31, 2020

Particulars	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares on Rights basis from equity shareholders	-	7,260.07
Expenses for Rights Issue	-	(7.26)
Repayment of long-term borrowings	(700.00)	(2,720.00)
Proceeds from short-term borrowings	1,240.40	1,650.00
Repayment of short-term borrowings	-	(3,849.70)
Payment of Lease Liablity	(3,541.42)	-
Finance cost	(932.05)	(1,203.41)
Net Cash Generated from In Financing Activities (C)	**(3,933.06)**	**1,129.70**
Net Increase In Cash and cash equivalents (A + B + C)	**(407.01)**	**297.52**
Cash and Cash Equivalents - Opening	**541.46**	**243.94**
Cash and Cash Equivalents - Closing	**134.45**	**541.46**

Significant Accounting Policies (1&2)

The accompanying notes form an integral part of the financial statements (Refer Notes 1 - 42).

The above cash flow has been prepared under the ''Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows" prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, June 1, 2020

For and on behalf of the Board of Directors of Roots Corporation Limited
CIN: U55100MH2003PLC143639

Puneet Chhatwal
Chairman
DIN: 07624616

Deepika Rao
Managing Director and CEO
DIN: 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary
Membership No. ACS 43312

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2020

NOTE 1 : CORPORATE INFORMATION

Roots Corporation Ltd (RCL) is in the business of developing, managing and operating, what it terms, 'Smart Basics Hotels' that provides facilities to meet the key needs of today's travellers. RCL envisages creating a chain of no-frill hotels for the Indian market currently, and the international market in the near future. "Smart Basics" is a philosophy of providing intelligent thought-out facilities and services at a 'value' pricing. Currently, the Company has 50 hotels including 11 hotels on management contracts and 3 transit quarters across various geographical locations in India.

The Company has its registered office at Corporate Support Centre, Godrej and Boyce Complex, Gate No.8, Vikhroli (East), Mumbai 400 079.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 01, 2020.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(c) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimatesare revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment of investments:** The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss.

  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 or Loss.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

- **Recognition of Right to Use and Lease Liability under IndAS 116:**

  Discounting factor is calculated based on the start date of the lease term

  For computing the present value of MLPs, the following interest rates should be considered:

  Interest rate implicit in the lease: The rate implicit in the lease would be considered readily determinable when all the material inputs used to calculate the rate are readily determinable. It may not be possible to determine the fair value of the underlying lease asset, residual value etc. for so many properties and therefore, it is recommended to use 'incremental borrowing rate' as discount rate.

  Incremental borrowing rate: In order to determine discount rate as above, one should use the rate that is "determinable, reasonable, and consistent with the financing that would have been used in the particular circumstances". The lessee (RCL) may need to determine its incremental borrowing rate through discussions with bankers, or other lenders or by reference to obligations of a similar term issued by others with a credit rating like that of the lessee (RCL).

  Most of the leases are long term with the tenor ranging from 5 to 60 years. The borrowing rate for a tenor of more than 5 years may not be readily available. Therefore, in order to determine the discount rate, Company has taken 10 year / 15 year /20 year G-Sec rates and adjusted with Company's risk/Assets Risk.

(d) Revenue recognition :

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Income from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognised in the period in which services are being rendered. The rentals are recognised under accrual basis.

Other Allied services: In relation to laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognised by reference to the time of service rendered.

Management and Operating fees: Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee: is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

Contract balances

a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

(e) Revenue from contracts with customers:

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Company with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

(f) Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(g) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The Company contributes to the Recognised Employee's Provident Fund Scheme paid/payable during the year. The Company does not have any legal or informal obligation to pay additional sum.

ii. Gratuity (Unfunded)

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

(h) Property, Plant and Equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(5) below). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to Profit or Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Class of Assets	Estimated Useful life
1. Plant and machinery	4 to 20 years
2. Electrical installations and equipment	20 years
3. Hotel Wooden Furniture	15 years
4. End User devices - Computers, Laptops, etc	6 years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Freehold land is not depreciated.

Assets under finance leases are depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its tangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(i) Intangible Assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

i) the technical feasibility and Company's intention and ability of completing the project;

ii) the company' ability to use the intangible assets;

iii) the probability that the project will generate future economic benefits;

iv) the availability of adequate technical financial and other resources to complete the project; and

v) the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets are as under:

An intangible assets is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(j) Impairment of assets:

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

(k) Recognition of Right to Use and Lease Liability under IndAS 116:

Company as a lessee

On March 30, 2019, Ministry of Corporate Affairs has notified a new standard on leases. Ind AS 116 (Leases) is the new lease accounting standard effective April 1, 2019.

The new standard will bring current 'off-balance sheet lease arrangements into the balance sheet. All operating lease arrangements are recognised in the Balance Sheet as a result of which the size of the Balance Sheet increased due to grossing up of Assets and Lease Liabilities. Lease Assets get recognised in Balance Sheet at the Net Present value of Future Lease Payment. Lease expenses which were accounted earlier as Lease Cost in the Profit and Loss Statement, will now be recognised as depreciation and finance cost. This will lead to increase in Earnings Before Interest, Taxes, Depreciation and Amortisation, however, Profit After Tax will be lower as interest cost will be front loaded in the initial years.

The company has adopted Modified Retrospective Approach.

Discounting factor is calculated based on the start date of the lease term

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

For computing the present value of MLPs, the following interest rates should be considered:

Interest rate implicit in the lease: The rate implicit in the lease would be considered readily determinable when all the material inputs used to calculate the rate are readily determinable. It may not be possible to determine the fair value of the underlying lease asset, residual value etc. for so many properties and therefore, it is recommended to use 'incremental borrowing rate' as discount rate.

Incremental borrowing rate: In order to determine discount rate as above, one should use the rate that is "determinable, reasonable, and consistent with the financing that would have been used in the particular circumstances". The lessee (RCL) may need to determine its incremental borrowing rate through discussions with bankers, or other lenders or by reference to obligations of a similar term issued by others with a credit rating like that of the lessee (RCL).

Most of the leases are long term with the tenor ranging from 5 to 99 years. The borrowing rate for a tenor of more than 5 years may not be readily available. Therefore, in order to determine the discount rate, the Company has taken 10 year / 15 year /20 year G-Sec rates and adjusted with Company's risk/Assets Risk.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on the basis of terms of lease agreed with the lessee. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

(l) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(m) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(n) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(o) Transactions in foreign currencies:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies and outstanding at the Balance Sheet date are translated at the exchange rates prevailing at the year end. Non-monetary items denominated in foreign currencies are carried at the exchange rate in force at the dates of the transactions. Exchange differences arising on foreign currency transactions are recognised as income or expense in the year in which they arise.

(p) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit forming part of Deferred tax assets is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(q) Goods & Service Tax input credit:

Goods &Service Tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the credits.

(r) Share Issue Expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52(2) of the Companies Act, 2013, to the extent balance is available for utilisation in the Securities Premium Account.

(s) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognised in the financial statements.

(t) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds. General borrowing costs are capitalised based on weighted average rate of interest.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method.

(u) Cash and Cash Equivalent (for the purpose of cash flow statements):

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

(v) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(w) Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(x) Exceptional items:

The Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the Company and provides consistency with the Company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments, impairment charges, unrealised exchange gain/ loss on long term borrowings/ assets and changes in fair value of derivative contracts.

(y) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

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 its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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.

(z) Recent Indian Accounting Standards (Ind AS)

Recent Indian Accounting Standards (Ind AS)Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 3 (A) : PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS & CAPITAL WORK-IN-PROGRESS

₹ lakhs

Particulars		Gross Block				Accumulated Depreciation and Impairment				Net Block	
		As at April 1, 2019	Additions / Adjustments	Deductions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
TANGIBLE ASSETS											
1 Freehold Land	CY	1,135.00	-	(268.86)	866.14	-	-	-	-	866.14	1,135.00
	PY	1,135.00	-	-	1,135.00	-	-	-	-	1,135.00	1,135.00
2 Buildings											
a Hotel building (refer notes i, iii, iv, v and vi)	CY	17,037.51	870.31	(769.00)	17,138.82	1,350.96	465.67	(106.42)	1,710.21	15,428.61	15,686.55
	PY	16,422.83	797.23	(182.55)	17,037.51	906.31	464.72	(20.07)	1,350.96	15,686.55	15,516.52
b Improvements to leasehold buildings (Refer note 4 and 6)	CY	10,478.57	1,187.73	(14.52)	11,651.78	2,333.78	568.64	(13.04)	2,889.38	8,762.40	8,144.79
	PY	10,274.73	203.84	-	10,478.57	1,785.91	547.83	0.04	2,333.78	8,144.79	8,488.82
Total Buildings	CY	27,516.08	2,058.04	(783.52)	28,790.60	3,684.74	1,034.31	(119.46)	4,599.59	24,191.01	23,831.34
	PY	26,697.56	1,001.07	(182.55)	27,516.08	2,692.22	1,012.55	(20.03)	3,684.74	23,831.34	24,005.34
3. Plant, machinery and data processing Equipments (refer notes ii, iv and v)	CY	8,854.46	1,714.75	(337.00)	10,232.21	2,313.47	784.57	340.25	3,438.29	6,793.92	6,540.99
	PY	8,592.12	531.91	(269.57)	8,854.46	1,783.92	753.00	(223.45)	2,313.47	6,540.99	6,808.20
4 Furniture and Fixtures (refer notes ii, iv and v)	CY	1,794.61	875.17	(105.00)	2,564.78	482.06	201.99	182.76	866.81	1,697.97	1,312.55
	PY	1,679.25	226.33	(110.97)	1,794.61	383.43	184.00	(85.37)	482.06	1,312.55	1,295.82
5 Office Equipment (refer notes ii, iv and v)	CY	1.94	3.00	-	4.94	1.46	-	2.49	3.95	0.99	0.48
	PY	3.00	-	(1.06)	1.94	1.88	1.00	(1.42)	1.46	0.48	1.12
Sub-Total	CY	39,302.09	4,650.96	(1,494.38)	42,458.67	6,481.73	2,020.87	406.04	8,908.64	33,550.03	32,820.36
	PY	38,106.93	1,759.31	(564.15)	39,302.09	4,861.45	1,950.55	(330.27)	6,481.73	32,820.36	33,245.48
INTANGIBLE ASSETS											
Computer Software (refer note v)	CY	1,126.03	98.60	1.00	1,225.63	557.32	127.80	(24.42)	660.70	564.93	568.71
	PY	1,068.16	61.33	(3.46)	1,126.03	435.75	123.76	(2.19)	557.32	568.71	632.41
Sub-Total	CY	1,126.03	98.60	1.00	1,225.63	557.32	127.80	(24.42)	660.70	564.93	568.71
	PY	1,068.16	61.33	(3.46)	1,126.03	435.75	123.76	(2.19)	557.32	568.71	632.41
Total	CY	40,428.12	4,749.56	(1,493.38)	43,684.30	7,039.05	2,148.67	381.62	9,569.34	34,114.96	33,389.07
	PY	39,175.09	1,820.64	(567.61)	40,428.12	5,297.20	2,074.31	(332.46)	7,039.05	33,389.07	33,877.89
CAPITAL WORK-IN- PROGRESS	CY	2,317.16	4,859.55	(4,037.81)	3,138.90	-	-	-	-	3,138.90	2,317.16
	PY	1,496.35	2,590.76	(1,769.95)	2,317.16	-	-	-	-	2,317.16	1,496.35

Note:

i Net block of building includes ₹ 13,162 lakhs (previous year ₹ 12,563 lakhs) constructed on leasehold land

ii Deductions/Adjustments in gross block and accumulated depreciation includes transfers done during the year.

iii Pondicherry immovable property of value ₹ 1455 lakhs sold (refer note 25)

iv Additions to gross block includes interest capitalised during the year with a capitalisation rate of 9.10% p.a.(refer notes to accounts No. 35).

v Opening gross block includes impairment provision for Ludhiana property of ₹ 520 lakhs.

vi One commercial building at Chennai aggregating ₹ 395.33 lakhs (gross block ₹ 575.85 lakhs) which is in the possession of the Company where the lease deed is yet to be registered in the name of the Company.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 3 (B) : DEPRECIATION AND AMORTISATION EXPENSES

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Depreciation on Property, Plant and Equipment	2,020.87	1,950.55
Depreciation of Right-of-use Assets	1,490.64	-
Amortisation on Intangible Assets	127.80	123.76
	3,639.31	**2,074.31**

NOTE 4 : FINANCIAL ASSETS (ACQUIRED)

		March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(a)	**Non Current Financial Assets**		
	Other than related parties, unsecured, considered good		
	Long-term security deposits (other than related parties)		
	Hotel Properties	682.16	519.74
	Public bodies and Others	322.26	353.06
		1,004.42	**872.80**
	Margin Money Deposit*	8.74	12.17
		8.74	**12.17**
		1,013.16	**884.97**
(b)	**Current Financial Assets**		
	Other than related parties, unsecured, considered good		
	Loans to employees	37.71	-
	Interest Accrued on Deposits	9.88	62.52
	Other Receivables	74.67	-
		122.26	**62.52**
	Cost reimbursement receivable from Managed Properties	526.40	-
	Less: Credit Impaired	(34.76)	-
		491.64	**-**
		613.90	**62.52**

*Margin Money deposits are for financial bank guarantees provided to government authorities

NOTE 5 : NON CURRENT TAX ASSETS (NET)

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Income Tax Assets (net)		
(Net of Provision for Tax ₹ Nil, Previous year ₹ 43 lakhs)	1,171.71	710.43
	1,171.71	**710.43**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 6 : OTHER ASSETS

		March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(a)	**Other Non Current Assets**		
	Other than related parties		
	Prepaid Expenses (Refer note 30)	445.06	2,452.29
	Advance for Lease Hold Land (Upon transition to IndAS 116, this has been reclassified as Right to Use) (Refer note 30)	-	913.42
	Advance to Suppliers	127.83	212.96
	Capital Advances	163.74	287.81
	Deposits with Government Authorities	280.13	6.76
	Advances to employees	-	4.41
		1,016.76	**3,877.65**
(b)	**Other Current Assets**		
	Other than related parties		
	Prepaid Expenses	209.18	369.40
	Balance receivable from Government authorities	469.91	246.25
	Advance to Suppliers	374.81	175.60
	Advances to employees	3.90	41.34
		1,057.80	**832.59**

NOTE 7 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Stores and Operating Supplies	213.96	207.91
Stock Food and Beverage	15.03	1.00
	228.99	**208.91**

Note: Amount recognized in profit and loss account ₹ 200 lakhs (refer note 21)

NOTE 8 : INVESTMENTS

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Current Investments		
Carried at fair value through profit and loss:		
Investments in Mutual Fund Units (Unquoted)		
HDFC Overnight Fund - Regular Plan - Growth (Units CY 251.214, PY Nil)	7.42	-
SBI Overnight Fund- Regular Plan - Growth (Units CY 2915.091, PY Nil)	94.00	-
Tata Liquid Fund - Direct Plan - Growth	-	440.00
	101.42	**440.00**
Footnote :		
Aggerate Amount of Unquoted Investments	101.42	440.00

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 9 : TRADE RECEIVABLES

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Unsecured		
Considered good	2,447.18	3,001.99
Which have significant increase in credit risk	-	-
Credit impaired	521.18	376.80
	2,968.36	**3,378.79**
Less : Allowance for trade receivables credit impaired	(521.18)	(376.80)
	2,447.18	**3,001.99**

Footnote:

i) Allowance for Trade receivable credit impaired

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Opening Balance	376.80	166.68
Add: Allowance during the year	144.38	210.12
	521.18	**376.80**
Less: Bad Debts written off against past provision	-	-
Closing Balance	**521.18**	**376.80**

(ii) For related party balances refer Note 33.

NOTE 10 : CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Cash on hand	12.13	9.32
Balances with bank in current account	121.86	532.14
	133.99	**541.46**

NOTE 11 : OTHER BALANCES WITH BANKS

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Deposit Pledged with Bank	800.00	240.00
Margin Money Deposit	8.74	12.17
	808.74	**252.17**
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current Financial Asset	8.74	12.17
	800.00	**240.00**

Note: Deposit pledged with bank includes fixed deposit of ₹ 800 lakhs held in HDFC Bank Limited which will be realized on creation of charge by way of hypothecation and mortgage of one hotel property namely Ginger Trivandrum and assets contained therein.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 12 : EQUITY SHARE CAPITAL

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Authorised Share Capital		
Equity Shares		
10,00,00,000 Equity Shares of ₹ 10 each	10,000.00	10,000.00
Preference Shares		
1,50,00,000 Preference Shares of ₹ 100/- each	15,000.00	15,000.00
	25,000.00	**25,000.00**
Issued, subscribed and fully paid-up		
Equity Shares		
9,40,33,729 (Previous year 9,40,33,729) Equity shares of ₹ 10/- each fully paid-up	9,403.37	9,403.37
	9,403.37	**9,403.37**

Footnotes:

(i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) On December 4, 2018, the Company allotted 80,66,409 Equity Shares of face value of ₹ 10 each for cash, at a price of ₹ 90 per equity share (including a premium of ₹ 80 per share), aggregating to ₹ 7,260 lakhs to the existing shareholders on a "rights" basis in the ratio of 1 Equity Share for every 33 equity shares held by equity shareholders.

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2020		March 31, 2019	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs
As at the beginning of the year	9,40,33,729	9,403.37	8,59,67,320	8,596.73
Add : Shares issued on Rights basis	-	-	80,66,409	806.64
As at the end of the year	**9,40,33,729**	**9,403.37**	**9,40,33,729**	**9,403.37**

(iv) Shareholders holding more than 5% shares in the Company :

	March 31, 2020		March 31, 2019	
	No. of shares	₹	No. of shares	₹
Equity shares of ₹ 10 each fully paid				
The Indian Hotels Company Limited, Holding Company	5,65,67,994	60.2	5,65,67,994	60.2
Omega TC Holdings Pte Limited	2,60,23,954	27.7	2,60,23,954	27.7
Piem Hotels Limited	**65,35,948**	**7.0**	**65,35,948**	**7.0**

(v) 5,65,67,994 (Previous Year 5,65,67,994) number of equity shares are held by The Indian Hotels Company Limited, the holding company.

NOTE 13 : OTHER EQUITY

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(a) Securities Premium Account		
Opening Balance	31,912.37	25,466.50
Add : Premium on allocation of shares on Rights basis	-	6,453.13
Less : Issue expenses written off	-	(7.26)
Closing Balance	**31,912.37**	**31,912.37**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 13 : OTHER EQUITY (CONTD.)

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(b) Retained Earnings		
Opening Balance	(9,612.67)	(8,098.87)
Add: Impact of adoption of Ind AS 116 - Leases (Refer Note 30)	(9,978.13)	-
Reinstated opening Balance	**(19,590.80)**	**(8,098.87)**
Add: Current year profit/ (loss)	(2,277.03)	(1,499.78)
Add : Other Comphrensive Income / (loss)- Defined Benefit Obligations	12.81	(14.02)
Closing Balance	**(21,855.02)**	**(9,612.67)**
Total	**10,057.35**	**22,299.70**

Note:

Nature and purpose of reserves

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisons of the Companies Act' 2013

Retained Earnings represent accumulated losses

NOTE 14 : BORROWINGS

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(a) Long term borrowings		
Term Loan from Banks		
Secured (refer footnote 1 and 2)	9,184.12	9,879.09
Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities)	2,444.99	694.97
	6,739.13	**9,184.12**
(b) Short term borrowings		
Loan Repayable on demand from bank	1,240	-
Secured (refer footnote 3)		
	1,240	**-**

Footnotes:

(i) The Company had obtained a secured loan facility from Kotak Bank for ₹ 7,500 lakhs which carries variable interest rate of 6 month MCLR + 30bps (effective interest as at March 31, 2020 8.5% (Previous year 9.15%) payable at monthly rests. Principal amount is repayable in quarterly installments upto March 2022. Outstanding loan as at March 31, 2020 ₹ 4,200 lakhs (Previous Year ₹ 4,900 lakhs).

The Company has created a charge by way of hypothecation and mortgage of 2 hotel properties namely Ginger Nashik, Ginger Bhubaneshwar and Property, Plant and Equipment contained therein.

(ii) The Company had obtained loan of ₹ 5,000 Lakhs from HDFC Bank Ltd which carries variable interest rate of 1 year MCLR + 5bps (effective interest as at March 31, 2020 8.7% (Previous year 9.7%) payable at monthly rest. Principal amount payable in 2 equal quarterly installments of ₹ 100 Lakhs and 16 quarterly installments of ₹ 300 Lakhs each. The repayment schedule shall start from July 2020. Outstanding loan as at March 31, 2020 ₹ 5,000 lakhs (Previous Year ₹ 5,000 lakhs).

The Company has created a charge by way of hypothecation and mortgage of one hotel property namely Ginger Mangalore and Property, Plant and Equipment contained therein.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 14 : BORROWINGS (CONTD.)

The Company is in a process to create a charge by way of hypothecation and mortgage of one hotel property namely Ginger Trivandrum and assets contained therein.

(iii) The Company had obtained loan of ₹ 2,000 Lakhs Overdraft Facility from Axis Bank Ltd secured against current assets carries variable interest rate of 1 month MCLR + 0.4bps.

Footnotes:

Disclosure of changes in liabilities arising from financing activities (read with cash flow statement)

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented below.

Financial liability statement		**March 31, 2020 ₹ lakhs**	**March 31, 2019 ₹ lakhs**
a)	**Net debt**		
	Cash and cash equivalents	133.99	541.46
	Other balances with Banks	800.00	240.00
	Current investments	101.42	440.00
	Total Liquid investment (a)	**1,035.41**	**1,221.46**
	Long term borrowings (including current maturities shown under Other Current financial liabilities)”	9,184.12	9,879.09
	Short term borrowings	1,240.40	-
	Gross Debt (b)	**10,424.52**	**9,879.09**
	Net Debt ((b) - (a))	9,389.11	8,657.63
b)	**Other financial liabilities**		
	Liability on derivative contracts	-	-
	Interest accrued but not due / Unclaimed interest	69.45	81.38
	Total Other financial liabilities	**69.45**	**81.38**
	Grand Total	**9,458.56**	**8,739.01**

₹ lakhs

	Liquid Assets			**Liabilities from Financing activities**			
	Cash and cash equivalents (a)	**Other balances with Banks (b)**	**Current Investments (c)**	**Gross Debt (d)**	**Net Debt (e) = (d)-(a)-(b)-(c)**	**Interest accrued but not due / Unclaimed interest (f)**	**Total (g) = (e) + (f)**
Net Debt as at March 31, 2018	243.87	-	-	14,791.59	14,547.72	91.80	14,639.52
Cash flows	297.59	240.00	391.73	(4,919.70)	(5,849.02)	-	(5,849.02)
Foreign exchange adjustments	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	1,200.32	1,200.32
Interest paid	-	-	-	-	-	(1,210.74)	(1,210.74)
Other non- cash movements:	-	-	-	-	-	-	-
Added to Borrowings	-	-	-	-	-	-	-
Amortisation cost				7.20	7.20	-	7.20
Fair value adjustments	-	-	48.27	-	(48.27)	-	(48.27)
Net Debt as at March 31, 2019	**541.46**	**240.00**	**440.00**	**9,879.09**	**8,657.63**	**81.38**	**8,739.01**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 14 : BORROWINGS (CONTD.)

₹ lakhs

	Liquid Assets			Liabilities from Financing activities			
	Cash and cash equivalents (a)	Other balances with Banks (b)	Current Investments (c)	Gross Debt (d)	Net Debt (e) = (d)-(a)-(b)-(c)	Interest accrued but not due / Unclaimed interest (f)	Total (g) = (e) + (f)
Net Debt as at March 31, 2019	541.46	240.00	440.00	9,879.09	8,657.63	81.38	8,739.01
Cash flows	(407.47)	560.00	(381.63)	540.40	769.50	-	769.50
Foreign exchange adjustments	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	920.12	920.12
Interest paid	-	-	-	-	-	(932.05)	(932.05)
Other non- cash movements:	-	-	-	-	-	-	-
Added to Borrowings	-	-	-	-	-	-	-
Amortisation cost				5.03	5.03	-	5.03
Fair value adjustments	-	-	43.05	-	(43.05)	-	(43.05)
Net Debt as at March 31, 2020	**133.99**	**800.00**	**101.42**	**10,424.52**	**9,389.11**	**69.45**	**9,458.56**

NOTE 15 : OTHER FINANCIAL LIABILITIES

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(a) Other Non Current financial liabilities		
Contractor's Retention Money	75.14	57.11
	75.14	**57.11**
(b) Other Current financial liabilities		
Current maturities of long term borrowings- term loan from bank (Refer Note 37)	2,444.99	694.97
Interest accrued but not due on borrowings on term loan	69.45	81.38
Creditors for capital expenditure	101.09	202.80
Creditors for capital expenditure of micro and small enterprises (Refer Note 17)	56.00	-
Contractor's Retention Money	179.93	36.10
Security Deposits	228.45	75.83
Other Payables (Outsourced Food and Beverage Partners)	400.69	572.43
Employee related liabilities	304.38	277.97
	3,784.98	**1,941.48**

NOTE 16 : PROVISIONS

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(a) Non Current provisions		
Employee Benefit Obligation		
Compensated absences	117.03	88.37
Gratuity (Refer note 32)	160.91	122.49
	277.94	**210.86**
(b) Current provisions		
Employee Benefit Obligation		
Compensated absences	24.04	21.48
Gratuity (Refer note 32)	36.77	40.45
	60.81	**61.93**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 17 : TRADE PAYABLES

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Micro and Small Enterprises (Refer Footnote (i) and (ii))	4.65	7.61
	4.65	**7.61**
Vendor Payables	2,050.57	1,941.63
Accrued expenses and others	1,227.20	750.62
	3,277.77	**2,692.25**

Footnotes:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

		March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(a)	The principal amount remaining unpaid to supplier as at the end of the accounting year	(60.45)	7.61
(b)	The interest due thereon remaining unpaid to supplier as at the end of the accounting year	(0.20)	-
(c)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d)	The amount of interest due and payable for the year	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

(iii) For related party balances refer Note 33.

NOTE 18 : OTHER LIABILITIES

		March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(a)	**Non Current**		
	Advances collected from customers	1,805.40	-
		1,805.40	**-**
(b)	**Current liablities**		
	Advances collected from customers	770.40	341.61
	Statutory Dues (Tax Deducted at Source)	135.06	153.40
	Cess Payable	140.06	127.55
	Goods & Services Tax	27.37	1.23
	Payable to Provident funds and others	29.02	24.53
		1,101.91	**648.32**

NOTE 19 : REVENUE FROM OPERATIONS

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Room Income, Food, Restaurants Income	18,711.63	18,347.11
Rental Income	662.32	790.28
Management and operating fees	1,305.54	1,038.89
Other Operating Income	367.35	174.17
	21,046.84	**20,350.45**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 20 : OTHER INCOME

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Interest Income from financial assets at amortised cost		
Deposits with banks	16.09	25.84
Amortisation of Interest on security deposits	41.92	53.35
	58.01	**79.19**
Gain on investments carried at fair value through statement of profit and loss	43.05	48.27
Others		
Credit liabilities no longer required written back	15.29	31.00
Miscellaneous Income		
Insurance Claim Receivable	52.91	-
Other Miscellaneous Income	49.24	128.27
	218.50	**286.73**

NOTE 21 : FOOD AND BEVERAGES CONSUMED

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Opening Stock	1.00	1.00
Add : Purchases	214.18	43.27
	215.18	**44.27**
Less : Closing Stock	15.03	1.00
	200.15	**43.27**

NOTE 22 : EMPLOYEE BENEFIT EXPENSES

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Salaries, Wages, Bonus (Net) (Refer note 31)	2,840.84	2,925.09
Company's Contribution to Provident and Other Funds (Refer Note 32)	169.86	132.30
Retiring Gratuity	62.46	17.48
Staff Welfare Expenses	250.95	404.14
	3,324.11	**3,479.01**

NOTE 23 : FINANCE COSTS

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Interest Expense at effective interest rate on borrowings which are measured at amortised cost (Refer note 31 and 37)	895.16	1,207.50
Interest Expense on working capital	29.99	-
Interest cost on lease liability (IndAS 116)	3,517.76	-
Interest Expense on advances from customer	141.39	-
Less : Interest Capitalised	(292.10)	(7.18)
	4,292.20	**1,200.32**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 24 : OTHER OPERATING AND GENERAL EXPENSES

		March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(i)	**Operating expenses consist of the following :**		
	Linen and Room Supplies	406.80	400.17
	Housekeeping Charges	1,002.40	905.21
	Maintenance Charges	479.59	409.13
	Power and Fuel (Net)	1,831.17	1,813.13
	Water Charges	134.28	118.52
	Repairs to Buildings	331.33	322.13
	Repairs to Machinery	418.11	398.19
	Repairs to Others	359.20	603.68
	Security Charges	618.65	554.82
	Linen, Uniform Washing and Laundry Expenses	504.72	458.78
	Guest Hotel Expenses	464.98	486.77
	Travel Agent's Commission	1,688.50	1,247.52
	Collecting Agent's Commission	117.43	82.90
	Other Operating Expenses	122.14	96.19
		8,479.30	**7,897.14**
(ii)	**General expenses consist of the following :**		
	Rent (refer note 30)	560.23	4,003.32
	License Fees (refer note 30)	444.14	456.37
	Rates and Taxes	325.87	313.94
	Insurance	70.96	49.56
	Advertising and Publicity	286.74	389.74
	Printing and Stationery	79.95	81.30
	Passage and Travelling (refer note 31)	241.70	246.00
	Provision for doubtful trade and other receivables	179.14	210.12
	Legal and Professional Fees	1,018.55	702.47
	Telephone and Communications Expenses	521.68	481.33
	Director Sitting Fees	9.80	12.00
	Bad Debts	6.69	54.08
	Loss on Sale/Discard of Property, Plant and Equipment	192.78	212.85
	Other Miscellaneous Expenses	219.15	176.95
	Payment to Auditors		
	i. As Auditors'	48.00	42.42
	ii. For Taxation Audit	6.00	5.00
	iii. For other Services	1.66	2.13
	iv. For Reimbursement of Expenses	3.32	3.55
		4,216.36	**7,443.13**
		12,695.66	**15,340.27**

NOTE 25 : EXCEPTIONAL ITEMS

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Exceptional Items comprises the following:		
Gain on sale of Pondicherry property (refer note 40)	609.06	-
	609.06	**-**

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 26 : TAX DISCLOSURES

i) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Deferred Tax assets	5,195.81	4,800.00
Deferred Tax liabilities	(5,195.81)	(4,800.00)
Net Deferred Tax Asset	**-**	**-**

Note:

a. The Company has restricted the recognition of deferred tax asset to the extent of deferred tax liability and not recogniseddeferred tax asset of ₹ 4,818.78 Lakhs on carry forward losses in the absence of convincing evidence of taxable profits in the foreseeable years.

b. The Company has not disclosed tax reconciliations as it does not have tax profits due to carried forward losses on account of specified business and unabsorbed depreciation.

c. Significant components of net deferred tax assets and labilities for the year

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Deferred Tax assets /(liabilities)		
Tax losses carried forward	6,839.00	6,451.00
Provision for Employee benefits	88.08	71.08
Provision for Doubtful Debts & Deposits	144.56	98.00
Impact of Ind AS 116	2,942.95	-
Property, Plant & equipment's & Intangible assets	(5,195.81)	(4,800.00)
Net Deferred tax (not recognised)	**4,818.78**	**1,820.08**

d. Tax losses for which no deferred tax asset was recognized expire as follows

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Indefinite	26,305.69	23,078.33

The Company has not adopted the benefit of lower tax regime of Income Tax Under Section 115BAA of the Income Tax Act 1961 as it has brought forward unabsorbed depreciation and losses from specified business.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 27 : CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

There are matters in appellate, judicial and arbitration proceedings (including those described below) arising during the course of conduct of the Company's business. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

(a) On account of matters in dispute:

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company, in respect of taxes, etc, which are in dispute, are as under:

₹ in Lakhs

Nature	March 31, 2020	March 31, 2019
Dues not acknowledged as Debts		
Property Tax **	167.00	167.00
Service Tax	-	36.00
	167.00	**203.00**

**₹. 50 Lakhs paid under protest to New Delhi Municipal Council.

In respect of Income Tax matters, the Company's appeals are pending, and the said amounts have been paid/ adjusted and will be recovered as refund if the matters are decided in favour of the Company.

(b) On account of guarantees given:

Bank Guarantees given for restaurant sale for Indian made foreign liquor – ₹ Nil Lakhs (PY –3.30).

(c) Others:

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

(iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented

The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial statements, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

NOTE 28 : CAPITAL COMMITMENTS:

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 182.57 lakhs (Previous year – ₹ 928.20 lakhs).

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 29 : MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

All financial assets and liabilities are subsequently carried at amortised costs and the fair value of financial assets and liabilities approximate their respective amortised costs.

₹ in Lakhs

	Level	Total Carrying Cost	
		March 31, 2020	March 31, 2019
Financial Assets (Not Measured at fair value)			
Trade receivables		2,447.18	3,001.99
Cash and cash equivalents		133.99	541.46
Other Bank Balance		800.00	240.00
Other Current financial assets		613.90	62.52
Other non-current financial assets		1,013.16	884.97
Financial Labilities (Not Measured at fair value)			
Non-Current Borrowings	Level 2	6,739.13	9,184.12
Other Non-Current financial liabilities		75.14	57.11
Current Borrowings	Level 2	1,240.40	-
Trade payables		3,282.42	2,699.86
Other Current financial liabilities		3,784.98	1,941.48

NOTE 30 : FINANCIAL LEASE

Maturity Analysis

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
Not later than one year	3,759.43	3,420.03
Later than one year but not later than five years	15,808.64	14,525.35
Later than five years	1,06,059.07	94,639.14
	1,25,627.14	**1,12,584.52**

In addition, in certain circumstances the Company is committed to making additional lease payments that are contingent on the performance of the hotels that are being leased.

₹ in Lakhs

Analysed as:	March 31, 2020
Non-Current	35,326.26
Current	438.00
Total	**35,764.26**

The Current Portion of the lease liability is excluding the interest component on the lease liability. Actual Lease Payments (including notional interest as per Ind AS 116) would be ₹ 3,759.43 lakhs. Also, refer to the Maturity Analysis of the Lease Payments.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 30 : FINANCIAL LEASE (CONTD.)

Right to Use Assets Schedule

₹ in Lakhs

Particulars	Leased Land	Owned Building on Leased Land	Property - Leased	Total
Gross Block at Cost				
At April 1, 2019	3,870.88	19,691.37	4,100.73	27,662.98
Addition on acquisition	-	-	-	-
Additions	-	38.94	1,754.09	1,793.03
Deductions for the year	15.35	157.09	38.58	211.03
As at March, 2020	**3,855.53**	**19,573.22**	**5,816.23**	**29,244.98**
Depreciation				
At April 1, 2019				-
Opening Adjustments				-
Charge for the year	86.55	933.67	470.42	1,490.64
Deductions for the year	-	-	-	-
As at March, 2020	**86.55**	**933.67**	**470.42**	**1,490.64**
Net Block				
As at March, 2020	**3,768.98**	**18,639.55**	**5,345.81**	**27,754.34**

(a) The Company has adopted Ind AS 116 effective 1st April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April 2019). Accordingly, previous period information has not been restated.

This has resulted in recognising a right-of-use asset of ₹ 27,647.24 lakhs and a corresponding lease liability of ₹ 37,625.37 lakhs. The difference of ₹ 9,978.12 has been adjusted to retained earnings as at 1st April 2019.

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The weighted average incremental borrowing rate of 10.68% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

(b) The total cash outflow for leases is ₹ 4,101.66 lakhs for the year ended 31st March 2020, including cash outflow of variable leases, short-term leases and leases of low-value assetsof ₹ 560.23 lakhs. Interest on lease liabilities is ₹ 3,517.75 lakhs for the year.

The net impact due to IndAS 116 in the current year is ₹ 1,340.89 lakhs in the statement of Profit and Loss account.

Details of impact of IndAS 116 on net worth of the company:

₹ in lakhs

Net Worth	March 31, 2020
Opening Net Worth as on 1st April'2019	31,703.07
IndAS116 transition impact on Net worth as on 1st April'2019	(9,978.13)
Current Year IndAS 116- Leases impact	(1,340.89)
Current Year Loss	(923.34)
Total Net Worth	**19,460.71**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 31 : CAPITALISATION/REIMBURSEMENT OF EXPENSES

Following expenses are disclosed in the Statement of Profit and Loss, at net of amounts capitalised for projects and recoveries made under management contract:

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
Salaries and Wages	3,093.90	3,197.19
Less : Salary Capitalised	73.60	58.34
Less: Recoveries made under Management contracts	179.46	213.76
Salaries and Wages (Net)	**2,840.84**	**2,925.09**
Passage and Travelling	241.70	250.00
Less: Recoveries made under Management contracts	-	4.00
Passage and travelling (Net)	**241.70**	**246.00**
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	895.16	1,207.50
Interest Expense on working capital	29.99	-
Interest cost on lease liability (IndAS 116)	3,517.76	-
Interest Expenses Others	141.00	-
Less: Interest Capitalised Others	141.00	-
Less: Interest Capitalised	151.71	7.18
Interest Expenses (Net)	**4,292.20**	**1,200.32**

NOTE 32 : EMPLOYEE BENEFITS

(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds"(net of recoveries):

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
Provident Fund*	149.70	110.05
Employees' State Insurance	20.15	22.25
Total	**169.85**	**132.30**

* In light of the Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability prospectively from date of judgement.

The Company operates post retirement defined benefit plans – Gratuity (Unfunded)

(b) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2020:-

(i) Amount to be recognised in Balance Sheet and movement in net liability

₹ in Lakhs

	Gratuity	
	Un Funded	
Particulars	March 31, 2020	March 31, 2019
Present Value of Unfunded Obligations	197.68	162.94
Net (Asset) / Liability	**197.68**	**162.94**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

(ii) Expenses recognised in the Statement of Profit & Loss

₹ in Lakhs

Particulars	Gratuity Un Funded	
	March 31, 2020	March 31, 2019
Current Service Cost *	51.69	24.55
Past service Cost	-	-
Interest Cost	10.77	6.98
Total	**62.46**	**31.53**

*On account of inter group transfer of employees during the year. Amount received from parent company amounting to ₹ 7.50 Lakhs

(iii) Expenses recognized in Other Comprehensive Income (OCI)-

₹ in Lakhs

Particulars	Gratuity Un Funded	
	March 31, 2020	March 31, 2019
Opening amount recognised in OCI outside Profit and Loss	16.25	2.22
Remeasurements due to actuarial loss/ (gain) arising from:		
Changes in financial assumptions	9.72	4.22
Change in demographic assumptions	-	(0.03)
Experience adjustments	(22.53)	9.83
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognise the effect of asset ceiling	-	-
Total	**3.44**	**16.24**

(iv) Reconciliation of Defined Benefit Obligation -

₹ in Lakhs

Particulars	Gratuity Un Funded	
	March 31, 2020	March 31, 2019
Opening Defined Benefit Obligation	162.92	92.20
Current Service Cost	30.76	24.55
Interest Cost	10.77	6.98
Changes in financial assumptions	9.72	4.22
Changes in demographic assumptions	-	(0.03)
Experience adjustments	(22.53)	9.83
Benefits Paid	(21.03)	(7.78)
Impact of Liability assumed or (settled)*	27.07	32.95
Closing Defined Benefit Obligation	**197.68**	**162.92**

*On account of inter group transfer of employees during the year.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

(v) Actuarial Assumptions

₹ in Lakhs

Particulars	Gratuity Un Funded March 31, 2020	Gratuity Un Funded March 31, 2019
Discount rate (p.a.) in %	6.75%	7.55%
Salary Escalation Rate (p.a.) in %	5.00%	5.00%
Mortality Post-Retirement	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

1) **Discount Rate:**
The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

2) **Salary Escalation Rate:**
The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

(vi) Sensitivity Analysis

	Gratuity			
	Unfunded			
	Discount Rate		Discount Rate	
Particulars	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Impact of increase in 50 bps on DBO	(3.13)%	(2.95)%	3.34%	3.14%
Impact of decrease in 50 bps on DBO	3.33%	3.13%	(3.19)%	(2.98)%

vii) Expected future benefit payments

₹ in Lakhs

Particulars	March 31, 2020	March 31, 2019
Within one year	36.77	40.45
Between one and five years	85.20	61.46
After five years	219.70	186.78
Weighted average duration of the Defined Benefit Obligation (in years)	6.46	6.08

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 33 : RELATED PARTY DISCLOSURES

(a) The names of related parties of the Company are as under:

i. Holding Company

Name of the Company	Country of Incorporation
The Indian Hotels Company Limited	India

ii. Subsidiaries, Associates and Joint Ventures of Holding Company

Name of the Joint Venturs	Country of Incorporation
Taj SATS Air Catering Limited	India

iii. Company having significant influence over Holding Company

Name of the Company	Country of Incorporation
Tata Sons Limited (including its Subsidiaries and Joint Ventures)	India

iv. Company having substantial interest

Name of the Company	Country of Incorporation
Omega TC Holdings PTE Limited	Singapore

v. Fellow Subsidiary Companies

Name of the Company	Country of Incorporation
Domestic	
PIEM Hotels Ltd.	India
Benares Hotels Ltd	India

vi. Key Management Personnel

Name of the Company	Relation
Ms Deepika Rao	Managing Director & CEO

(b) Details of related party transactions during the year ended March 31, 2020 and outstanding balances as at March 31, 2020:

₹ in Lakhs

S.No.	Description	March 31, 2020	March 31, 2019
I	**The Indian Hotels Company Limited**		
1	Operating Fees	373.48	372.21
2	Rent Paid	3.97	3.97
3	Room Revenue	4.85	2
4	Operating Expense	24.88	-
5	Superannuation	5.92	-
6	Reimbursement of Expenses	7.50	-
7	ICD's Received	-	650.00
8	ICD's Repaid	-	2,350.00
9	Interest Paid	-	122.00
10	Equity Capital Invested	-	5,011.00
11	Balance payables		
	Other Payable	219.28	310.02

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 33 : RELATED PARTY DISCLOSURES (CONTD.)

₹ in Lakhs

S.No.	Description	March 31, 2020	March 31, 2019
II	**TAJ SATS Air Catering Limited**		
1	Room Revenue	2.30	-
2	ICD's Received	-	1,000.00
3	Interest Paid	-	56.00
4	ICD's Paid	-	1,500.00
III	**Omega TC Holdings PTE Limited**		
1	Equity Capital Invested	-	2,067.00
IV	**Tata Consultancy Services Limited**		
1	Room Revenue	1,231.22	2,413.38
2	Management and operating fees	1,057.78	-
3	Operating Expense	517.30	624.26
4	Balance Receivable	282.88	440.32
5	Balance Payable	216.39	193.12
VI	**Mr Rahul Pandit**		
1	Managerial Remuneration	-	106.01
2	Amount Recoverable	-	-
3	Loans & Advances Outstanding	-	-
4	Amount Received	-	32.00
VII	**Ms. Deepika Rao**		
1	Managerial Remuneration (Refer Footnote)	114.49	101.02

Footnotes:

Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole.

NOTE 34 : FOREIGN CURRENCY TRANSACTIONS:

(a) Earnings in Foreign Exchange from sale of rooms/food & beverages based on actualreceipts amount to ₹ 365.96 Lakhs. (Previous Year ₹ 236.12 Lakhs).

(b) Expenditure in Foreign Exchange towards Travel, Architectural services and commission amount to ₹ 223.28 Lakhs. (Previous Year ₹ 293.21 Lakhs)

NOTE 35 : SEGMENT INFORMATION:

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments' (Ind AS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 36 : EARNINGS PER SHARE (EPS)

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'

₹ in Lakhs

Particulars	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(Loss) after tax (₹ in lakhs)	(2,277.03)	(1,500.00)
Weighted Average no. of equity shares (Nos.)	9,40,33,729	8,85,52,991
Earnings per share – Basic/Diluted (Amount ₹)	(2.42)	(1.69)
Face Value per Equity Share (Amount ₹)	10	10

NOTE 37 : FINANCIAL RISK MANAGEMENT

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

a) Credit risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 37 : FINANCIAL RISK MANAGEMENT (CONTD.)

those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the company.

The Credit risk for trade receivable for the company as at March 31, 2020 is as under

₹ in Lakhs

Ageing	Less than one year	More than one year	Total
Gross carrying Amount	2,399.12	569.24	2,968.36
Credit Impaired	-	(521.18)	(521.18)
Net Carrying Amount	**2,399.12**	**48.06**	**2,447.18**

The Credit risk for trade receivable for the company as at March 31, 2019 is as under

₹ in Lakhs

Ageing	Less than one year	More than one year	Total
Gross carrying Amount	2,975.02	403.77	3,378.79
Credit Impaired	(146.79)	(230.01)	(376.80)
Net Carrying Amount	**2,828.23**	**173.76**	**3,001.99**

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

₹ in Lakhs

March 31,2020	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Term Loan	2,444.99	3,455.01	3,300.00	-	9,200.00
Overdraft Facility	1,240.40	-	-	-	1,240.40
Future Interest Payments *	716.96	455.61	382.56	-	1,555.13
Lease Liabilities	3,759.43	3,945.77	11,862.87	1,06,059.07	1,25,627.14
Trade and other payables	3,282.42	-	-	-	3,282.42
Other Financial Liabilities	1,270.54	75.14	-	-	1,345.68
Total Financial Liabilities	**12,714.74**	**7,931.53**	**15,545.43**	**1,06,059.07**	**1,42,250.77**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 37 : FINANCIAL RISK MANAGEMENT (CONTD.)

₹ in Lakhs

March 31,2019	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Term Loan	700.00	2,450.00	5,850.00	900.00	9,900.00
Future Interest Payments *	925.94	787.39	900.56	29.23	2,643.12
Trade and other payables	2,699.86	-	-	-	2,699.86
Other Financial Liabilities	1,165.13	57.11	-	-	1,222.24
Total Financial Liabilities	**5,490.93**	**3,294.50**	**6,750.56**	**929.23**	**16,465.22**

* All interests are on floating interest rate.

Subsequent to the reporting date, management has secured additional financing to fulfil its long-term working capital requirements and capital expenditure. Further, the Company has also received a letter of financial support from its parent to meet any further shortfall. Based on the above, the Company have sufficient liquidity to meet its liabilities as and when they fall duefor payment.

ii) Financing arrangements

The Company had access to undrawn overdraft facility of ₹ 759.60 as on March 31, 2020.

iii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents.

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019
Borrowings	9,200.00	9,879.00
Less : Cash & Cash equivalents	133.99	541.46
Less : Bank Balances	800.00	240.00
Less : Current Investments	101.42	440.00
Net Borrowings	8,164.59	8,657.54
Equity excluding IndAS 116 impact	30,779.73	31,703.07

c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company 's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Where applicable the Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

The unhedged foreign currency exposure payable is as under:

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 37 : FINANCIAL RISK MANAGEMENT (CONTD.)

₹ in Lakhs

Particulars	Currency	March 31, 2020 Foreign Currency	March 31, 2020 INR	March 31, 2019 Foreign Currency	March 31, 2019 INR
Cash and Cash Equivalents	USD	60	0.05	-	-
Trade Payable	USD	16,895	12.73	4,748	3.29
Trade Payable	EUR	6,168	5.13	-	-
Net Exposure	USD	16,835	12.68	4,748	3.29
	EUR	6,168	5.13	-	-

Sensitivity

For the year ended 31 March 2020 and 31 March 2019 every 3% depreciation/ appreciation in the exchange rate between the Indian rupee and US dollar, shall not have material impact on the company's profit before tax.

i) **Interest rate risk**

Where applicable the Company adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

ii) **Other market price risks**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through other comprehensive income.

iii) **Risk towards Global Pandemic COVID-19**

Financial instruments carried at fair value as at March 31, 2020 is ₹ 101.42 lakhs. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in mutual funds wherein the uncertainties arising out of COVID-19 has already been factored by the stock market as at March 31, 2020.

Trade receivables of ₹ 2,447.18 lakhs as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost. The Debtors do not have any concentrated risk and the Company does expect to recover these outstanding in due course. Further, adequate credit loss provision has been created based on the policy of the Company. The Company has specifically evaluated the potential impact with respect to customers in Airline and Travel Agents segments which could have an immediate impact though the outstanding is not significant. Further, we expect that there could be some delay in payments from debtors, over and above the credit cycle. Basis our internal assessment and the stringent provisioning policy of the Company, the management assessment for the allowance for doubtful trade receivables of ₹ 521.18 lakhs as at March 31, 2020 is considered adequate.

The Company has not disclosed the fair value of financial instruments because their carrying amounts are reasonable approximation of fair value. The Company does not have the exposure to equity securities.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 38 : SPECIFIED BANK NOTES DISCLOSURE

The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31st March 2020.

NOTE 39 : PONDICHERRY PROPERTY SALE

During the year, the Company's property in Pondicherry comprising land and hotel building was sold on 12 March'2020 for a consideration of ₹ 1,600.00 Lakhs. The written down value of the above assets along with direct expenses aggregated to ₹ 990.94 Lakhs, accordingly a gain of ₹ 609.06 Lakhs has been recognised in the Statement of Profit and Loss.

NOTE 40 : REVENUE FROM CONTRACTS WITH CUSTOMERS

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its Statement of Profit and Loss:

	₹ in Lakhs
Revenue from operations	**March 31, 2020**
Revenue from contract with customers	
Room Income, Food, Restaurants Income	18,711.63
Rental Income	662.32
Management and operating fees	1,305.54
Other Operating Revenue	367.35
Total Revenue from operations	**21,046.84**

ii) Contract Balances

The contract liabilities primarily relate the advance consideration received from customers for which revenue is recognised when the performance obligation is over/ services delivered.

a) Advance Collections are recognised when payment is received before the related performance obligation is satisfied under the terms of the agreement with the customer. This includes advances received from the customer towards rooms/restaurant revenues. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverages in line with the requirements of Ind AS 115 Revenue from Contract with Customers (Ind AS 115).

		₹ in Lakhs
Particulars	**March 31, 2020**	**March 31, 2019**
Contract liabilities		
Advances collected from customers *	770.40	341.61

* Considering the nature of business of the Company, the advance collections from customer and Income received in advance are generally materialised as revenue within the same operating cycle.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 40 : REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTD.)

iii) Advance received from the customer for the more than 1 year

The Company has received an advance for an upcoming hotel in Kalinganagar from Tata Steel Limited (TSL) of ₹ 1,800.00 lakhs which is required to be offset over 60 months from the month in which operation of hotel commences as per the terms stipulated in the agreement. Based on management's assessment, there is significant financing component in the advance amount, hence the Company has recognised the interest expense for the same and capitalised to the property under construction. Once the operation starts, the Company will recognise the interest cost in the statement of Profit and Loss with corresponding adjustment to revenue over a period of time.

The Company has capitalised the interest expense on ₹ 1,800.00 lakhs at the rate of prevailing market rate of interest for the similar period, in this case Company has taken loan from HDFC bank for the similar period at the interest rate of 8.70% per annum so company has taken the prevailing market rate of interest as 8.70% on the transaction of advance. So, impact of Ind AS 115 on net worth of the company is as follows in the current year-

₹ in Lakhs

Particulars	March 31, 2020
Interest Expense IndAS 115	141.39
Less: Interest Capitalised	(141.39)
Total Impact on Net Worth	-

NOTE 41 : COVID-19

(a) Estimation uncertainty relating to the global health pandemic on COVID-19

On March 11, 2020 the World Health Organisation declared Coronavirus outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020 and extended upto May 31, 2020. In particular, all airlines, road and railway travel were suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sport facilities& retail outlets etc were closed, except for a few essentials services/supplies like grocery stores, pharmacies, etc.

The hotel business has been severely impacted from start of the financial year 2020-21 on account of COVID-19. Many of the hotels have been closed since the mandated lockdown from March 22, 2020. The company is currently operating few hotels and the Company expects all the hotels to become operational in a staggered manner after the lockdown has been lifted. However, revenues are expected to be softer in the initial phase of the lockdown mainly due to lower occupancies arising out of reduced business and leisure travel.

The Company is taking all necessary measures to contain costs, rationalise resources taking initiatives to uplift revenue. The Company is also is discussion with all its lessors for waiver or deferment on lease rentals during the lockdown period. The company is also holding back on discretionary spends, postpone renovations and planning other cost optimisation measures.

The Company has assessed potential impact of COVID-19 on the carrying value of property, plant & equipment, trade receivable, investments, inventories and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor any material changes to future economic conditions.

NOTE 42 : GOING CONCERN

As at March 31, 2020, the company's current liabilities have exceeded its current assets by ₹ 4,525.24 Lakhs. This include the Long term borrowing for which instalment is due in next 12 months amounting to ₹ 2444.99 Lakhs and Lease Liabilities due in next twelve months ₹ 438.00 lakhs. In addition, the Company also faces significant economic uncertainties due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards. Management has assessed the impact of existing and anticipated effects of COVD-19 on the future cashflow projections and has prepared a range of scenarios to estimate financing requirements. Subsequent to the reporting date, management has secured additional financing to fulfil its long-term working capital requirements and capital expenditure. Further, the Company has also received a letter of financial support from its parent to meet any further shortfall. Based on the aforesaid assessment, management believes that as per estimates made, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2020.

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, June 1, 2020

For and on behalf of the Board of Directors
of Roots Corporation Limited
CIN : U55100MH2003PLC143639

Puneet Chhatwal
Chairman
DIN: 07624616

Deepika Rao
Managing Director and CEO
DIN: 08136962

Sanjay Arora
Head - Finance

Swetha Dabhi
Company Secretary
Membership No. ACS 43312

INDEPENDENT AUDITORS' REPORT

To the Members of **Taj SATS Air Catering Limited**

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Taj SATS Air Catering Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows 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 Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Emphasis of matter

We draw attention to Note 26 to the standalone financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

Our opinion is not modified in respect of the above matter.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 standalone 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' 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:

INDEPENDENT AUDITOR'S REPORT (CONTD.)

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements.

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;

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Membership No: 119057
ICAI UDIN: 20119057AAAAAJ5809

Mumbai
June 3, 2020

ANNEXURE A

to the Independent Auditors' Report on the Standalone Financial Statements of Taj SATS Air Catering Limited for the year ended 31 March 2020

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant, to the programme, a portion of fixed assets has been physically verified by the management during the year and the discrepancies noticed on verification between the physical assets and the book record were not material and have been adequately dealt with in books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at the balance sheet date, except the following

Particulars of land and building	Whether Title of property is in name of Company	Gross Amount (as at 31 March 2020)	Net Amount (as at 31 March 2020)	Remarks
Freehold land located at Mumbai having effective plot area of 11888.43 sft.	No	₹ 26.58 lakhs	₹ 26.58 lakhs	The title deeds are in the name of Indian Hotels Company Limited from whom the asset was transferred to the Company based on Business Transfer Agreement
Freehold land and building at Amritsar wherein land measuring 3 Kanal 16 Marla	Yes (Under Dispute)	Freehold Land at ₹ 194.72 lakhs Building at ₹ 341.53 lakhs	Freehold Land at ₹ 194.72 lakhs Building at ₹ 0 (net of impairment provision)	There is a dispute on the land title based on the claim made by the Gram panchayat. The Company has filed an Appeal before the Joint Commissioner (Development), Mohali, Punjab The Jt. Commissioner Development granted "Stay" in the matter and hearings are in progress. However, due to transfer of the Jt. Commissioner and the new Jt. Commissioner is re-hearing the matter again. In respect of such dispute the Company has represented that the title deed in its name for the aforesaid immovable properties and it will be able to defend any counter claims to such property.

In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company does not have any stock lying with third parties at the year-end. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (" the Act") during the year. Accordingly, paragraphs 3 (iii) (a) (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of the services rendered and goods sold by the Company.

(vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Cess, Professional tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there have been significant delays in few cases.

According to the information and explanations given to us, no undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and other material statutory dues were in arrears as on 31 March 2020 for a period of more than six months from the date they became payable, other than as mentioned below:

Name of the Statue	Nature of Dues	Amount (₹)	Period to which the amount relates	Due date	Date of payment
Income tax Act, 1961	TDS under section 194I	27,769	March 2019	30 April 2019	Not paid
Provident Fund Act,	Provident Fund	4,963	August 2019	15 September 2019	Not paid

ANNEXURE A (CONTD.)

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service tax, Duty of excise, Goods and Service tax and Value added tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated:

Name of the Statue	Nature of Dues	Forum where Dispute is pending	Period to which the amount Relates	Amount Demanded (₹ in Lakhs)	Amount not deposited under dispute (₹ in Lakhs)
West Bengal Sales tax Act, 1994	Commercial Tax	Deputy Commissioner of Commercial Taxes	2002-03	1.44	1.44
West Bengal Sales tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2006-07	82.52	82.52
West Bengal Sales tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2011-12	8.43	8.43
Maharashtra Value Added Tax	Value Added Tax	Joint Commissioner of Sales Tax	2009-10	71.57	57.79
Maharashtra Value Added Tax	Value Added Tax	Joint Commissioner of Sales Tax	2013-14	7.70	7.28
Maharashtra Value Added Tax	Value Added Tax	Joint Commissioner of Sales Tax	2014-15	45.18	42.80
Maharashtra Value Added Tax	Value Added Tax	Deputy Commissioner of Sales Tax-Mumbai	2012-13	43.62	40.96
Finance Act 1994	Service Tax	Office of Commissioner of Service Tax	2004-05 to 2010-11, 2011-12, 2012-13,2013-14,2014-15, 2015-16, 2016-17 and 2017-18 (upto June 2017)	1,251.30	1185.80
Finance Act 1994	Service Tax	Office of Commissioner of Service Tax	1 July 2012 to 31 March 2016, 1 April 2016 to 30 June 2017	7,629.88	7,629.88

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company did not have any loans or borrowings from financial institutions and government, or debenture holder during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of the examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year nor have we been informed of any such case by the management.

ANNEXURE A (CONTD.)

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standards (Ind AS) 24, Related Party Disclosures prescribed under Section 133 of the Act, read with the relevant rules.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(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. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Membership No: 119057
ICAI UDIN: 20119057AAAAAJ5809

Mumbai
June 3, 2020

ANNEXURE B

to the Independent Auditors' report on the Standalone Financial Statements of Taj SATS Air Catering Limited for the year ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Taj SATS Air Catering Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 WITH REFERENCE TO FINANCIAL STATEMENTS

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Membership No: 119057
ICAI UDIN: 20119057AAAAAJ5809

Mumbai
June 3, 2020

STANDALONE BALANCE SHEET

as at March 31, 2020

(₹ in lakhs)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	10,160	9,796
Capital work-in-progress		249	222
Right of use asset	3	371	-
Goodwill	4(a)	7,348	7,348
Other Intangible assets	4(b)	347	374
Intangible assets under development		-	17
		18,475	**17,757**
Financial Assets			
Investments	5(a)	5,958	-
Other Financial assets	6(a)	580	540
Other tax assets (net)		1,376	200
Other non-current assets	7(a)	638	478
		8,552	**1,218**
Current assets			
Inventories	8	563	481
Financial assets			
Investments	5(b)	4,176	7,766
Trade receivables	9	6,831	6,791
Cash and cash equivalents	10	26	526
Bank Balance other than cash and cash equivalents	11	104	104
Loans	12	-	1,225
Other financial assets	6(b)	95	633
Other current assets	7(b)	609	192
		12,404	**17,718**
Total Assets		**39,431**	**36,693**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,740	1,740
Other equity	14	26,600	25,349
Total Equity		**28,340**	**27,089**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities - Non Current		976	-
Other Financial Liabilities	15(a)	175	145
Provisions	16(a)	811	705
Deferred tax liabilities (net)	17	2,000	1,967
		3,962	**2,817**
Current liabilities			
Financial liabilities			
Lease Liabilities - Current		251	-
Borrowings		586	72
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	18	201	34
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	3,484	3,665
Other financial liabilities	15(b)	766	880
Provisions	16(b)	1,429	1,815
Other current liabilities	19	412	321
		7,129	**6,787**
Total Equity and Liabilities		**39,431**	**36,693**

The accompanying notes form an integral part of the standalone financial statements: Refer note 1 - 42

In terms of our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057
ICAI UDIN:20119057AAAAAK1734

Place : Mumbai
Date : June 3, 2020

For and on behalf of the Board
Taj SATS Air Catering Limited
CIN: U55204MH2001PLC133177

Puneet Chhatwal
Chairman
DIN : 07624616

Mehernosh Kapadia
Vice Chairman
DIN : 00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

(₹ in lakhs)

	Note	March 31, 2020	March 31, 2019
Revenue from operations	20	36,455	40,869
Other income	21	466	914
Total Income		**36,921**	**41,783**
EXPENSES			
Food and beverages consumed	22	10,640	12,119
Employee benefits expense and payment to contractors	23	12,961	13,517
Depreciation and amortisation expense	3, 4(b)	1,308	1,096
Finance costs	24	118	6
Other operating and general expenses	25	9,819	12,423
Total expenses		**34,846**	**39,161**
Profit before Tax		2,075	2,622
Tax expenses			
Current tax		**517**	**1,557**
Current tax (earlier years) - Refer note 35		(912)	-
Deferred tax		375	(898)
Total Tax Expense		**(20)**	**659**
Profit for the year		**2,095**	**1,963**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(205)	91
Less :-income tax expense		-	(32)
Total other comprehensive (losses)/income for the year, net of tax		(205)	59
Total comprehensive income for the year		**1,890**	**2,022**
Earnings per share - Basic and diluted (₹)	41	**12.04**	**11.28**
Face value per ordinary share - (₹)		10	10

The accompanying notes form an integral part of the standalone financial statements: Refer note 1 - 42

In terms of our report of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057
ICAI UDIN:20119057AAAAAK1734

Place : Mumbai
Date : June 3, 2020

For and on behalf of the Board

Taj SATS Air Catering Limited

CIN: U55204MH2001PLC133177

Puneet Chhatwal
Chairman
DIN : 07624616

Mehernosh Kapadia
Vice Chairman
DIN : 00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	2,075	2,622
Adjustments for :		
Depreciation and amortisation expenses	1,308	1,096
Gain on investments carried at fair value through statement of profit and loss	(4)	-
Profit on sale of Current Investments	(22)	-
Loss/(Profit) on sale / disposal of Property, Plant and Equipment (net)	(5)	8
Provision for doubtful debts	910	2,604
Doubtful advances written off	6	-
Provision for Employee Benefits	(484)	236
Fixed assets written off	27	44
Dividend income from current investments	(148)	(339)
Interest income	(128)	(177)
Interest income on financial assets carried at amortised cost	(6)	(7)
Finance costs	118	6
Operating Profit before Working Capital changes	**3,646**	**6,094**
Adjustments in :		
Trade receivables	(950)	(2,515)
Other financial assets	477	335
Inventories	(82)	28
Other assets	(422)	1
Adjustments in :		
Trade payables	(23)	309
Other financial liabilities	(127)	11
Other liabilities	91	(465)
	(1,036)	**(2,295)**
Cash Generated from Operations	2,610	3,798
Net income tax paid	(780)	(1,582)
Net cash from Operating Activities (a)	**1,830**	**2,216**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and other intangibles (including advances for capital expenditure)	(1,738)	(1,685)
Inter corporate deposits placed	(2,300)	(2,740)
Inter corporate deposits redeemed	3,525	2,015
Proceeds from sale/disposal of property, plant and equipment	26	31
Purchase of current investments in Mutual funds	(11,145)	(11,939)
Redemption proceeds of current investments in Mutual funds	14,761	12,322
Earmarked balances with bank	-	(15)
Restricted bank balances matured		
Dividend income from current investments	148	339
Interest received	155	165
Investment in equity shares of Subsidiary	(5,958)	-
Net Cash used in Investing Activities (B)	**(2,526)**	**(1,507)**

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	March 31, 2020	March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividends paid (Including tax paid on dividends)	-	(1,091)
Payment of Lease Liabilities	(201)	-
Interest on Payment of Lease Liabilities	(113)	-
Finance costs	(5)	(6)
Net cash used in financing activities (C)	**(319)**	**(1,097)**
Net decrease in cash and cash equivalents (A + B +C)	**(1,015)**	**(387)**
Cash and Cash Equivalents at the beginning of the year	455	842
Cash and Cash Equivalents at the end of the year	**(560)**	**455**

Notes:

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS - 7) statement of cash flow.

2 Figures in brackets are outflow / deduction.

		March 31, 2020	March 31, 2019
		(₹ in lakhs)	(₹ in lakhs)
3	Cash and cash equivalents comprises of		
	Cash and cash equivalents comprises of		
	Balances with Banks		
	- Current Account	12	517
	- Cash on hand	14	9
	Cash and cash equivalents (Note no. 10)	**26**	**526**
	Less: Bank overdraft (Refer note (i) below)	(586)	(72)
	Cash and cash equivalent in cash flow statement	**(560)**	**455**

(i) The management considered Bank overdraft as a integral part of its cash management and accordingly considered as a part of cash and cash equivalent.

The accompanying notes form an integral part of the standalone financial statements: Refer note 1 - 42

In terms of our report of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Suhas Pai

Partner

Membership No: 119057

ICAI UDIN:20119057AAAAAK1734

Place : Mumbai

Date : June 3, 2020

For and on behalf of the Board

Taj SATS Air Catering Limited

CIN: U55204MH2001PLC133177

Puneet Chhatwal
Chairman
DIN : 07624616

Mehernosh Kapadia
Vice Chairman
DIN : 00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

(₹ in lakhs)

A. EQUITY SHARE CAPITAL

Balance as at April 01, 2018	Changes in equity share capital during the period	Balance as at March 31, 2019
1,740	-	1,740

Balance as at April 01, 2019	Changes in equity share capital during the period	Balance as at March 31, 2020
1,740	-	1,740

B. OTHER EQUITY

Particulars	Reserves and Surplus			Total Equity
	Securities Premium Account	General Reserve	Retained Earnings	
Balance as at April 1, 2018	10,388	1,560	12,470	24,418
Profit for the year	-	-	1,963	1,963
Dividend paid	-	-	(905)	(905)
Tax on dividend			(186)	(186)
Other Comprehensive Income			59	59
	-	**-**	**931**	**931**
Balance as at March 31, 2019	**10,388**	**1,560**	**13,401**	**25,349**
Balance as at April 1, 2019	10,388	1,560	13,401	25,349
Profit for the year	-	-	2,095	2,095
Transition Impact on adoption of new accounting standard - Ind AS 116 'Leases' (Refer note 33)	-	-	(639)	(639)
Other Comprehensive Income	-	-	(205)	(205)
	-	-	1,251	1,251
Balance as at March 31, 2020	**10,388**	**1,560**	**14,652**	**26,600**

The accompanying notes form an integral part of the standalone financial statements: Refer note 1 - 42

In terms of our report of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Suhas Pai

Partner

Membership No: 119057

ICAI UDIN:20119057AAAAAK1734

Place : Mumbai

Date : June 3, 2020

For and on behalf of the Board

Taj SATS Air Catering Limited

CIN: U55204MH2001PLC133177

Puneet Chhatwal
Chairman
DIN : 07624616

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Vice Chairman
DIN : 00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in lakhs)

1. CORPORATE INFORMATION

Taj SATS Air Catering Limited (the "Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company is jointly promoted by The Indian Hotels Company Ltd. ("IHCL") and SATS Ltd., where IHCL owns 51% and SATS Ltd. owns 49% of the Company's shares.

The Company provides in-flight catering services, institutional catering of food and beverages and other allied services to airlines and various other institutions, corporate houses, hospitals, cafeterias, etc. The Company has manufacturing/ production facilities at various locations including Mumbai, Delhi, Kolkata, Bangalore, Amritsar and Goa.

The Company has its registered office at Mandlik House, Mandlik Road, Mumbai - 400 001.

This Standalone Financial Statements for the year ended March 31, 2020 were approved by the Company's Board of Directors on June 3, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

The standalone financial statements have been prepared on the following basis:

(a) Statement of compliance:

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013("The Act") as amended from time to time.

(b) Basis of preparation and presentation:

These standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. All assets and liabilities are classified as current and non-current as per Company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date. All amounts disclosed in the standalone financial statements and notes to accounts have been rounded off to the nearest lakhs, unless otherwise stated.

(c) Use of estimates and judgements

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosure of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements pertain to:

- **Useful life of property, plant and equipment and intangible assets:** The carrying value of property, plant and equipment and intangible asset is calculated on the basis of estimates of depreciation periods derived from the expected technical and useful life of the asset concerned, and residual values. The expected technical and useful life of the asset concerned and its estimated residual value may change under the influence of technological developments, market circumstances and changes in the use of the asset.

- **Impairment of Goodwill:** For goodwill an annual impairment test is carried out to identify if there are any changes or events that could lead to an impairment of the goodwill. Determining whether goodwill is impaired requires an estimation of the value-in-use and the cash-generating units to which the goodwill has been allocated. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

- **Impairment of investments:** The Company reviews carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its' carrying amount, the impairment loss is accounted for.

- **Contingencies and Commitments:** In the normal course of business, claims and disputes may arise from litigations and other claims against the Company. The management assesses the claims and court cases instituted against it on the basis of facts and seeks legal advice. The Company is also involved in disputes as claiming party. In both the cases this involves subjective elements and projected outcomes. However, it is not possible to obtain certainty about the final outcome and any negotiations on claims and disputes. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, such liabilities are disclosed in the notes as contingent liabilities but are not provided for in the standalone financial statements.

  Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Income taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss.

  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 or Loss.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

- **Gross versus net presentation:**

  When the Company sells goods or services as principal, revenue and related costs are reported on a gross basis in revenue and operating cost. If the Company sells goods or services as an agent, revenue and related costs are recorded in revenue on a net basis, representing the margin earned.

  Whether the Company is principal or agent, depends on whether the control of goods or services is transferred to customers, and it has the ability to direct the use of the goods/services or obtain benefits from the goods or service. Below are the key criteria to determine whether the Company is acting as a principal:

  - The Company has the primary responsibility for providing the goods or services to the customer or for fulfilling the order, for example by being responsible for the acceptability of the products or services ordered or purchased by the customer;

  - The Company has inventory risk before or after the customer order, during shipping or on return; and

  - The Company has latitude in establishing prices, either directly or indirectly, for example by providing additional goods or services.

- Estimation uncertainty relating to global health pandemic on COVID 19- Refer note 26.

(d) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is charged to the statement of profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of depreciation on buildings on leased properties, it is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated balance useful lives.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

Class of Assets	Estimated Useful Life
Building	30 years
Plant and Equipment	15 to 20 years
Furniture and Fixtures	15 years
Data processing equipment	6 years
Office equipment	12-15 years
Vehicles	8 - 16 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid, less any recognized impairment loss.

(e) Intangible Assets:

Intangible assets, comprising software licenses are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Any expenses on software for support and maintenance payable annually are charged to the Statement of Profit and Loss.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset to increase the future benefits/functioning capabilities from/ of the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Intangible assets are amortised on a straight line basis over the estimated useful lives. The amortisation period and the amortisation method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or loss arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The capitalised cost of SAP software (including licenses) is amortised over ten years from the date of capitalisation (five years remaining as on the balance sheet date) on a straight line basis considering its estimated useful life , the cost of other software licenses is amortised over six years from the date of capitalisation and the cost of website development is amortised over four years from the date of capitalisation (three years remaining as on the balance sheet date) on a straight line basis considering its estimated useful life.

Business rights which represent the rights to construct, manage and operate flight catering kitchen in accordance with the agreement entered with the airport authority, are stated at cost of acquisition, less accumulated amortisation. The cost of business rights is amortised over the period of 15 years (three years remaining as on the balance sheet date) during which period the benefits are expected to accrue to the Company as per agreement.

(f) Goodwill:

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating unit (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash generating unit to which the goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the others assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(g) Impairment of tangible and intangible assets other than goodwill:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, and whenever there is an indication that the assets may be impaired.

At each Balance sheet date, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(h) Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive to extend the lease, or not to exercise the option to terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company's operating leases primarily relate to real estate assets lease hold land in Delhi and Kolkata and solar power plant in Mumbai because all these assets satisfy the principle of identification and fixed minimum lease payments.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

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(₹ in lakhs)

The Company has adopted the above standard using modified retrospective approach, with the cumulative effect of being recognised on the date of initial application i.e. 1 April 2019 to the opening balance of retained earnings

Right-of-use asset (ROU):

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment. Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term.

Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments).

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

(i) Inventories:

Stock of food and beverages, stores and operating supplies are carried at the lower of cost (computed on a weighted average basis) or net realisable value. Cost includes the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(j) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present (legal or constructive) obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and circumstances surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows determined using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

(k) Revenue Recognition:

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts. In respect of expired contracts under renewal, revenue is recognised based on the erstwhile contract/ understanding with the contracting parties.

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate unit of account is based on the relative fair value of each unit. If the fair value of the delivered items is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered items.

Income from operations:

Food and Beverages: Revenue from sale of food and beverages is recognised at the transaction price that is allocated to the performance obligation, which is recognised on the completion of delivery of goods as per the contract/ understanding with the customer.

Revenue from Air catering and allied services: Revenue from Air Catering and allied services includes revenue from handling services, hi-loader services, bonded warehouse, laundry income, and other services and the revenue has been recognised by reference to the time of service rendered.

Management and operating fees: Management fee earned by the company are long term contract with the Air Catering Unit (ACU). Under this contract, the company's performance obligation is to manage the operations of the Air Catering Unit at the given airport locations.

Management and operating fee is earned as a % of profit and are recognised in accordance with the terms of the contract based on underlying profit.

Contract balances

(i) **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Other Operating Income: Other operating income includes revenue from catering supplies/ bought out items which are recognised at the transaction price that is allocated to the performance obligation, which is recognised on the completion of delivery of goods as per the contract/understanding with the customer.

Dividend Income: Dividend income from mutual funds is recognised when the Company's right to receive the amount is established.

Interest Income: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

(l) Foreign currency transactions:

The functional currency of the Company is Indian rupees (₹).

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Foreign currency denominated assets and liabilities are translated at the exchanges rates prevailing at the balance sheet date and exchange gain and losses arising on settlement and restatement are recognized in the Statement of Profit and loss.

(m) Government Grants:

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(n) Employee Benefits:

A) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate legal entity and will have no legal or constructive obligation to pay further amounts.

i. **Provident and Family pension Fund:** The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12% of employee's a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employee's eligible salary). The contributions are made to the provident fund managed by the trust set up by a joint venture Company, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of profit and loss

   In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss.

ii. **Superannuation**
   The Company has a defined contribution plan for certain category of employees, wherein it annually contributes a sum equivalent to a defined amount to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which the corresponding services are received from the employee.

B) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

i. **Gratuity Fund**
   The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

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(₹ in lakhs)

The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

The Company also has separate unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognized immediately in the other comprehensive income and reflected immediately in retained earnings and will not be reclassified to profit and loss.

ii. Provident Fund Trust

In respect of contribution to the trust set up by the Company, since the Company is obligated to meet interest shortfall, if any, with respect to few employees, such employee benefit plan is classified as Defined Benefit plan. Any obligation in this respect is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

C) Other long-term employee benefits

i. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

ii. Other Employee Benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for the employee entitlements such as salaries, bonuses, annual leave, leave travel allowances, represents amounts which the Company has a present obligation to pay as a result of the employee services and the obligation can be measured reliably. The accruals have been calculated as undiscounted amounts based on current salary levels as at the Balance Sheet date.

(o) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expense relates. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with applicable rates and prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred tax is recognised using the balance sheet approach. Deferred tax asset and liabilities are recognised for deductible and taxable temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profits.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arise from initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(p) Financial Instruments:

i. Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

- **Cash and Cash Equivalents –** Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

- **Debt Instruments –** The Company classifies its debt instrument as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

  I. Financial assets at amortised cost

  Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

  II. Financial assets at fair value through Other Comprehensive Income (FVOCI)

  Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(₹ in lakhs)

Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

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

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

- **Equity Instruments –** The Company subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

  At the date of transition to Ind AS, the Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

  When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred subsequently all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continued involvement in the financial asset.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. During the years reported, no hedge relationship was designated.

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 the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Impairment of financial assets

Impairment loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime impairment pattern at each Balance Sheet date, right from its initial recognition.

(q) Investments in subsidiaries:

Investments in Subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

(r) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(s) Business Combination:

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

	Freehold Land (Refer Footnote (ii))	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Data processing equipment	Vehicles	Total	Right of use Asset
Cost									
At April 1, 2018	351	3,943	4,994	138	46	159	2,613	12,244	-
Additions	-	48	947	11	10	17	481	1,514	-
Disposals/ Transfer	-	-	105	-	-	-	26	131	-
At March 31, 2019	**351**	**3,991**	**5,836**	**149**	**56**	**176**	**3,068**	**13,627**	**-**
Additions	-	507	690	43	3	26	307	1,576	443
Disposals/ Transfer	-	30	37	10	0	8	32	117	-
At March 31, 2020	**351**	**4,468**	**6,489**	**183**	**59**	**194**	**3,343**	**15,086**	**443**
Depreciation									
At April 1, 2018	-	963	1,331	38	11	70	439	2,852	-
Charge for the year	-	346	436	17	5	26	200	1,030	-
Disposals	-	-	42	2	-	-	7	51	-
At March 31, 2019	**-**	**1,309**	**1,725**	**53**	**16**	**96**	**632**	**3,831**	**-**
Charge for the year	-	401	478	15	5	27	240	1,166	72
Disposals	-	15	20	5	0	8	21	69	-
At March 31, 2020	**-**	**1,695**	**2,183**	**63**	**21**	**115**	**851**	**4,928**	**72**
Net block as at March 31, 2019	**351**	**2,682**	**4,111**	**96**	**40**	**80**	**2,436**	**9,796**	**-**
Net block as at March 31, 2020	**351**	**2,773**	**4,306**	**120**	**38**	**79**	**2,493**	**10,160**	**371**

Footnote:

(i) The Air Catering business was acquired on a slump sale basis from IHCL and its Affiliates on October 1, 2001. As a result, the Property, Plant and Equipment were recorded as per the values assigned by the independent valuers.

(ii) In accordance with the Business Transfer Agreement entered with IHCL, the land located at Mumbai is to be conveyed in favour of the Company. However, the same is pending completion of certain legal formalities.

(iii) There is a dispute on the land title based on the claim made by the Gram panchayat. The Company has filed an Appeal before the Joint Commissioner (Development), Mohali, Punjab. The Jt. Commissioner Development granted "Stay" in the matter and hearings are in progress. However, due to transfer of the Jt. Commissioner, the new Jt. Commissioner is re-hearing the matter again. In respect of such dispute the Management has represented that the title deed for the aforesaid immovable property is in the name of the Company and it will be able to defend any counter claims to such property.

4(A) : GOODWILL

Goodwill recorded at the time of acquisition of the Air Catering business represents excess of amount paid over the recorded value of the net assets acquired. On transition to Ind AS, the carrying amount of goodwill in the opening Ind AS balance sheet prepared as at April 01, 2015 was recorded at its carrying amount in accordance with the previous GAAP of ₹ 7,348 lakhs. The Company tests Goodwill for impairment atleast annually or more frequently if events or changes in circumstances indicate that it might be impaired. The goodwill has been allocated to Airline and Allied catering (which is considered as Cash Generating Unit). The Company estimated value in use based on future cashflows of this CGU using a 2% - 5% annual growth rate for periods subsequent to the forecast period of nine years and discount rate of 13% - 15%. A sensitivity analysis of the computation to a combined change in key parameters (operating margins, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of this CGU would decrease below its carrying amount.

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(₹ in lakhs)

NOTE 4(B) : INTANGIBLE ASSETS (ACQUIRED)

	Software	Business Rights	Website Development	Total
Cost				
At April 1, 2018	600	24	-	624
Adjustments	-	-	-	-
Additions	5	-	-	5
Disposals	-	-	-	-
At March 31, 2019	**605**	**24**	**-**	**629**
Adjustments	-	-	-	-
Additions	38	-	4	42
Disposals	7	-	-	7
At March 31, 2020	**636**	**24**	**4**	**664**
Amortisation				
At April 1, 2018	180	9	-	189
Adjustments	-	-	-	-
Charge for the year	63	3	-	66
Disposals			-	-
At March 31, 2019	**243**	**12**	**-**	**255**
Adjustments	-	-	-	-
Charge for the year	66	3	0	69
Disposals	7	-	-	7
At March 31, 2020	**302**	**15**	**0**	**317**
Net block as at March 31, 2019	**362**	**12**	**-**	**374**
Net block as at March 31, 2020	**334**	**9**	**4**	**347**

NOTE 5 : FINANCIAL ASSETS

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
a) Investments		
Fully Paid Unquoted Equity Investments		
Investments in Subsidiary Companies (at cost) (Note no. 30)		
Taj Madras Flight Kitchen Private Limited	5,958	-
	5,958	**-**

Footnote:

(a) Investment in fully paid up 1,58,88,165 shares of Taj Madras Flight Kitchen Private Limited (for Face Value ₹ 10) during the year, incorporated in India.

(b) (i) Aggregate amount of quoted investments	-	-
Market amount of quoted investments	-	-
(ii) Aggregate amount of unquoted investments	5,958	-
(iii) Aggregate amount of impairment in value in investments	-	-

(c) For this investment, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020
(₹ in lakhs)

b) Investments

	As at March 31, 2020		As at March 31, 2019	
	Holdings (unit)	**₹ (in lakhs)**	**Holdings (unit)**	**₹ (in lakhs)**
Investments carried at fair value through profit and loss				
Investments in Mutual fund units (Unquoted)				
TATA Money Market Fund Regular Plan - Daily Dividend	-	-	4,10,358.6660	4,110
ABSL Floating rate Fund - STP - Daily Dividend	-	-	12,13,397.4670	1,216
UTI Money Market - Institutional Plan - Daily dividend	-	-	2,04,254.4580	2,082
Axis Liquid Fund - Daily Dividend (CFDDR)	-	-	35,727.0080	358
Tata Overnight Fund - Regular Plan - Growth	2,05,342.0830	2,161	-	-
HDFC Overnight Fund - Regular Plan - Growth	47,747.6710	1,411	-	-
SBI Liquid Fund - Regular Plan - Growth	18,718.4380	604	-	-
Total		**4,176**		**7,766**

Footnote:

(a) Aggregate amount of Unqoted investments	4,176	7,766

NOTE 6 : OTHER FINANCIAL ASSETS

₹ (in Lakhs)

		As at March 31, 2020	As at March 31, 2019
a)	**Non Current**		
	(Unsecured, considered good unless otherwise stated)		
	Security deposit with public bodies and others	571	536
	Earmarked deposits with Banks	9	4
		580	**540**
b)	**Current**		
	(Unsecured, considered good unless otherwise stated)		
	Security deposit with public bodies and others	71	60
		71	**60**
	Interest receivable		
	Related Parties (Refer note 34)	-	19
	Others	8	9
		8	**28**
	Other receivables		
	Related Parties (Refer note 34)	7	99
	Others	9	446
		16	**545**
		95	**633**

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

NOTE 7 : OTHER ASSETS

₹ (in Lakhs)

		As at March 31, 2020	As at March 31, 2019
a)	**Other Non Current Assets**		
	Capital Advances	382	221
	Prepaid Expenses	164	116
	Export incentive receivable	92	141
		638	**478**
b)	**Other Current Assets**		
	Prepaid Expenses	37	62
	Advance to Suppliers	153	56
	Export incentive receivable	120	-
	Balance with statutory and government authorities	232	-
	Advance to Employees	64	74
	Others Current Assets	3	-
		609	**192**

NOTE 8 : INVENTORIES

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Food and Beverages	301	233
Stores and Operating Supplies	262	248
	563	**481**

Footnote:

(a) Inventories are valued at the lower of cost and net realisable value. Cost are determined using the weighted average method and includes purchase price and non-refundable taxes.

(b) The write down of inventories to net realisable value during the year amounted to ₹ 9 lakhs (as on March 31, 2019 ₹ 6 lakhs) and the same are included in food and beverage consumed.

NOTE 9 : TRADE RECEIVABLES

₹ (in Lakhs)

		As at March 31, 2020	As at March 31, 2019
	Unsecured		
a)	Considered good	6,948	6,917
	Less: Allowance for doubtful trade receivables	(117)	(126)
		6,831	**6,791**
b)	Credit impaired	3,606	2,898
	Less: Allowance for doubtful trade receivables	(3,606)	(2,898)
		-	**-**
		6,831	**6,791**

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

Footnote:

i) Allowance for doubtful trade receivables

Opening Balance	3,024	420
Add: Allowance during the year	910	2,604
	3,934	**3,024**
Less: Bad Debts written off against past provisions	211	-
Less: Reversal of provision no longer required	-	-
Closing Balance	**3,723**	**3,024**

ii) For related party balances refer Note 34

NOTE 10 : CASH AND CASH EQUIVALENTS

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Cash on hand	14	9
Balances with bank in current account	12	517
	26	**526**

NOTE 11 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Earmarked balances	104	104
	104	**104**

NOTE 12 : LOANS

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Current		
Inter Corporate Deposit with related parties		
-Taida Trading and Industries Limited	-	-
-PIEM Hotels Limited	-	1,200
	-	**-**

Footnotes:

1 Additional Inter Corporate Deposits of ₹ 2,300 lakhs bearing interest @ 9 % p.a. were placed with PIEM Hotels Limited during the year.Total Inter Corporate Deposit of ₹ 3,500 lakhs including opening deposit redeemed during the year ended March 31, 2020.

2 Inter Corporate Deposit placed with Taida Trading and Industries Limited amounting to ₹ 25 lakhs @ 9 % p.a was redeemed in the year ended March 31, 2020.

All the above deposits were placed towards working capital requirement pertaining to business activities.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

NOTE 13 : SHARE CAPITAL

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital		
25,000,000 (31 March 2019 - 25,000,000) equity shares of ₹ 10/- each with voting rights	2,500	2,500
	2,500	**2,500**
Issued Share Capital		
17,400,000 (March 31, 2019 - 17,400,000) equity shares of ₹ 10 /- each with voting rights	1,740	1,740
	1,740	**1,740**
Subscribed and Paid Up		
17,400,000 (March 31, 2019 - 17,400,000) equity shares of ₹ 10 /- each fully paid up with voting rights	1,740	1,740
	1,740	**1,740**

Footnotes:

(i) The Company has one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in the case of interim dividend.

(ii) Reconciliation of number of equity shares

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	**₹ (in lakhs)**	**No. of shares**	**₹ (in lakhs)**
Balance at the beginning of the year	1,74,00,000	1,740	1,74,00,000	1,740
Add : Shares issue during the year	-	-	-	-
Balance at the end of the year	**1,74,00,000**	**1,740**	**1,74,00,000**	**1,740**

(iii) Rights, preferences and restriction attaching to shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholder in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

(iv) Shares held by the Joint Venturers

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	**₹ (in lakhs)**	**No. of shares**	**₹ (in lakhs)**
Indian Hotels Company Ltd. ("IHCL") (includes 3 (as at March 31, 2019 - 3) equity shares held by IHCL as beneficiary owner *	88,74,000	51%	88,74,000	51%
SATS Ltd. (includes 2 (as at March 31, 2019 - 2) equity shares held by SATS Ltd. as beneficiary owner.	85,26,000	49%	85,26,000	49%

* Out of the above, 7,600,000 and 1,224,000 equity shares of ₹ 10 each fully paid up have been allotted to Indian Hotels Company Ltd. for consideration other than cash during the financial year ended March 31, 2002 and March 31, 2003 respectively.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020
(₹ in lakhs)

NOTE 14 : OTHER EQUITY

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Securities Premium Account		
Balance at the beginning and end of the year	10,388	10,388
General Reserve		
Balance at the beginning and end of the year	1,560	1,560
Retained Earnings		
Balance at the beginning of the year	13,401	12,470
Add: Profits for the year	2,095	1,963
Add: Remeasurement of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings)	(205)	59
Less: Dividends paid	-	(905)
Less: Tax on dividends	-	(186)
Less: Transition Impact on adoption of new standards - Ind AS 116 on 'Leases' (Refer Note 33)	(639)	-
Closing balance at the end of the year	**14,652**	**13,401**
Total Other Equity	**26,600**	**25,349**

The Decription of the nature and purpose of each reserve with equity is as follows:

(a) Securities Premium Account: Securities premium represents the premium charged to the shareholders at the time of issuance of shares. The amount received in excess of face value of the equity shares is recognised in securities premium.

(b) General reserve: General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(c) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

NOTE 15 : OTHER FINANCIAL LIABILITIES

₹ (in Lakhs)

		As at March 31, 2020	As at March 31, 2019
a)	**Other Non Current Financial Liabilities**		
	Deposits from others - Unsecured	175	145
		175	**145**
b)	**Other Current Financial Liabilities**		
	Deposits from others - Unsecured	11	18
	Payable on purchase of property, plant and equipment	110	67
	Employee related liabilities	8	23
	Levy payable to Airport Authority of India	526	768
	Book Overdraft	24	-
	Other Payable -	-	
	Related Parties Payables	**87**	**3**
	Others	-	1
		766	**880**

There is no amount due and outstanding to be credited to Investor Education and protection fund.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020
(₹ in lakhs)

NOTE 16 : PROVISIONS

₹ (in Lakhs)

		As at March 31, 2020	As at March 31, 2019
a)	**Non Current Provision**		
	Employee Benefit Obligation		
	Post-retirement pension (Refer note 31)	4	8
	Compensated absences	807	697
		811	**705**
b)	**Current Provision**		
	Employee Benefit Obligation		
	Compensated absences	97	81
	Gratuity (Refer note 31)	354	45
	Other employee benefits	978	1,689
		1,429	**1,815**

NOTE 17 : DEFERRED TAX LIABILITIES (NET)

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities:		
Property, Plant and equipment & Intangible Assets	2,494	3,487
Total (A)	**2,494**	**3,487**
Deferred Tax Assets:		
Provision for Employee Benefits	228	464
Provision for doubtful debts	51	1,056
Transition Impact on adoption of new standards - Ind AS 116 on 'Leases' (Refer Note 33)	215	-
Total (B)	**494**	**1,520**
Net Deferred Tax Liabilities (A-B)	**2,000**	**1,967**

NOTE 18 : TRADE PAYABLES

₹ (in Lakhs)

		As at March 31, 2020	As at March 31, 2019
(i)	total outstanding dues of micro enterprises and small enterprises	201	34
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	3,484	3,665
		3,685	**3,699**

Footnotes:

(i) The amount due to Micro Enterprise and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been noted upon by the auditors.

(ii) The disclosures relating to Micro Enterprises and Small Enterprises are as under:

(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	198	-
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	3	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

NOTE 19 : OTHER CURRENT LIABILITIES

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
* Advances from customers	233	79
Statutory dues	179	242
	412	**321**

* Refer note no. 32 for disclosure in relation to Ind AS 115- "Revenue from contracts with customers".

NOTE 20 : REVENUE FROM OPERATIONS

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Sale of Food and beverages	27,619	31,988
Revenue from Air Catering and Allied Services	7,433	7,632
Management and operating fees	28	45
Service Export India Scheme Income	79	65
Other Operating Revenue	1,296	1,139
Total	**36,455**	**40,869**

NOTE 21 : OTHER INCOME

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Interest Income on:		
- Inter-corporate deposits	96	124
- Deposits with banks	19	9
- Others	19	17
	134	**150**
Interest on Income Tax Refunds	-	34
Dividend Income from Current Investments	148	339
Profit on disposal of property, plant and equipment (net)	5	-
Net gain on Sale of Investments	22	-
Other Non Operating Income	157	391
Total	**466**	**914**

NOTE 22 : OTHER INCOME

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Opening Stock	233	257
Add : Purchases	10,708	12,095
	10,941	**12,352**
Less : Closing Stock	301	233
Food and Beverages Consumed	**10,640**	**12,119**

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(₹ in lakhs)

NOTE 23 : EMPLOYEE BENEFIT EXPENSE AND PAYMENT TO CONTRACTORS

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Salaries, Wages, Bonus etc.	8,474	7,914
Company's Contribution to Provident and Other Funds (Refer note (i))	609	574
Reimbursement of Expenses on Personnel Deputed to the Company	282	115
Payment to Contractors	2,498	3,565
Staff Welfare Expenses	1,098	1,349
	12,961	**13,517**

(i) The Company has recognised the following amounts under the head “Company’s Contribution to Provident Fund and Other Funds”

₹ (in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Provident Fund:		
- To Regional Provident Fund (RPF)	30	29
- To Indian Hotels Company Limited Employee Provident Fund Trust	163	150
Gratuity Fund	165	160
Company's Contribution to Employee Pension Scheme	234	195
Employee Deposit Linked Insurance	9	8
Superannuation Fund	8	32
Total	**609**	**574**

(ii) Consequent to the acquisition of the Air Catering business from IHCL and its affiliates, the employees attached to the respective Air Catering Divisions of IHCL were transferred to the Company. Since a formal approval to establish the Provident Fund trust for Mumbai, Delhi and Amritsar location is still awaited from the PF Commissioner, the Fund continues to be administered by IHCL. Provident Fund for other locations i.e. Kolkata, Bangalore and Goa are administered by the respective Regional Provident Fund Commissioner “RPFC”.

NOTE 24 : FINANCE COST

₹ (in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Finance costs consist of the following:		
Interest on lease liabilities	113	-
Other interest costs	5	6
	118	**6**

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

NOTE 25 : OTHER OPERATING AND GENERAL EXPENSES

₹ (in Lakhs)

		As at March 31, 2020	As at March 31, 2019
(i)	**Operating expenses consist of the following :**		
	Catering Supplies	1,109	1,547
	Other Supplies	400	373
	Fuel, Power and Light	2,636	3,134
	Repairs to Buildings	215	290
	Repairs to Machinery	295	308
	Repairs to Others	330	314
	Linen and Uniform Washing and Laundry Expenses	196	179
	Travel Agents' Commission	77	60
	Other Operating Expenses	1,332	1,453
		6,590	**7,658**
(ii)	**General expenses consist of the following :**		
	Rent	11	270
	License Fees	34	31
	Rates and Taxes	327	324
	Insurance	166	159
	Advertising and Publicity	21	69
	Printing and Stationery	119	130
	Passage and Travelling	100	177
	Provision for Doubtful Debts	910	2,604
	Doubtful Advances written off	6	-
	Expenditure on Corporate Social Responsibility (Refer Footnote (ii))	73	47
	Professional Fees	821	518
	Outsourced Support Services	7	11
	Loss on sale of property, plant and equipment (net)	-	8
	Payment made to Statutory Auditors (Refer Footnote (i))	64	44
	Directors' Fees and Commission	16	3
	Operating / Management Fees Paid	43	43
	Other Expenses	511	326
		3,229	**4,765**
	Total	**9,819**	**12,423**

Footnotes:

(i)	Payment made to Statutory Auditors:		
	As statutory auditors	53	38
	As tax auditors	8	4
	Reimbursement of out of pocket expenses	3	2
		64	**44**

(ii) During the year the Company has incurred ₹ 73 lakhs (March 31,2019 : ₹ 47 Lakhs) towards Corporate Social Responsibility expenditure. (Refer Note 39)

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

NOTE 26 : ESTIMATION UNCERTAINTY RELATING TO THE GLOBAL HEALTH PANDEMIC ON COVID-19

On March 11, 2020 the World Health Organization declared Coronavirus (COVID-19) outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020 and extended up to June 30, 2020 in some states. In particular, all airlines, road and railway travel were suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sport facilities& retail outlets etc. were closed, except for a few essentials services/supplies like grocery stores, pharmacies, etc.

The company's business continues to be impacted due to lockdown on account of COVID-19. The Company is currently operating a few locations for supplying lunch / dinner meals to doctors and other healthcare professionals engaged in COVID work and migrant labourers. Lately domestic airlines have resumed restricted operations with limited offtake of food & beverage supplies. The Company expects all the locations to become operational in a staggered manner after the lockdown is lifted and airlines resume normal operations. Given the above, revenues are expected to be softer in the initial phase of the lockdown mainly due to reduced business and leisure travel.

The Company is taking all necessary measures to contain costs, rationalise resources and taking initiatives to uplift revenue including holding back on discretionary spends.

The Company has assessed potential impact of COVID-19 on the carrying value of property, plant & equipment, trade receivable, investments, inventories and other assets appearing in the standalone financial statements of the Company. In developing assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these standalone financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the pandemic may be different from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions. The Company enjoys a comfortable net worth position as on the reporting date and this will allow the Company to secure adequate debt financing which will provide the necessary liquidity to see the Company through this difficult period. The Company enjoys the backing of two established groups like The Indian Hotels Company Limited (IHCL) and SATS Ltd. who are also its shareholders.

NOTE 27 : GOING CONCERN:

The Company faces significant economic uncertainties due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards. Management has assessed the impact of existing and anticipated effects of COVD-19 on the future cash-flow projections and has prepared a range of scenarios to estimate financing requirements. Subsequent to the reporting date, management has commenced the process to secure additional financing to fulfil its long-term/ working capital requirements. Based on the above, the standalone financial statements of the Company for the year ended 31 March 2020 have been prepared on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

NOTE 28 : CONTINGENT LIABILITIES:

The Company is involved in the following appellate, judicial and arbitration proceeding matters arising in the course of conduct of the Company's businesses. In few of the proceedings in respect of matters under litigation are in early stages, and in other cases, the claims are indeterminate.

(a) On account of matters in dispute:

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, etc. which are in dispute, are as under:

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(₹ in lakhs)

₹ (in Lakhs)

Nature of tax	Amounts claimed			
	Taxes	Interest and penalty	Total	Paid under protest
Service tax				
March 31, 2020	1,251	-	1,251	66
March 31, 2019	873	-	873	66
Sales tax and State value added taxes				
March 31, 2020	124	84	218	16
March 31, 2019	230	155	385	21
Profession Tax				
March 31, 2020	4	2	6	2
March 31, 2019	4	2	6	2

(b) Others:

1. The license fees for permission for water pipeline over the land belonging to Mumbai International Airport Private Limited has been enhanced by ₹ 9 Lakhs (As at March 31, 2019: ₹ 9 Lakhs) during the financial year 2008-09 which has been contested by the Company.

2. Management is generally unable to reasonably estimate a range of possible loss for proceedings related to labour disputes, including where:

   (i) plaintiffs/parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

   (ii) the proceedings are in early stages;

   (iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

   (iv) there are significant factual issues to be resolved; and/or

   (v) There are novel legal issues presented.

   However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

NOTE 29 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 191 Lakhs (Previous year – ₹ 682 Lakhs).

NOTE 30 : ACQUISITION OF TAJ MADRAS FLIGHT KITCHEN PRIVATE LIMITED

On 30th September 2019, the Company acquired 100% of 1,58,88,165 fully paid up equity shares of Taj Madras Flight Kitchen Private Limited of the face value of ₹ 10 each at a price of ₹ 37.50 per share as determined by an independent valuer.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

NOTE 31 : EMPLOYEE BENEFITS

(a) The Company has recognised the following expenses as under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries):

₹ (in Lakhs)

	March 31, 2020	March 31, 2019
Provident Fund	192	179
Gratuity Fund	165	160
Company's contribution to Pension Scheme	234	195
Employee Deposit Linked Insurance	9	8
Superannuation Fund	9	32
Total	**609**	**574**

(b) In light of the Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability from the date of judgement.

(c) The Company operates post retirement defined benefit plans as follows: -

Funded:

i. Post Retirement Gratuity

ii. Provident fund – managed through The Indian Hotels Company Limited Employee Provident Fund Trust.

Unfunded:

i. Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is unfunded.

(d) The above defined benefit plans typically expose the Company to actuarial risks such as: investment risks, interest rate, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan asset should be invested in equity securities to leverage the return generated by the Fund.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will partially offset by an increase in the return on the plan's debt investments
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(e) Pension Scheme for Employees:

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(₹ in lakhs)

(f) Provident Fund:

The Provident fund for Mumbai and Delhi units are administered by a separate independent Trust (Indian Hotels Company Limited Employee Provident Fund Trust). These trusts maintain their assets at the group level and do not have assets identifiable specifically for the Company. Other locations i.e. Kolkata, Bangalore and Goa contribute to respective regional provident funds.

The Company contributed ₹ 163 lakhs (previous year ₹ 150 lakhs) towards the above trust and has been recognised in the statement of profit and loss.

(g) Defined Benefit Plans – As per Actuarial Valuation:

(i) Amount to be recognized in Balance Sheet and movement in net liability

₹ (in Lakhs)

	Gratuity Funded	Pension Unfunded
Present Value of Funded Obligations		
31st March 2020	3,743	-
31st March 2019	3,246	-
Present Value of Unfunded Obligations		
31st March 2020	-	4
31st March 2019	-	8
Fair Value of Plan Assets		
31st March 2020	3,389	-
31st March 2019	3,201	-
Net (Asset) / Liability		
31st March 2020	354	4
31st March 2019	45	8

(ii) Expenses recognized in the Statement of Profit & Loss

₹ (in Lakhs)

	Gratuity Funded	Pension Unfunded
Present Value of Funded Obligations		
Current Service Cost		
Year Ended 31st March 2020	169	-
Year Ended 31st March 2019	167	1
Interest Cost		
Year Ended 31st March 2020	(4)	1
Year Ended 31st March 2019	(7)	1
Total Expense		
Year Ended 31st March 2020	165	1
Year Ended 31st March 2019	160	2

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

(iii) Reconciliation of Defined Benefit Obligation

₹ (in Lakhs)

	Gratuity Funded	Pension Unfunded
Opening Defined Benefit Obligation		
31st March 2020	3,246	8
31st March 2019	3,295	26
Current Service Cost		
31st March 2020	169	-
31st March 2019	167	1
Interest Cost		
31st March 2020	234	1
31st March 2019	231	1
Actuarial loss / (gain)		
31st March 2020	266	3
31st March 2019	(96)	-
Benefits Paid		
31st March 2020	(172)	(7)
31st March 2019	(352)	(20)
Closing Defined Benefit Obligation		
31st March 2020	3,743	4
31st March 2019	3,246	8

(iv) Reconciliation of Fair Value of Plan Assets

₹ (in Lakhs)

	Gratuity Funded	Pension Unfunded
Opening Fair Value of Plan Assets		
31st March 2020	3,201	-
31st March 2019	3,242	-
Interest on Plan Assets		
31st March 2020	239	-
31st March 2019	239	-
Actual return on Plan Assets less Interest on Plan Assets		
31st March 2020	63	-
31st March 2019	(5)	-
Contribution by Employer		
31st March 2020	59	7
31st March 2019	77	20
Benefits Paid		
31st March 2020	(172)	(7)
31st March 2019	(353)	(20)
Closing Fair Value of Plan Assets		
31st March 2020	3,389	-
31st March 2019	3,201	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

(v) Description of Plan Assets (Managed by an Insurance Company)

	Gratuity – Funded		Pension – Unfunded	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Government of India Securities	33%	33%	-	-
Corporate Bonds	24%	54%	-	-
Equity	29%	0%	-	-
Money Market & Others	13%	13%	-	-
Grand Total	**100%**	**100%**	**-**	**-**

(vi) Actuarial Assumptions

	Gratuity – Funded		Pension – Unfunded	
Particulars	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Discount rate (p.a.)	6.65%	7.55%	6.65%	7.55%
Salary Escalation Rate (p.a.)	5.00%	5.00%	5.00%	5.00%
Employee Turnover	21-30 years -5% p.a	21-30 years -5% p.a.	21-30 years -5% p.a.	21-30 years -5% p.a.
	31-59 years – 1% p.a.	31-59 years – 1% p.a.	31-59 years – 1% p.a.	31-59 years – 1% p.a.
Mortality table*				
Mortality in service	Table 1	Table 1	Table 1	Table 1
Mortality in retirement	Table 2	Table 2	Table 2	Table 1

*Table 1 – Indian Assured Lives mortality (2012-14) Ult table

Table 2 – UK published S1PA Mortality rate

(vii) Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	Year ended March 31, 2020	
Particulars	**Discount Rate**	**Salary Escalation Rate**
Impact of increase in 50 bps on DBO	(3,598)	3,900
Impact of decrease in 50 bps on DBO	3,898	(3,595)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(viii) Amount recorded in Other Comprehensive Income

₹ (in Lakhs)

Particulars	**Year Ended March 31, 2020**	**Year Ended March 31, 2019**
Remeasurements during the period due to		
Change in financial assumptions	225	13
Change in demographic assumptions	-	(1)
Experience adjustments	13	(108)
Experience adjustments on plan assets	(63)	5
Total	**205**	**(91)**

Footnote:

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

NOTE 32 : IND AS 115 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and Loss

Revenue from operations

₹ (in Lakhs)

Revenue from contract with customers	March 31, 2020	March 31, 2019
(a) Sale of food and beverages	27,619	31,988
(b) Revenue from Air catering and Allied services	7,433	7,632
(c) Management and operating fee	28	45
(d) Other Operating Income	1,375	1,204
Total Revenue from operations	**36,455**	**40,869**

Revenue based on products and services:

₹ (in Lakhs)

Revenue from contract with customers	March 31, 2020	March 31, 2019
Sale of food and beverages	27,619	31,988
Income from handling services	3,697	3,885
Income from hi-loader service	2,637	2,847
Income from laundry services	618	526
Income from bonded warehouse	406	343
Income from Miscellaneous services	75	31
Management and operating fee	28	45
Other Operating Income	1,375	1,204
Total Revenue	**36,455**	**40,869**

Contract Balances

Contract liability

The contract liability relates to the advance consideration received from customers before the related performance obligation is satisfied. Revenue is recognized once the performance obligation is over/ services delivered.

The related disclosures are as under:

₹ (in Lakhs)

	March 31, 2020	March 31, 2019
Advances collected from the customers *	233	79

* Considering the nature of the business, the advance collected are generally materialized as revenue within the same operating cycle.

NOTE 33 : LEASES

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 retrospectively with the cumulative effect of being recognised on the date of initial application to the opening balance of retained earnings.

Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Standalone Financial statements for year ended March 31, 2019.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(₹ in lakhs)

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 442 lakhs and a lease liability of ₹ 1,424 lakhs. The cumulative effect of applying the standard, amounting to ₹ 639 lakhs was debited to retained earnings (net of taxes and other adjustments). Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Consequent to the application of this standard, lease cost for the year was higher by ₹ 313 lakhs, depreciation and interest is lower by ₹72 lakhs and ₹ 113 lakhs respectively and Profit before taxes is higher by ₹ 128 lakhs.

The following is the summary of practical expedients elected on initial application:

Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.35 %

NOTE 34 : RELATED PARTY DISCLOSURES:

(a) The names of related parties of the Company are as under:

i. Entities having joint control

Name of the Company	Country of Incorporation
The Indian Hotels Company Limited (IHCL)	India
SATS Ltd.	Singapore

ii. Entity in which control is held

Name of the Company	% Holding
Taj Madras Flight Kitchen Private Limited (w.e.f. 1 October 2019)	100%

iii. Key management Personnel

Particulars	Relation
Sudeep Pal	Chief Financial Officer & Manager
Neha Khanna	Company Secretary

iv. Subsidiaries of Entities having joint control

Name of the Company	Country of Incorporation
Domestic	
United Hotels Ltd.	India
Roots Corporation Ltd.	India
Taj Trade and Transport Co Ltd.	India
Benares Hotels Ltd.	India
Piem Hotels Ltd.	India

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(₹ in lakhs)

v. Entities where Directors have control /significant influence

Particulars	Place of Incorporation
SATS (India) Co. Pvt Ltd.	India

vi. Post-employment benefit plans:

Taj SATS Air Catering Limited Staff Gratuity Trust

Taj SATS Air Catering Limited Superannuation Scheme

The Indian Hotels Company Limited Employee Provident Fund Trust

(b) Details of related party transactions during the year ended March 31, 2020 and outstanding balances as at March 31, 2020:

Particulars	Ventures (IHCL and SATS Ltd.)	Subsidiaries (TMFK)	Key Management Personnel	Others (IHCL Subsidiaries)	Entities influenced by Directors	Post Retirement benefit plans
Operating fee income	-	22	-	-	-	-
	-	45	-	-	-	-
Management and operating fee expense	43	-	-	-	-	-
	43	-	-	-	-	-
Purchase of goods	-	-	-	-	-	-
	-	-	-	-	-	-
Sale of goods	7	*-	-	5	-	-
	6	*-	-	6	-	-
Purchase of services	77	1	-	1	-	-
	32	4	-	-	4	-
Deputed Staff cost	117	34	-	-	130	-
	111	34	-	-	-	-
Sale of services	123	12	-	4	-	-
	1	2	-	-	2	-
Deputed staff reimbursement and recovery of expenses	141	33	-	-	-	-
	99	-	-	-	-	-
Interest Received	-		-	95	-	-
	-	-	-	124	-	-
Deposit Placed	-	-	-	-	-	-
	-	-	-	1,225	-	-
Contributions to funds	-	-	-	-	-	336
	-	-	-	-	-	342
Remuneration Paid (See Footnote i)	-	-	95	-	-	-
	-	-	121	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

The details of amounts due to or from related parties as at March 31, 2020 and March 31, 2010 are as follows:
Balance outstanding at the end of the year

Particulars	Ventures (IHCL and SATS Ltd.)	Subsidiaries (TMFK)	Key Management Personnel	Others (IHCL Subsidiaries)	Entities influenced by Directors	Post Retirement benefit plans
Trade Payables						
31st March 2020	48	*-	-	1	39	-
31st March 2019	2	-	-	1	-	-
Trade Receivables					-	
31st March 2020	145	55	-	2	-	-
31st March 2019	100	1	-	-	-	-
Deposits Receivable						
31st March 2020	-	-	-	-	-	-
31st March 2019	-	-	-	1,225	-	-
Interest Receivable						
31st March 2020	-	-	-	-	-	-
31st March 2019	-	-	-	19	-	-

Remuneration paid to Key Management Personnel

₹ (in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Sudeep Pal	80	71
Sanjeev Gujral	*-	37
Neha Khanna	15	13
Total	**95**	**121**

Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole and long term incentive.

*Sanjeev Gujral- Manager (Up to August 31, 2018)

(c) Statement of Material Transactions

₹ (in Lakhs)

Name of the Company	The Indian Hotels Company Ltd.	SATS Ltd.	Taj Madras Kitchen Private Ltd.	Post- retirement benefit plan	Roots Corporation Ltd.
Sale of goods	7	-	*-	-	-
	6	-	*-	-	-
Purchase of services	77	-	-	-	1
	32	-	*4*	-	*1*
Deputed Staff cost	117	8	34	-	-
	111	-	*34*	-	-
Sale of services	123	-	12	-	*-
	1	-	*2*	-	-
Deputed staff reimbursement and recovery of expenses	-	133	33	-	-
	-	*99*	-	-	-
Interest on Inter Corporate Deposit received	-	-	-	-	-
	-	-	-	-	*56*
Operating fees received/accrued	-	-	22	-	-
	-	-	*45*	-	-
Management and operating fee expense	43				
	43	-	-	-	-
Contribution to Funds	-	-	-	*336*	-
	-	-	-	342	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

Name of the Company	Piem Hotels Ltd.	Benaras Hotels Ltd	Taida Trading & Industries	United Hotels Ltd.	SATS (India) Co. Private Ltd.
Sale of goods	-	-	-	5	-
	-	1	-	5	-
Board Report	*-	-	-	-	-
	1	-	-	-	-
Deputed Staff cost	8	-	-	-	130
	-	-	-	-	-
Sale of services	4	-	-	-	-
	-	-	-	-	-
Interest on ICD received	94	-	1	-	-
received	45	22	-	-	-
Deposits Placed	-	-	-	-	-
	1200	-	*25*	-	-

Figures in Italic relate to previous year

*represents amount less than ₹ 50,000.

NOTE 35 : TAX DISCLOSURES

i. Income tax recognised in Statement of Profit and Loss:

₹ (in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax Expense		
For the year	517	1,557
In respect of earlier years#	912	-
	(395)	**1,557**
Deferred tax expense		
For the year	173	(898)
Adjustment to deferred tax attributable to changes in tax rates and laws*	(454)	-
In respect of earlier years	656	-
	375	**(898)**
Net Income tax expense recognised in the Statement of Profit and Loss	(20)	659
Income tax recognised in OCI		
Deferred tax expense	-	-
Deferred tax expense on measurements of defined benefit plans	-	(32)
Net Income tax expense recognised in OCI	**-**	**(32)**

#Tax in respect of earlier years is on account of reversal of tax expense on provision for doubtful debts created during the FY 2018-19 which was subsequently claimed as a deduction at the time of filing of income tax return.. However, there is no impact of the same in the statement of profit and loss for FY 2019-20, since such writeback for Provision of tax is offset by reversal of Deferred Tax Asset by an equivalent amount.

*The Company have elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company have recognised provision for income tax for the year ended 31st March 2020 and re-measured its deferred tax balances basis the rate prescribed in the said Section. The full impact of this change has been recognised in the statement of profit and loss account for the year ended 31st March 2020.

The Company has reviewed its income tax treatments in order to determine whether Appendix C of Ind AS 12 effective from April 1, 2019 could have an impact on the financial statements and concluded that it has no material impact on the Company's financial statements.

As a practice, where the interpretation of income tax law is not clear, management relies on the some or all of the following factors to determine the probability of its acceptance by the tax authority:

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

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(₹ in lakhs)

- Strength of technical and judicial argument and clarity of the legislation;
- Past experience related to similar tax treatments in its own case;
- Legal and professional advice or case law related to other entities.

After analysing above factors for each of such uncertain tax treatments, where the Company expects that the probability to sustain its position on ultimate resolution of such uncertain tax treatment is remote, the Company ensures that such uncertain tax positions are adequately provided for in the Company's financial Statements.

ii. The income tax expenses for the year reconciled to the accounting profit:

₹ (in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax from continuing operations:	2,075	2,622
Income tax expenses calculated at 25.168 % (previous year 34.944%)	522	916
Effect of depreciation expense not deductible in determining taxable profit	(12)	(19)
Effect of Corporate Social Responsibility expense not deductible in determining taxable profit	9	8
Effect of Dividend Income that is exempt from taxation	(37)	(118)
Effect of expenses that are not deductible in determining taxable profit	208	-
Effect on deferred tax balances due to the change in income tax rate from 34.944% to 25.168% (effective from 01 April 2019)	(454)	-
Others	(1)	(128)
	235	**659**
Tax relating to previous year	(255)	-
Net Income tax expense recognised in the Statement of Profit and Loss	**(20)**	**659**

iii. Analysis of deferred tax assets/liabilities presented in the balance sheet

a. Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

Particulars	Opening balance as at 1st April,2019	Adjustment on account of IND AS 116	Recognised in profit or loss	Closing balance as at March 31,2020
Property, plant and equipment and intangible assets	3,487	-	(993)	2,494
Provision for employee benefits	(464)	-	236	(228)
Provision for doubtful debts	(1,056)	-	1,005	(51)
Transition Impact on adoption of new standards - Ind AS 116 on 'Leases' (Refer Note 33)	-	(342)	127	(215)
Net Deferred Tax Liabilities	**1,967**	**(342)**	**375**	**2,000**

b. Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

Particulars	Opening balance as at 1st April,2019	Adjustment on account of IND AS 116	Recognised in profit or loss	Closing balance as at March 31,2020
Property, plant and equipment and intangible assets	3,321	-	166	3,487
Provision for employee benefits	(333)	-	(131)	(464)
Provision for doubtful debts	(154)	-	(902)	(1,056)
Others	-	-	-	-
Net Deferred Tax Liabilities	**2,834**	**-**	**(867)**	**1,967**

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

NOTE : 36 SEGMENT INFORMATION:

The Company is engaged in the business of airline and allied catering only. These, in the context of Indian Accounting Standard 108 (Ind AS 108) on segment reporting are considered to constitute single operating segment. The Company has its entire operations in India and hence entire revenue is generated in India, all the services are rendered to the customers in India and there are no assets which are situated outside India.

As the Company is engaged in a single operating segment, segment information is tabulated below:

Revenue from major products and services

The following is an analysis of the Company's revenue from operations from its major products and services.

₹ (in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of food and beverages	27,619	31,988
Handling services	3,697	3,885
Hi-Lift services	2,637	2,847
Total	**33,953**	**38,720**

Information about major customers

Included in revenue arising from operations of ₹ 36,455 Lakhs (2018-19: ₹40,869 Lakhs) (see note 20) are revenues of approximately ₹12,466 Lakhs (2018-19:₹14,777 Lakhs) which arose from sales to Company's two largest customers that contributes greater than 10% of the revenues during the year. No other single customers contributed 10% or more to the Company's revenue for the year ended 31st March 2020 and 31st March 2019.

NOTE : 37 EARNINGS PER SHARE (EPS):

Earnings Per Share is calculated in accordance with Indian Accounting Standard 33 – 'Earnings Per Share'

Particulars	March 31, 2020	March 31, 2019
Profit after tax (₹ Lakhs)	2,095	1,963
Weighted Average Number of Ordinary Shares:		
Considered in calculation of Basic EPS	17,400,000	17,400,000
Considered in calculation of Diluted EPS	17,400,000	17,400,000
Face Value per Ordinary Share (₹)	10	10
Earnings Per Share (₹):		
Basic and Diluted	12.04	11.28

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(₹ in lakhs)

NOTE : 38 FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

Fair Value Measurement:

₹ (in Lakhs)

March 31, 2020	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	26	26
Bank balance other than cash and cash equivalents	-	104	104
Investments	4,176	-	4,176
Loans	-	-	-
Trade Receivables	-	6,831	6,831
Other financial assets*	-	675	675
Total	**4,176**	**7,636**	**11,812**
Financial liabilities:			
Lease Liabilities	-	1227	1227
Trade Payables	-	3,685	3,685
Borrowings	-	586	586
Other financial liabilities	-	941	941
Total	**-**	**6,439**	**6,439**

₹ (in Lakhs)

March 31, 2019	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	526	526
Other balance with banks	-	104	104
Investments	7,766	-	7,766
Loans	-	1,225	1,225
Trade Receivable	-	6,791	6,791
Other financial assets	-	1,173	1,173
Total	**7,766**	**9,819**	**17,585**
Financial liabilities:			
Trade Payables	-	3,699	3,699
Borrowings	-	72	72
Other financial liabilities	-	1,025	1,025
Total	**-**	**4,796**	**4,796**

Footnote:

The above excludes investments in subsidiaries amounting to ₹ 5,958 lakhs.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes mutual funds that have quoted price/ declared NAV.

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(₹ in lakhs)

- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

₹ (in Lakhs)

As of March 31, 2020:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	4,176	-	-	**4,176**
Total	**4,176**	**-**	**-**	**4,176**
As of March 31, 2019:	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Mutual fund units	7,766	-	-	7,766
Total	**7,766**	**-**	**-**	**7,766**

i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

ii) The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(b) Financial risk management:

The Company has exposure to the following risk arising from financial instruments:

i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

a. Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. However, Company does not have any exposure in foreign currency and hence it is not exposed to foreign currency exchange rate risk.

b. Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company does not have any long term borrowings at variable interest rates and hence is not exposed to interest rate risk.

ii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)
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(₹ in lakhs)

and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits, loans and other financial assets. Intercorporate deposits are placed with Roots Corporation limited, subsidiary of Indian Hotels Ltd (The Controlling entity). None of the other financial instruments of the Group result in material concentration of credit risk.

(c) Capital Management:

The Company's objective for capital management is to maximise shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and borrowings – long-term and short-term.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹17,770/- Lakhs and ₹17,585/- Lakhs as of March 31, 2020 and March 31, 2019 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments.

Taj SATS's exposure to customers is diversified and customers contributing to more than 10% of outstanding accounts receivable and unbilled revenue are as given below.

₹ (in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Customer count	1	1
Amount receivable	1,825	2,127

There is no other customer single customer contributing to more than 10% of the accounts receivable and unbilled revenue.

(d) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

All the financial liabilities of the Company will mature within one year from the date of the standalone financial statements and the Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Company does not breach borrowing limits. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial ratio targets.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ in lakhs)

(e) Fair value of financial assets and liabilities that are measured at amortised cost

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2020.

₹ (in Lakhs)

Financial assets	Total carrying value	Total Fair value
Trade receivables	6,831	6,831
Bank balance other than cash and cash equivalents	104	104
Cash and Cash Equivalents	26	26
Other financial assets:		
- current	95	95
- non-current	580	580
Total	**7,636**	**7,636**

₹ (in Lakhs)

Financial liabilities	Total carrying value	Total Fair value
Lease liabilities:		
- current	251	251
- non-current	976	976
Borrowings	586	586
Trade Payables	3,685	3,685
Other financial liabilities:		
- current	766	766
- non-current	175	175
Total	**6,439**	**6,439**

As at 31st March, 2019

₹ (in Lakhs)

Financial assets	Total carrying value	Total Fair value
Trade receivables	6,791	6,791
Bank balance other than cash and cash equivalents	104	104
Loans	1,225	1,225
Cash and Cash Equivalents	526	526
Other financial assets:		
- current	633	633
- non-current	540	540
Total	**9,819**	**9,819**

₹ (in Lakhs)

Financial assets	Total carrying value	Total Fair value
Borrowings	72	72
Trade payables	3,699	3,699
Other financial liabilities:		
- current	880	880
- non-current	145	145
Total	**4,796**	**4,796**

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020
(₹ in lakhs)

NOTE : 39 EARNINGS IN FOREIGN EXCHANGE:

₹ (in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Earnings in Foreign Exchange:	10,434	10,374
(On accrual basis)		

Earnings in foreign exchange represent amounts received/receivable by the Company from International Airlines, charters, diplomatic missions etc. in Indian Rupees out of their repatriable funds and include settlements made in foreign currency by the customers.

NOTE : 40 CORPORATE SOCIAL RESPONSIBILITY:

As required by Section 135 of Companies Act 2013, and rules therein, the Company has spent the following amount during the year towards Corporate Social Responsibility (CSR) for activities listed under Section VII of the Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year 2019-20 ₹ 73 Lakhs (Previous year ₹ 47 Lakhs).

b) Amount spent during the year on:

₹ (in Lakhs)

Particulars	March 31, 2020	March 31, 2019
(i) Construction/ acquisition of any asset	-	-
(ii) On purpose other than (i) above	73	47

NOTE : 41 OVERDRAFT BALANCE

Overdraft in current account carries interest rate in the range of 9.5% p.a. -10.85% p.a. as at March 31, 2020.

NOTE : 42 OTHER INFORMATION:

Information with regard to other matters, as required by Schedule III to the Act is either NIL or not applicable to the Company for the year.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No: 119057
ICAI UDIN:20119057AAAAAK1734

Place : Mumbai
Date : June 3, 2020

For and on behalf of the Board
Taj SATS Air Catering Limited
CIN: U55204MH2001PLC133177

Puneet Chhatwal
Chairman
DIN : 07624616

Mehernosh Kapadia
Vice Chairman
DIN : 00050530

Giridhar Sanjeevi
Director
DIN : 06648008

Sudeep Pal
Chief Financial Officer
DIN : 02937626

Neha Khanna
Company Secretary
Membership No: ACS29345

INDEPENDENT AUDITOR'S REPORT

To the Members of Taj Madras Flight Kitchen Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Taj Madras Flight Kitchen Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 Companies Act, 2013 ("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 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows 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 Act. Our responsibilities under those SAs 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditors' 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

(A) As required by Section 143(3) of the Act, we report that:

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

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

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 33 to the financial statements;

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;

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, no remuneration is paid by the company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

R Kalyana Sundara Rajan
Partner
Membership No: 221822
ICAI UDIN : 20221822AAAAAF8577
Place: Chennai
Date: 28 May 2020

Annexure A to the Independent Auditors' Report to the Members of Taj Madras Flight Kitchen Private Limited for the year ended 31 March 2020

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified over a period of two years. In accordance with this programme, all the fixed assets were verified during the previous year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the immovable properties on leased land are disclosed under property, plant and equipment in the financial statements. The arrangements in respect of the aforesaid lease land are in the name of the Company, where the Company is lessee in the agreement.

(ii) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) The Company does not have any loan, investments, guarantees and security which requires compliance under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted deposits from the public during the year. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for sale of goods and the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales-tax, service tax, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and any other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues set out in Appendix 1 in respect of income-tax, duty of excise, service tax and value added tax have not been deposited with the appropriate authorities on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings to any financial institution, banks, government or debenture holders during the year.

Annexure A to the Independent Auditors' Report to the Members of Taj Madras Flight Kitchen Private Limited for the year ended 31 March 2020 (Contd.)

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

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

(xi) The Company has not paid or provided for any managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, we were given to understand that there are no transactions that require approvals in accordance with section 188 of the Act. Related party transactions as required by the relevant accounting standards has been disclosed in the financial statements. The provisions of Section 177 of the Act are not applicable to the Company.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

R Kalyana Sundara Rajan
Partner
Membership No: 221822
ICAI UDIN : 20221822AAAAAF8577
Place: Chennai
Date: 28 May 2020

Appendix 1 to the Independent Auditors' Report to the Members of Taj Madras Flight Kitchen Private Limited for the year ended 31 March 2020

The following dues have not been deposited by the Company on account of disputes:

Nature of statute	Nature of dues	Disputed but not deposited (in INR lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty, penalty and interest	61.91	2003-04 to 2008-09	Custom Excise and Service tax Appellate Tribunal (CESTAT)
Tamil Nadu Value Added Tax Act, 2006	Value added tax	230.81	2010-11 to 2011-12	Appellate Deputy Commissioner (CT)
Finance Act, 1994	Service tax	74.26	2004-05 to 2012-13	Custom Excise and Service tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Service tax*	6.50	2015 to 2017	Commissioner Appeal
Income Tax Act, 1961	Income tax	3.67	2005-06	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income tax	30.60	2006-07	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income tax	32.21	2009-10	Assistant Commissioner of Income Tax

* The Company has applied for Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019. Accordingly, an amount of INR 2.83 lakhs has been remitted to the authorities. The Company is awaiting final order as at the balance sheet date

Annexure B to the Independent Auditors' Report to the members of Taj Madras Flight Kitchen Private Limited for the year ended 31 March 2020

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

Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to financial statements of **Taj Madras Flight Kitchen Private Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Annexure B to the Independent Auditors' Report to the members of Taj Madras Flight Kitchen Private Limited for the year ended 31 March 2020 (Contd.)

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with Reference to Financial Statements

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

for B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

R Kalyana Sundara Rajan
Partner
Membership No: 221822
ICAI UDIN : 20221822AAAAAF8577
Place: Chennai
Date: 28 May 2020

BALANCE SHEET AS AT MARCH 31 2020

(All amounts are in lakhs of INR, except share data and as stated)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,149.88	1,049.05
Capital work-in-progress	6	5.14	6.03
Intangible assets	7	38.15	10.71
Financial assets			
Investments	8	0.20	0.20
Loans	9 a	17.72	2.06
Other financial assets	10 a	187.14	179.20
Deferred tax assets (net)	32 d	228.81	193.72
Other tax assets (net)	11	431.16	444.50
Other non-current assets	12 a	316.13	474.59
Total non-current assets		**2,374.33**	**2,360.06**
Current assets			
Inventories	13	25.36	22.14
Financial assets			
Investments	8 b	2,452.92	2,034.30
Trade receivables	14	1,084.45	985.29
Cash and cash equivalents	15	192.56	229.38
Bank balances other than those mentioned in cash and cash equivalents	16	265.61	264.46
Loans	9 b	14.29	1.48
Other financial assets	10 b	11.54	24.73
Other current assets	12 b	38.33	51.78
Total current assets		**4,085.06**	**3,613.56**
Total assets		**6,459.39**	**5,973.62**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,588.82	1,588.82
Other equity	18		
General reserves		387.05	387.05
Retained earnings		3,064.66	2,844.11
Total equity		**5,040.53**	**4,819.98**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	39	63.79	-
Provisions	24	363.57	303.05
Total non-current liabilities		**427.36**	**303.05**
Current liabilities			
Financial liabilities			
Lease liabilities	39	10.22	-
Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		74.10	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		482.46	455.20
Other financial liabilities	21	89.98	64.68
Other tax liabilities (net)	22	78.50	75.27
Other current liabilities	23	37.69	58.13
Provisions	24	218.55	197.31
Total current liabilities		**991.50**	**850.59**
Total liabilities		**1,418.86**	**1,153.64**
Total equity and liabilities		**6,459.39**	**5,973.62**
Significant accounting policies	3		

The notes referred to above form an integral part of financial statements.

In terms of our report of even date
for B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

R Kalyana Sundara Rajan
Partner
Membership No. 221822

Place: Chennai
Date: 28 May 2020

for and on behalf of the board of directors of
Taj Madras Flight Kitchen Private Limited
CIN: U63090TN1995PTC030706

Mohammed Saleem Yousuff
Chairman and Director
DIN: 07246763

Sudeep Pal
Director
DIN: 02937626
Place: Mumbai

B. Sivakumar
Chief Financial Officer
Membership No. 222682

Nithin Tom
Company Secretary
Membership No. A53056

Place: Chennai
Date: 28 May 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in lakhs of INR, except share data and as stated)

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	25	5,002.28	4,989.50
Other income	26	108.55	146.20
Total income		**5,110.83**	**5,135.70**
Expenses			
Cost of materials consumed	27	1,453.35	1,381.85
Employee benefits expense	28	1,411.47	1,307.98
Depreciation and amortisation expense	29	225.39	162.20
Finance cost	30	6.98	-
Other expenses	31	1,656.31	1,928.84
Total expenses		**4,753.50**	**4,780.87**
Profit before income tax		**357.33**	**354.83**
Tax expense			
Current tax	32	163.61	204.00
Deferred tax	32	-83.91	-124.33
Total tax expense		**79.70**	**79.67**
Profit for the year		**277.63**	**275.16**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit (liability)/ asset		(11.10)	(3.94)
Income tax effect on above		2.79	1.10
Total other comprehensive income		**(8.31)**	**(2.84)**
Total comprehensive income for the year		**269.32**	**272.32**
Earnings per share	19		
Basic earnings per share (INR)		1.75	1.73
Diluted earnings per share (INR)		1.75	1.73
Significant accounting policies	3		

The notes referred to above form an integral part of financial statements.

In terms of our report of even date
for B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

R Kalyana Sundara Rajan
Partner
Membership No. 221822

Place: Chennai
Date: 28 May 2020

for and on behalf of the board of directors of
Taj Madras Flight Kitchen Private Limited
CIN: U63090TN1995PTC030706

Mohammed Saleem Yousuff
Chairman and Director
DIN: 07246763

Sudeep Pal
Director
DIN: 02937626
Place: Mumbai

B. Sivakumar
Chief Financial Officer
Membership No. 222682

Nithin Tom
Company Secretary
Membership No. A53056

Place: Chennai
Date: 28 May 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in lakhs of INR, except share data and as stated)

Statement of Changes in Equity

	Equity share capital	Other equity			Total equity attributable to equity shareholders of the Company
		Reserves and surplus		Other Comprehensive Income	
		General reserves	Retained earnings	Items of other comprehensive income- Gratuity	
Balance as at 1 April 2018	1,588.82	387.05	2,573.23	-1.44	4,547.66
Total comprehensive income for the year ended 31 March 2019					
Profit for the year	-	-	275.16	-	275.16
Other comprehensive income (net of tax for the year)	-	-	-	-2.84	(2.84)
Total comprehensive income	**-**	**-**	**275.16**	**(2.84)**	**4,819.98**
Transferred to retained earnings			(4.28)	4.28	
Balance as at 31 March 2019	**1,588.82**	**387.05**	**2,844.11**	**-**	**4,819.98**
Transition impact due to IND AS 116, net of taxes (note 39)	-	-	-48.77	-	(48.77)
Total comprehensive income for the year ended 31 March 2020					
Profit for the year	-	-	277.63	-	277.63
Other comprehensive income (net of tax for the year)	-	-	-	-8.31	(8.31)
Total comprehensive income	**-**	**-**	**277.63**	**(8.31)**	**269.32**
Transferred to retained earnings			(8.31)	8.31	
Balance as at 31 March 2020	**1,588.82**	**387.05**	**3,064.66**	**-**	**5,040.53**

Significant accounting policies 3

The notes referred to above form an integral part of financial statements.

In terms of our report of even date
for B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

R Kalyana Sundara Rajan
Partner
Membership No. 221822

for and on behalf of the board of directors of
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in lakhs of INR, except share data and as stated)

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities			
Profit before income tax		357.33	354.83
Adjustments for:			
Depreciation and amortisation expense	29	225.39	162.20
Assets written off	31	-	15.52
Dividend income from mutual funds	26	(56.90)	(96.68)
Loss/(profit) on fixed assets discarded, net	26	0.22	3.40
Interest income on bank deposits	26	(17.52)	(18.95)
Interest income on security deposits	26	(9.03)	(7.81)
Interest income from others	26	(1.16)	(3.17)
Provision no longer required written back	26	(23.72)	(11.33)
Financial assets at FVTPL - net change in fair value	31	35.13	(8.26)
Interest expense	27	6.98	-
Allowance for credit losses	31	71.23	307.10
		587.95	**696.85**
Working capital adjustments:			
Increase in inventories	13	(3.22)	(1.09)
Increase in trade receivables	14	(170.40)	(442.35)
Decrease / (increase) in other financials assets and loans	9 a & 9 b	(16.07)	3.01
Decrease / (increase) in other current and non-current assets	11 a & 11 b	(28.97)	(1.21)
Increase in trade payable and other financial liabilities	19 & 20	157.12	34.27
Increase in other current liabilities	23	(20.44)	23.55
Increase in provisions	24	73.45	24.11
Cash generated from operating activities		**579.42**	**337.14**
Income tax paid (net)		(147.04)	(206.01)
Net cash from operating activities (A)		**432.38**	**131.13**
Cash flows from investing activities			
Interest received on bank and security deposits		19.40	31.34
Proceeds from sale of property, plant and equipment		(0.22)	0.56
Acquisition of property, plant and equipment and intangible asset		(74.63)	(115.11)
Purchase of investments		(1,900.00)	-
Proceeds from sale of investments		1,503.15	0.07
Increase in bank balances other than cash and cash equivalents		(1.15)	(1.85)
Net cash used in investing activities (B)		**(453.45)**	**(84.99)**
Cash flows from financing activities			
Cash payments for the principal portion of the lease liability		(9.43)	-
Cash payments for the interest portion of the lease liability		(6.32)	-
Net cash used in financing activities (C)		**(15.75)**	**-**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(36.82)**	**46.14**
Cash and cash equivalents as at the beginning of the year	15	229.38	183.24
Cash and cash equivalents as at the end of the year		**192.56**	**229.38**
Cash and cash equivalents as per note 15		**192.56**	**229.38**

Note:

Reconciliation of liabilities from financing activities

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts are in lakhs of INR, except share data and as stated)

	Note	Year ended 31 March 2020	Year ended 31 March 2019
			Lease liability
As at April 01, 2018			-
Availed/ expenses during the year			-
Repayment/ payment during the year			-
Non-cash changes			-
As at March 31, 2019			**-**
As at April 01, 2019			83.52
Availed/ expenses during the year			6.24
Repayment/ payment during the year			(15.75)
Non-cash changes			-
As at March 31, 2020			**74.01**

The notes referred to above form an integral part of financial statements.

In terms of our report of even date
for B S R & Co. LLP
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Partner
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Place: Chennai
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for and on behalf of the board of directors of
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Company Secretary
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All amounts are in lakhs of INR, except share data and as stated)

1 Reporting entity

Taj Madras Flight Kitchen Private Limited ('the Company') was incorporated on 29 March 1995. The Company is domiciled in India, with its registered office situated at Taj Coromandel, 37, Mahatma Gandhi Road, Chennai - 600034.

The Company provides in-flight catering services, institutional catering of food and beverages and other allied services to airlines and various other institutions, corporate houses, cafeterias, etc. The Company has production facility in Chennai.

During the year, Taj SATS Air Catering Limited has acquired shares completely from the erstwhile shareholders (i.e. The Indian Hotels Company Limited, Singapore Airport Terminal Services Limited and Malaysia Airlines Berhad). Accordingly, the Company has become wholly owned subsidiary of Taj SATS Air Catering Limited.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 28 May 2020.

Details of the Company's accounting policies are included in Note 3.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Mutual fund investments	Fair value
Certain financial assets and liabilities	Fair value

2.4 Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosure of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful life of property, plant and equipment and intangible assets and contingencies and commitments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

Useful life of property, plant and equipment and intangible assets: The carrying value of property, plant and equipment and intangible asset is calculated on the basis of estimates of depreciation years derived from the expected technical and useful life of the asset concerned, and residual values. The expected technical and useful life of the asset concerned and its estimated residual value may change under the influence of technological developments, market circumstances and changes in the use of the asset.

Contingencies and commitments: In the normal course of business, claims and disputes may arise from litigations and other claims against the Company. The management assesses the claims and court cases instituted against it on the basis of facts and seeks legal advice. The Company is also involved in disputes as claiming party. In both the cases this involves subjective elements and projected outcomes. However, it is not possible to obtain certainty about the final outcome and any negotiations on claims and disputes. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, such liabilities are disclosed in the notes as contingent liabilities but are not provided for in the financial statements. Litigation provisions are reviewed at each accounting year and revisions made for the changes in facts and circumstances.

Income Taxes: Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss. 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 or Loss.

Defined benefit plans: The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

Leases: The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.5 Measurement of fair values

A few of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. ......as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the note 33 to this financial statements.

3 Significant accounting policies

3.1 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the year over which management expects to use these assets. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

The estimated useful lives of items of property, plant and equipment is as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Buildings	30 years	30 years
Plant and machinery	5 - 20 years	8 - 25 years
Furniture and fixtures	10 years	10 years
Office equipment	5 - 6 years	3 - 5 years
Vehicles	5-10 years	8 years

3.2 Intangible assets

i. Intangible assets

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

The estimated useful lives are as follows:

Asset	Useful life
Software	6 years

3.3 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories is determined using the weighted average method and includes freight, taxes and duties net of CENVAT/ Goods and Services tax credit, wherever applicable.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses. The comparison of cost and net realizable value is made on an item-by-item basis.

3.4 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;

- FVOCI – debt investment;

- Fair value through Other comprehensive income (FVOCI) – equity investment; or

- FVTPL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the year the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets and mutual fund investments. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

3.5 Impairment

i. Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Impairment loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime impairment pattern at each Balance Sheet date, right from its initial recognition.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. In respect of assets for which impairment loss has been recognised in prior years, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Employee benefits

i Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

ii Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the years during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual year to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.7 Provisions and contingent liabilities

Provisions are recognised, when there is a present (legal or constructive) obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and circumstances surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows determined using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for . Contingent assets are neither recognised nor disclosed in the financial statements.

3.8 Revenue recognition

Revenue comprises of in-flight catering and institutional catering of food and beverages, other allied services rendered to airlines and other institutions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts. In respect of expired contracts under renewal, revenue is recognised based on the erstwhile contract/ understanding with the contracting parties. When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate unit of account is based on the relative fair value of each unit. If the fair value of the delivered items is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered items.

Income from operations:

Food and Beverages: Revenue from sale of food and beverages is recognised at the transaction price that is allocated to the performance obligation, which is recognised on the completion of delivery of goods as per the contract/ understanding with the customer.

Revenue from Air catering and allied services: Revenue from Air Catering and allied services includes revenue from handling services, hi-loader services, bonded warehouse, laundry income, and other services and the revenue has been recognised by reference to the time of service rendered.

Contract balances

(i) Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

3.9 Government grants

Export benefits in the nature of duty drawback are accounted as income in the year of exports based on eligibility/ expected eligibility duly considering the entitlements as per the policy, industry specific developments, interpretations arising out of judicial/regulatory proceedings where applicable, management assessment etc. and when there is no uncertainty in receiving the same.

Export benefits in the nature of Service Exports from India Scheme (SEIS) are accounted when there is no uncertainty in receiving / utilizing the same, taking into consideration the prevailing regulations. Adjustments, if any, to the amounts recognised in accordance with the accounting policy, based on final determination by the authorities, are dealt with appropriately in the year of final determination and acceptance.

3.10 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

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the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company's operating leases relate to lease hold land in Chennai because the asset satisfy the principle of identification and fixed minimum lease payments.

The Company has adopted the above standard using modified retrospective approach.

Right-of-use asset (ROU):
The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment. Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term.

Lease liability:
Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments).

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

3.11 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the liability.

3.12 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Minimum Alternative Tax (“MAT”) credit is recognised as a deferred tax asset, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Such asset is reviewed at each Balance Sheet date and MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

3.13 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Board of directors assesses the financial performance and position of the Company, and makes strategic decisions. The Unit Manager has been identified as being the Chief Operating Decision Maker. Refer note 37 for segment information presented.

3.14 Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

a. the profit attributable to owners of the Company

b. by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

a. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

b. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

4 Estimation uncertainty relating to the global health pandemic on COVID-19

On March 11, 2020 the World Health Organization declared Coronavirus (COVID-19) outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple ‘lock-downs’ across the country, from March 22, 2020 and extended up to March 31, 2020 in some states. In particular, all airlines, road and railway travel were suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sport facilities& retail outlets etc. were closed, except for a few essentials services/supplies like grocery stores, pharmacies, etc.

The Company’s business continues to be impacted due to lockdown on account of COVID-19. Lately domestic airlines have resumed restricted operations with limited offtake of food & beverage supplies. The Company expects all the locations to become operational in a staggered manner after the lockdown is lifted and airlines resume normal operations. Given the above, revenues are expected to be softer in the initial phase of the lockdown mainly due to reduced business and leisure travel. The Company is taking all necessary measures to contain costs, rationalise resources and taking initiatives to uplift revenue including holding back on discretionary spends

The Company has assessed potential impact of COVID-19 on the carrying value of property, plant & equipment, trade receivable, investments, inventories and other assets appearing in the financial statements of the Company. In developing assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

5 Property, plant and equipment

	Right of use assets	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
Cost							
As at 1 April 2018	-	465.25	912.51	7.64	7.95	167.29	1,560.64
Additions	-	-	103.22	-	-	18.49	121.71
Disposals	-	(2.43)	(50.12)	(0.14)	(2.14)	(1.42)	(56.25)
Balance at 31 March 2019	**-**	**462.82**	**965.61**	**7.50**	**5.81**	**184.36**	**1,626.10**
Additions	277.28	-	42.27	-	0.92	-	320.47
Disposals	-	-	(8.39)	-	-	-	(8.39)
Balance at 31 March 2020	**277.28**	**462.82**	**999.49**	**7.50**	**6.73**	**184.36**	**1,938.18**
Accumulated depreciation							
As at 1 April 2018	-	96.95	310.00	1.76	4.16	42.03	454.90
Depreciation for the year	-	37.31	103.47	0.54	0.95	16.91	159.18
Disposals	-	(0.89)	(32.90)	-	(1.80)	(1.44)	-37.03
Balance at 31 March 2019	**-**	**133.37**	**380.57**	**2.30**	**3.31**	**57.50**	**577.05**
Depreciation for the year	39.61	36.83	123.87	0.52	1.06	17.75	219.64
Disposals	-	-	(8.39)	-	-	-	(8.39)
Balance at 31 March 2020	**39.61**	**170.20**	**496.05**	**2.82**	**4.37**	**75.25**	**788.30**
Net block							
As at 31 March 2019	-	329.45	585.04	5.20	2.50	126.86	1,049.05
As at 31 March 2020	**237.67**	**292.62**	**503.44**	**4.68**	**2.36**	**109.11**	**1,149.88**

6 Capital work-in-progress

	As at 31 March 2020	As at 31 March 2019
Opening balance	**6.03**	**3.85**
Additions	319.58	123.89
Capitalised during the year	(320.47)	(121.71)
Closing balance	**5.14**	**6.03**

7 Intangible assets

	Software	Total
Cost		
As at 1 April 2018	**18.84**	**18.84**
Additions		-
Disposals	(0.46)	(0.46)
Balance at 31 March 2019	**18.38**	**18.38**
Additions	33.19	33.19
Disposals	-	-
Balance at 31 March 2020	**51.57**	**51.57**
Accumulated amortisation		
As at 1 April 2018	4.85	4.85
Amortisation for the year	3.02	3.02
Disposals	(0.20)	(0.20)
Balance as at 31 March 2019	**7.67**	**7.67**
Amortisation for the year	5.75	5.75
Disposals	-	-
Balance at 31 March 2020	**13.42**	**13.42**
Net block		
As at 31 March 2019	10.71	10.71
As at 31 March 2020	**38.15**	**38.15**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

8 Investments

(See accounting policy in Note 3.4)

		As at 31 March 2020	As at 31 March 2019
a	**Non-current investments**		
	Investments measured at cost:		
	Equity instruments		
	1,950 (31 March 2019: 2,000) equity shares of A.K Green Private Limited INR 10/- each fully paid up	0.20	0.20
	Nil (31 March 2019: 50) equity shares of Perpetual Power Private Limited INR 10/- each fully paid up	0.00*	0.00*
	Total non-current investments	**0.20**	**0.20**
	Aggregate value of unquoted investments	0.20	0.20
	* Amount less than 0.1		
b	**Current investments**		
	Mutual fund investment, unquoted, at FVTPL		
	Nil (31 March 2019: 731,587.45) units of Tata Dynamic Bond Fund Direct Plan - Dividend	-	130.00
	Nil (31 March 2019: 189,759.53) units of Tata Treasury Advantage Fund Direct Plan - Daily Dividend	-	1,904.30
	191,309.10 (31 March 2019: Nil) units of Tata Treasury Advantage Fund Direct Plan - Daily Dividend Segregated Portfolio	26.18	-
	102,296.74 (31 March 2019: Nil) units of Tata Overnight Fund - Direct Plan - Dividend	1,022.96	-
	50,329.81 (31 March 2019 : Nil) units of Aditya Birla Sun Life Overnight Fund - Daily Dividend - Regular Plan	503.31	-
	900,460.59 (31 March 2019 : Nil) units of ICICI Prudential Overnight Fund - Daily Dividend	900.47	-
	Total current investments	**2,452.92**	**2,034.30**
	Aggregate value of unquoted investments and market value thereof		
	- Cost	2,426.38	2,014.01
	- Market value	2,452.92	2,034.30
	Aggregate amount of impairment in value of investments	-	-

9 Loans

		As at 31 March 2020	As at 31 March 2019
	Loans to employees		
	Loan receivables considered good - secured	-	-
	Loan receivables considered good - unsecured	32.01	3.54
	Loan receivables which have significant increase in credit risk	-	-
	Loan receivables - credit impaired	-	-
		32.01	**3.54**
a	**Non-current**	17.72	2.06
b	**Current**	14.29	1.48
		32.01	**3.54**

Note:

The Company's exposure to credit risks and market risks are disclosed in note 33.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

10 Other financial assets

		As at 31 March 2020	As at 31 March 2019
a	**Other non-current financial assets**		
	Advances to employees	-	0.70
	Security deposits		
	- For leasehold land	95.26	86.64
	- For others	91.88	91.86
		187.14	**179.20**
b	**Other current financial assets**		
	Advances to employees	6.02	7.59
	Advances to related parties	-	9.07
	Interest accrued on deposits	1.79	3.67
	Others	3.73	4.40
		11.54	**24.73**

Note :

The Company's exposure to credit risks and market risks are disclosed in note 33.

11 Other tax assets (net)

	As at 31 March 2020	As at 31 March 2019
Advance income tax, net of provisions	400.56	413.90
Income taxes paid under protest	30.60	30.60
	431.16	**444.50**

12 Other assets

		As at 31 March 2020	As at 31 March 2019
a	**Other non-current assets**		
	Prepayments	-	161.00
	Export incentive receivable	30.51	23.68
	Capital advances	0.77	7.89
	Disputed taxes/ duties remitted under protest	284.85	282.02
		316.13	**474.59**
b	**Other current assets**		
	Prepayments	9.62	37.07
	Export incentive receivable	-	13.50
	Advance to suppliers	2.10	-
	Balance with statutory and government authorities	26.61	1.21
		38.33	**51.78**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

13 Inventories

(See accounting policy in Note 3.3)

	As at 31 March 2020	As at 31 March 2019
Raw materials		
Food ingredients and beverages*	12.92	16.07
Stores and catering supplies	12.44	6.07
	25.36	**22.14**

* Write-down of inventories to net realisable value amounted to INR 7.50 lakhs (31 March 2019 - Nil). These were recognised as an expense during the current year and included in 'Cost of materials consumed' in the statement of profit and loss.

14 Trade receivables

	As at 31 March 2020	As at 31 March 2019
(See accounting policy in Note 3.4 and 3.5)		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,084.45	985.29
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	544.50	473.26
	1,628.95	**1,458.55**
Loss allowance	(544.50)	(473.26)
Net trade receivables	**1,084.45**	**985.29**
Of the above, trade receivable from related parties are as below:		
Trade receivable from related parties	52.20	47.82
Less : Loss allowance from related parties	-	-
	52.20	**47.82**
Movement in allowances for credit loss in trade receivables		
Opening balance	473.26	166.16
Impairment loss	71.24	307.10
Closing balance	**544.50**	**473.26**

Note :

All trade receivables are 'current'. The Company's exposure to credit and currency risks, loss allowances related to trade receivables are disclosed in note 33.

15 Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash on hand	1.33	0.62
Balances with banks in current accounts	191.23	228.50
Demand deposit with bank	-	0.26
	192.56	**229.38**
Cash and cash equivalents as per the Statement of Cash Flows	192.56	229.38

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

16 Bank balances other than those mentioned in cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Demand deposits under lien (Refer note below)	265.61	264.46
	265.61	**264.46**

Note: Fixed deposit with HDFC Bank Limited is for the purpose of bank guarantee issued in the favour of Government authorities with respect to on-going litigations

17 Share capital

	As at 31 March 2020	As at 31 March 2019
Authorised		
16,000,000 (31 March 2019 : 16,000,000) equity shares of INR 10/- each	1,600.00	1,600.00
Issued		
15,900,000 (31 March 2019 : 15,900,000) equity shares of INR 10/- each	1,590.00	1,590.00
Issued, subscribed and paid-up		
15,888,165 (31 March 2019 : 15,888,165) equity shares of INR 10/- each, fully paid up	1,588.82	1,588.82

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	31 March 2020		31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
At the commencement and end of the year	1,58,88,165	1,588.82	1,58,88,165	1,588.82

(b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares having a par value of INR 10/- each. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. The dividend proposed by the board of directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in case of the interim dividend.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Particulars of shareholder holding more than 5% shares of a class of shares

	31 March 2020		31 March 2019	
	No. of Shares	% of total shares in class	No. of Shares	% of total shares in class
Equity shares of ₹ 10/- each fully paid up is held by:				
- The Indian Hotels Company Limited	-	0%	79,44,112	50%
- Singapore Airport Terminal Services Limited	-	0%	47,66,432	30%
- Malaysia Airlines Berhad	-	0%	31,77,621	20%
- Taj Sats Air Catering Limited	1,58,88,165	100%	-	0%
	1,58,88,165	**100%**	**1,58,88,165**	**100%**

(d) Bonus shares/ buy-back/ shares for consideration other than cash issued during a year of five years immediately preceding financial year ended 31 March 2020:

(i) Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash : Nil

(ii) Aggregate number of equity shares allotted as fully paid up by way of bonus shares : Nil

(iii) Aggregate number of equity shares bought back : Nil

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

(e) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The Company's funding requirements are met entirely through equity and internal accretions.

The Company's adjusted net debt to equity is as follows:	31 March 2020	31 March 2019
Total liabilities	1,418.86	1,153.64
Less: Cash and cash equivalents	192.56	229.38
Adjusted net debt	1,226.30	924.26
Total equity	5,040.53	4,819.98
Adjusted net debt to adjusted net equity ratio	**0.24**	**0.19**

18A. Other equity

a) General reserve

The Company has recognised a portion of the net profit of the Company before declaring dividend to general reserve pursuant to earlier provisions of Companies Act, 1956.

b) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

B. Disaggregation of changes in item of OCI

Remeasurement of defined benefit (liability) / asset

	As at 31 March 2020	As at 31 March 2019
Opening balance	-	**(1.44)**
Remeasurement of defined benefit (liability) / asset	(8.31)	(2.84)
Transfer to retained earnings	8.31	4.28
Closing balance	-	-

Note:

Remeasurements of defined benefit (liability) / asset comprise actuarial gain and losses and return on plan assets (excluding interest income).

19 Earnings per share

(See accounting policy in Note 3.14)

a. Basic earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

Profit attributable to equity shareholders (basic)

	Year ended 31 March 2020	Year ended 31 March 2021
Profit for the year, attributable to the equity holders (A)	277.64	272.32
Weighted average number of equity shares (B)	1,58,88,165	1,58,88,165
Basic earnings per share (EPS) (A/B) (in ₹)	1.75	1.73

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

20 Trade payables

	As at 31 March 2020	As at 31 March 2019
Trade payables to related parties		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	50.42	-
Other trade payables		
- total outstanding dues of micro and small enterprises	74.10	-
- total outstanding dues of creditors other than micro and small enterprises	432.04	455.20
	556.56	**455.20**
"Disclosure required under Section 22 of The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006"		
The amounts remaining unpaid to micro and small suppliers as at end of the year		
- Principal	73.36	-
- Interest	0.74	-
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amount of payments made to the micro and small suppliers beyond the appointed day during each accounting year	51.57	-
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 MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.74	-
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 enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 33.

21 Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Financial liabilities at amortised cost		
Security deposits	7.31	11.08
Payable on purchase of property, plant and equipment	-	7.44
Airport Authority dues	82.67	46.16
	89.98	**64.68**

Note :

All other financial liabilities are 'current'. The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in note 33.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

22 Other tax liabilities (net)

	As at 31 March 2020	As at 31 March 2019
Provision for taxation, net of advance tax	78.50	75.27
	78.50	**75.27**

23 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Employee benefits payable	5.64	-
Statutory dues	32.04	58.13
	37.68	**58.13**

24 Provisions

(See accounting policy in Note 3.6 and 3.7)

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits				
Liability for gratuity	247.29	202.11	-	-
Liability for compensated absences	116.28	100.94	21.70	15.05
Other employee benefits	-	-	146.50	131.91
Other provision				
Provision for disputed tax/ duty liabilities (refer movement below)	-	-	50.35	50.35
	363.57	**303.05**	**218.55**	**197.31**

Movement in other provision

	Provision for disputed tax/ duty liabilities	Total
As at 1 April 2018	**50.35**	**50.35**
Provision made during the year		
Provision utilised during the year	-	-
Balance at 31 March 2019	**50.35**	**50.35**
As at 1 April 2019	50.35	50.35
Provision made during the year	3.77	3.77
Provision utilised during the year	(3.77)	(3.77)
Balance at 31 March 2020	**50.35**	**50.35**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

25 Revenue from operations

(See accounting policy in Note 3.8)

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	3,807.82	3,888.10
Sale of services	1,170.43	1,056.24
Other operating income		
Sale of scrap	16.01	20.32
Export incentive	8.02	24.84
	5,002.28	**4,989.50**

Disaggregation of revenue from contracts with customers

In the following disclosure, revenue from contract with customers is disaggregated by primary major product and service lines and timing of revenue recognition.

Major products/ service lines	Year ended 31 March 2020	Year ended 31 March 2019
Food and Beverages	3,807.82	3,888.10
Revenue from Air catering and allied services		
Handling charges	489.53	454.64
Hi-loader service charges	529.93	508.16
Bonded warehouse rental and handling charges	91.18	58.95
Laundry income	22.24	27.84
Others	61.58	51.81
Total	**5,002.28**	**4,989.50**

Timing of revenue recognition	Year ended 31 March 2020	Year ended 31 March 2019
Products and service transferred at a point in time	5,002.28	4,989.50
Service transferred over a period of time	-	-
Total revenue from contracts with customers	**5,002.28**	**4,989.50**

Contract balances

The following disclosure provide information about receivables, contract assets and liabilities from contract with customers.

	Year ended 31 March 2020	Year ended 31 March 2019
Receivable which are included in trade receivables (Refer note 14)	1,084.45	985.29
Contract assets	-	-
Contract liabilities	-	-

The contract asset primarily relates to the company right to consideration for work completed but not billed at the reporting date. The contract asset are transferred to receivable when the rights becomes unconditional. This usually occurs when the company issues invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customer for provision of products/ service for which revenue is recognized over a period of time.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

Statement of reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year ended 31 March 2020	Year ended 31 March 2019
Amount of contract price	5,124.70	5,134.84
Less: Reductions towards variable consideration components*	(122.42)	(145.34)
Amount of revenue as per statement of profit and loss	**5,002.28**	**4,989.50**

*The reduction towards variable consideration represents volume discount to the customers based on the contracts.

Also, refer note 38.

26 Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on		
- Bank deposits	17.52	18.95
- Security deposits	9.03	7.81
- Others	1.16	3.17
Dividend income from mutual funds	56.90	96.68
Financial assets at FVTPL - net change in fair value	-	8.26
Profit on sale of fixed asset	0.22	-
Provision no longer required written back	23.72	11.33
	108.55	**146.20**

27 Cost of materials consumed

	Year ended 31 March 2020	Year ended 31 March 2019
Inventory of materials at the beginning of the year	22.14	14.87
Add : Purchases	1,456.57	1,389.12
Less : Inventory of materials at the end of the year	-25.36	-22.14
	1,453.35	**1,381.85**

28 Employee benefits expense

(See accounting policy in Note 3.6)

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	1,038.28	984.51
Contribution to provident and other funds	82.83	71.38
Expenses related to post-employment defined benefit plans	33.83	25.78
Expenses related to compensated absences	29.95	5.10
Staff welfare expenses	226.58	221.21
	1,411.47	**1,307.98**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

29 Depreciation and amortisation expense

(See accounting policy in Note 3.1(iii) and 3.2(i))

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment	219.64	159.18
Amortisation of intangible assets	5.75	3.02
	225.39	**162.20**

30 Finance cost

	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on lease liability	6.24	-
Others	0.74	-
	6.98	**-**

31 Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Catering and other supplies	282.70	332.03
Power and fuel	400.29	412.28
Water charges	25.40	5.12
Housekeeping charges	139.33	132.02
Rent		
-Lease rentals	-	35.69
-Others	0.92	4.46
Repairs and maintenance		
-Buildings	125.53	121.61
-Machinery	108.51	107.69
-Others	133.92	106.78
Operating fees	37.52	41.62
Insurance	14.76	13.87
Rates & taxes	36.28	32.05
Royalty		
-Airports Authority of India	-	26.90
-Others	17.04	18.40
Communication	12.86	8.09
Travelling and conveyance	22.48	24.77
Printing and stationery	29.48	25.35
Financial assets at FVTPL - net change in fair value	35.13	-
Legal and professional charges	27.55	55.73
Directors sitting fees	0.60	1.80
Business promotion and entertainment	0.70	4.31
Payment to auditors	15.89	11.10
Allowance for credit losses	71.23	307.10
Assets written off	-	15.52
Loss on fixed assets discarded, net	-	3.40
Bank charges	2.94	8.57
Bad debts - written off	4.35	-
Miscellaneous expenses	110.90	72.48
	1,656.31	**1,928.74**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

31.1 Payment to auditors

	Year ended 31 March 2020	Year ended 31 March 2019
Statutory audit	6.75	4.50
Tax audit	1.25	0.50
Other services	6.75	5.00
Reimbursement of expenses	1.14	1.10
	15.89	**11.10**

32 Income tax

(See accounting policy in Note 3.12)

a Amount recognised in the statement of profit and loss

	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current tax (A)	149.26	196.00
Change in estimates relating to prior years (B)	14.35	8.00
Deferred tax		
Attributable to:		
Allowance for credit losses	5.38	88.46
Difference between book balance and tax balance of property, plant and equipment	25.52	8.34
Employee benefits	21.45	26.61
Fair value changes through PL	23.33	-
Others	8.23	0.92
Deferred tax (C)	**83.91**	**124.33**
Total tax expense/ (benefit) (A+B-C)	**79.70**	**79.67**

b Income tax recognised in other comprehensive income

	Year ended 31 March 2020			Year ended 31 March 2019		
	Before tax	Tax benefit/ (expense)	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of defined benefit (liability)/ asset	-11.10	2.79	-8.31	-3.94	1.10	-2.84
Total	**-11.10**	**2.79**	**-8.31**	**-3.94**	**1.10**	**-2.84**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

c Reconciliation of effective tax rate

	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	357.33	354.83
Enacted tax rates in India	25.17%	27.82%
Computed expected tax expense	89.94	98.71
Effect of exempt non-operating income	(10.90)	-29.05
Effect of realised FVTPL gain	(14.50)	-
Effect of non-deductible expenses	0.20	6.46
Tax expense for earlier years	14.35	8.00
Effect of change in tax rates	22.50	-4.45
Deferred tax on capital gains	(12.34)	-
Deferred tax expense for earlier years	-9.55	-
Income tax expense	**79.70**	**79.67**

The applicable Indian statutory tax rate for the Company for fiscal 2020 and fiscal 2019 is 25.17% and 27.82% respectively.

Note: On September 20, 2019, vide the Taxation Laws (Amendment) Ordinance, 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019 subject to certain conditions. The Company has carried out a detailed evaluation and accordingly intends to avail the option and the tax expense from the year ended March 31, 2020 is based on such reduced rates.

d Recognised deferred tax assets and liabilities

	As at 31 March 2020	As at 31 March 2019
Deferred tax assets and liabilities are attributable to the following:		
Deferred tax liabilities		
Difference between book balance and tax balance of property, plant and equipment (including ROU asset)	83.00	59.75
	83.00	**59.75**
Deferred tax asset		
Employee benefits	124.27	103.13
Allowance for credit losses	137.04	131.66
Others	50.50	18.68
	311.81	**253.47**
Net deferred tax asset (B - A)	**228.81**	**193.72**

33 Financial instruments - fair value and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

31 March 2020

	Carrying amount				
	At FVTPL - others- Level 1 fair value	**At FVTPL - others- Level 3 fair value**	**Other financial assets- amortised cost**	**Other financial liabilities**	**Total carrying amount**
Financial assets measured at fair value					
Investments	2,452.92	-	-	-	2,452.92
	2,452.92	**-**	**-**	**-**	**2,452.92**
Financial assets not measured at fair value					
Equity instruments (unquoted)	-	0.20	-	-	0.20
Security deposits	-	-	187.14	-	187.14
Trade receivables	-	-	1,084.45	-	1,084.45
Cash and cash equivalents	-	-	192.56	-	192.56
Bank balances other than those mentioned in cash and cash equivalents	-	-	265.61	-	265.61
Loans	-	-	32.01	-	32.01
Other financial assets	-	-	11.54	-	11.54
	-	**0.20**	**1,773.31**	**-**	**1,773.51**
Financial liabilities not measured at fair value					
Lease liabilities	-	-	-	74.01	74.01
Trade payables	-	-	-	556.56	556.56
Other financial liabilities	-	-	-	89.98	89.98
	-	**-**	**-**	**720.55**	**720.55**

31 March 2019

	Carrying amount				
	At FVTPL - others- Level 1 fair value	**At FVTPL - others- Level 3 fair value**	**Other financial assets- amortised cost**	**Other financial liabilities**	**Total carrying amount**
Financial assets measured at fair value					
Investments	2,034.30	-	-	-	2,034.30
	2,034.30	**-**	**-**	**-**	**2,034.30**
Financial assets not measured at fair value					
Equity instruments (unquoted)	-	0.20	-	-	0.20
Security deposits	-	-	178.50	-	178.50
Trade receivables	-	-	985.29	-	985.29
Cash and cash equivalents	-	-	229.38	-	229.38
Bank balances other than those mentioned in cash and cash equivalents	-	-	264.46	-	264.46
Loans	-	-	3.54	-	3.54
Other financial assets	-	-	25.43	-	25.43
	-	**0.20**	**1,686.60**	**-**	**1,686.80**
Financial liabilities not measured at fair value					
Trade payables	-	-	-	455.20	455.20
Other financial liabilities	-	-	-	64.68	64.68
	-	**-**	**-**	**519.88**	**519.88**

Note:
The Company has not disclosed fair values of financial instruments such as trade receivables, loans, cash and cash equivalents, Bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities, since their carrying amounts are reasonable approximates of fair values.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:-

a. credit risk (see (B)(ii));
b. liquidity risk (see (B)(iii))
c. market risk (see (B)(iv)).

i. Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amounts of financial assets represent the maximum credit risk exposure.

The maximum exposure to credit risk for trade and other receivables are as follows:

		Carrying amount	
	Reference	As at 31 March 2020	As at 31 March 2019
Loans	a	32.01	3.54
Trade receivables	b	1,084.45	985.29
Cash and cash equivalents	c	192.56	229.38
Bank balances other than those mentioned in cash and cash equivalents	c	265.61	264.46
Investments	d	2,452.92	2,034.30
Security deposits	e	187.14	86.64
Others	e	11.54	25.43

(a) Loans

The balance primarily constitutes loans given to its employees. The Company does not expect any loss from non-performance by these counter-parties.

(b) Trade receivables

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, country in which the customer operates, has an influence on credit risk assessment. Credit risks are managed by the Company through credit approvals, and continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

The Company's exposure to credit risk for trade receivables by relationship with customers is as follows.

	Carrying amount	
	As at 31 March 2020	**As at 31 March 2019**
Third parties	1,032.25	937.47
Related parties	52.20	47.82

The maximum exposure to the credit risk for trade and other receivables are as follows;

	As at 31 March 2020	**As at 31 March 2019**
Not more than 180 days	1,317.66	1,059.05
More than 180 days	311.29	399.50
Sub-total	**1,628.95**	**1,458.55**
Loss allowance in accordance with expected credit loss model	(544.50)	(473.26)
Total	**1,084.45**	**985.29**

(c) Cash and cash equivalents and bank balances other than those mentioned in cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

(d) Investments

Investments primarily include investment in liquid mutual fund units. The credit worthiness of the counterparties of the investments made are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

(e) Security deposit and others

Other financial assets primarily comprises of security deposits for lease of premises and advances recoverable from employees and related parties. The Company does not expect any loss from non-performance by these counter-parties.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the remaining contractual maturities of financial liabilities as at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at 31 March 2020

	Carrying amount	**Total**	**Less than 1 year**	**1-2 years**	**More than 2 years**
Lease liabilities	74.01	74.01	15.75	15.75	42.51
Trade payables	482.46	482.46	482.46	-	-
Other financial liabilities	89.98	89.98	89.98	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

As at 31 March 2019

In INR	Carrying amount	Total	Less than 1 year	1-2 years	More than 2 years
Trade payables	455.20	455.20	455.20	-	-
Other financial liabilities	64.68	64.68	64.68	-	-

iv. Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, and other market changes that affect market risk sensitive instruments.

34 Contingent liabilities and commitment

(to the extent not provided for)

	Year ended 31 March 2020	Year ended 31 March 2019
Capital commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	-	8.85
Claims against the Company not acknowledged as debt^		
Income tax related matters	97.07	89.27
Sales tax related matters	-	8.80
Service tax related matters	74.26	74.26
VAT related matters	2,860.15	2,860.15
Other claims	20.33	20.33

^The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities wherever applicable in these financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial position.

35 Related party

(i) Names of related parties and description of relationship

Nature of Relationship	Name of related parties
Joint Venturers (upto 29 September 2019)	The Indian Hotels Company Limited
Ultimate Holding Company (From 30 September 2019)	
Joint Venturers (upto 29 September 2019)	Singapore Airport Terminal Services Limited
Joint Venturer of the Holding Company (From 30 September 2019)	
Joint Venturers (upto 29 September 2019)	Malaysia Airlines Berhad
Subsidiary of Joint Venturer (Upto 29 September 2019)	Taj Sats Air Catering Limited
Holding Company (From 30 September 2019)	
Associate of Joint Venturer (Upto 29 September 2019)	Oriental Hotels Limited
Associate of Ultimate Holding Company (From 30 September 2019)	
Key management personnel (KMP)	Mr. Mohammed Saleem Yousuff
	Mr. Sudeep Pal
	Mr. Sagar Sanjay Dighe (w.e.f 17 January 2020)
	Mr. Denis Marie (w.e.f 17 January 2020)
	Mr. Sreyas Arumbakkam (w.e.f 13 February 2020)
	Ms. Renu Subhabrata Basu (up to 10 January 2020)
	Mr. Goh Siang Han (up to 17 January 2020)
	Mr. Mok Tee Heong Kerry (up to 17 January 2020)
	Mr. Hislahuddin Bin Majid (up to 16 October 2019)
	Ms. Rahimah Binti Farjan Ali (up to 18 October 2019)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

(ii) Following are the transactions and outstanding balances as at year end with the related parties:

a. Transactions:

Name of related parties/ KMP	Nature of transaction	Year ended 31 March 2020	Year ended 31 March 2019
The Indian Hotels Company Limited	Insurance expense	5.21	2.97
	Travelling expense	-	0.64
	Other expense	-	0.06
Malaysia Airlines Berhad (upto 29 September 2019)	Sale of products and services	106.05	201.79
	Recovery of expense - conveyance	1.08	24.34
Taj Sats Air Catering Limited	Sale of products & Services	35.08	6.53
	Salary expense	35.14	29.33
	Other expense	9.92	2.45
	Operating fees	37.52	41.62
Oriental Hotels Limited	Interest income on security deposit	9.03	7.81
	Other expense	0.14	0.12
	Lease rentals	15.75	15.75

Note:

Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

b. Outstanding balances:

Name of related parties/ KMP	Nature	Year ended 31 March 2020	Year ended 31 March 2019
Malaysia Airlines Berhad	Trade receivables	52.14	47.82
Taj Sats Air Catering Limited	Advance	-	9.07
	Trade receivables	0.06	-
	Trade Payable	49.98	-
Oriental Hotels Limited	Lease Liability	74.01	-
	Trade Payable	0.44	-
	Security deposits	95.26	86.64

36 Employee benefits

Defined benefit plan

	Year ended 31 March 2020	Year ended 31 March 2019
(i) Gratuity:		
Net defined benefit liability- Gratuity plan		
Non-current	247.29	202.11
Current	-	-
(ii) Liability for compensated absences:		
Net defined benefit liability - Compensated absences		
Total employee benefit liabilities	**247.29**	**202.11**

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The defined benefit plan for gratuity is administered by gratuity funds (maintained with Tata AIA Life Insurance) that is legally separate from the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

A. Funding

The Plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for which the assumptions have been set out in (D). Employees do not contribute to the plan.

B. Reconciliation of the net defined benefit liability/ (asset)

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ (asset) and its components.

	Year ended 31 March 2020	Year ended 31 March 2019
Change in present value defined benefit obligation		
Obligations at the beginning of the year	232.30	206.18
Current service costs	19.58	17.64
Interest costs	17.07	15.15
Actuarial loss/ (gain)	10.99	2.95
Benefits paid	-9.54	-10.87
Past service cost	-	1.25
Obligations at the end of the year	**270.40**	**232.30**
Change in fair value of plan assets		
Fair value of plan assets at beginning of the year	30.19	39.00
Expected return on plan assets	2.56	3.05
Actuarial loss	-0.10	-0.99
Benefits paid	-9.54	-10.87
Fair value of plan assets at end of the year	**23.11**	**30.19**
Actual return on plan assets	**2.46**	**2.06**

	As at 31 March 2020	As at 31 March 2019
Reconciliation of present value of obligation and the fair value of plan assets		
Present value of defined benefit obligation at the end of the year	270.40	232.30
Fair value of plan assets at the end of the year	-23.11	-30.19
Funded status amount of liability recognised in balance sheet	**247.29**	**202.11**

Expense recognised in statement of profit and loss

	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	19.58	17.64
Interest cost	17.07	15.15
Past service cost	-	1.25
Expected return on plan assets	-2.56	-3.05
Transfer credit	-	(5.21)
	34.09	**25.78**
Remeasurements recognised in Other comprehensive income		
Actuarial loss / (gain)	**11.10**	**3.94**
Net gratuity cost	**45.19**	**29.72**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

C. Plan assets

Plan assets comprise funds maintained by Company with Tata AIA Life Insurance

D. Defined benefit obligation

	Year ended 31 March 2020	Year ended 31 March 2019
Principal actuarial assumptions		
Discount rate	6.65%	7.55%
Expected rate of return on plan assets	6.65%	6.82%
Long-term rate of compensation increase	8.00%	8.00%
Attrition rate	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

E. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year while holding all other assumptions constant.

	Year ended 31 March 2020		Year ended 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(23.42)	26.92	(20.13)	23.16
Future salary growth (1% movement)	26.92	(23.35)	22.83	(20.23)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Defined contribution plan

Company's (employer's) contribution to defined contribution plan recognised as expense in the statement of profit and loss are:

	Year ended 31 March 2020	Year ended 31 March 2019
Employer's contribution to provident and other funds (refer note 28)	82.83	71.38

37 Segment information

The Company has a single operating segment, namely, "sale of food products and services" and the information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of performance focusses on this operating segment. Further the Company does not have any separate geographic segment other than India. Accordingly, the amounts appearing in these financial statements relate to this operating segment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

As the Company is engaged in a single operating segment, segment information is tabulated below:

Revenue from major products and services

The following is an analysis of the Company's revenue from operations from its major products and services.

	Year ended 31 March 2020	Year ended 31 March 2019
Food and Beverages	3,807.82	3,888.10
Revenue from Air catering and allied services		
Handling charges	489.53	454.64
Hi-loader service charges	529.93	508.16

Information about major customers

Included in revenue arising from operations of INR 5,002.28 lakhs (2018-19: INR 4,989.50 lakhs) (see Note 25) are revenues of approximately INR 2,650 lakhs (2018-19: INR 2,647 lakhs) which arose from sales to Company's two largest customers. No other single customers contributed 10% or more to the Company's revenue for the year ended 31 March 2020 and 31 March 2019.

38 Ind AS 115 - Revenue from contracts with customers

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended 31 March 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1 April 2018 ('transition date') in equity and the impact on such transition date is not material.

Also the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months.

Prior to adoption of Ind AS 115, the Company's revenue primarily comprised of revenue from sale of products and services. The recognition of these revenue streams is largely unchanged by Ind AS 115.

39 Ind AS 116 - Leases

(See accounting policy in Note 3.10)

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective approach, effective annual reporting period beginning April 1, 2019 at transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at April 1, 2019. Right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(All amounts are in lakhs of INR, except share data and as stated)

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 277.28 lakhs and a lease liability of ₹ 83.52 lakhs. The cumulative effect of applying the standard, amounting to ₹ 48.57 crores was debited to retained earnings (net of taxes and other adjustments). Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Consequent to the application of this standard, lease cost for the year was lower by ₹ 35.69 lakhs, depreciation and interest is higher by ₹ 39.61 lakhs and ₹ 6.24 lakhs respectively and Profit before taxes is lower by ₹ 10.16 lakhs.

The following is the summary of practical expedients elected on initial application:

Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 7.47 %

40 Disclosure of Specified Bank Notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

41 Corporate social responsibility

According to the provisions of Section 135 of the Companies Act, 2013 read with relevant schedules and rules made thereunder, the Company has not made adequate profits for the preceeding three years and hence no expenditure towards Corporate Social Responsibility was made for the year ended 31 March 2020 and for the previous year ended 31 March 2019.

The notes referred to above form an integral part of financial statements.

In terms of our report of even date
for B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

R Kalyana Sundara Rajan
Partner
Membership No. 221822

Place: Chennai
Date: 28 May 2020

for and on behalf of the board of directors of
Taj Madras Flight Kitchen Private Limited
CIN: U63090TN1995PTC030706

Mohammed Saleem Yousuff Chairman and Director DIN: 07246763	Sudeep Pal Director DIN: 02937626 Place: Mumbai
B. Sivakumar Chief Financial Officer Membership No. 222682	Nithin Tom Company Secretary Membership No. A53056

Place: Chennai
Date: 28 May 2020

INDEPENDENT AUDITORS' REPORT

To the Members of **Taj Enterprises Limited**

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Taj Enterprises Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and the statement of cash flows 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 Companies Act 2013("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, 2020 and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Other Matter

The financial statements of the company for the year ended March 2019, were audited by another firm of the chartered accountants under the companies Act, 2013 who vide the report dated April 25, 2019, expressed an unmodified opinion on those financial statement.

Our Opinion is not qualified in respect of this matter.

INDEPENDENT AUDITORS' REPORT (CONTD.)

Management's Responsibility for the Financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other 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 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 statements 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 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:

- 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (CONTD.)

- 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

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

   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 the rules issued there under.

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 A".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year hence the provision of the section 197 of the Act are not applicable.

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

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

INDEPENDENT AUDITORS' REPORT (CONTD.)

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

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

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Brahmayya & Co.**
Chartered Accountants
Firm's Regn No: 000511S

R. Nagendra Prasad
Partner
Membership No. 203377
UDIN:

Place: Chennai
Date: May 27, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

The **Annexure A,** referred to in Clause 1 (f) of **"Report on Other Legal and Regulatory Requirements"** Paragraph of the Independent Auditor's Report of even date to the members of **Taj Enterprises Limited** on the Ind AS financial statements as of and for the year ended March 31, 2020

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 Taj Enterprises Limited ("the Company") as of March 31, 2020 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 Board of Directors of the Company 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT (CONTD.)

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 2020, 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 **Brahmayya & Co.**
Chartered Accountants
Firm's Regn No: 000511S

R. Nagendra Prasad
Partner
Membership No. 203377
UDIN:

Place: Chennai
Date: May 27, 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

The "**Annexure B**" Referred to in Clause 2 of "**Report on Other Legal and Regulatory Requirements**" Paragraph of the Independent Auditor's Report of even date to the members of **Taj Enterprises Limited** on the Ind AS financial statements as of and for the year ended March 31, 2020.

i. (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the management reasonable intervals. According to the information and explanation given to us by the management, no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The management has conducted physical verification of inventories at reasonable intervals during the year and there was no material discrepancies found.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii), (iii) (a), (iii) (b) and (iii) (c) of the paragraph 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanation given to us, company has not provided any loans, investments, guarantees, and security to any party covered in section 185 and 186 of the Companies Act, 2013. Therefore, the provision of clause (iv) of the paragraph 3 of the order is not applicable to the Company.

v. The Company has not accepted any deposits from the public.

vi. The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

vii. (a) The company is regular in depositing the undisputed statutory dues including provident fund, employee's state insurance, income tax, duty of customs, goods and service tax, cess, and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed statutory dues payable in respect of provident fund, employee's state insurance, income tax, duty of customs, goods and service tax, cess, and other statutory dues with the appropriate authorities which were outstanding on the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax or goods and service tax or duty of customs which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and the records of the Company examined by us, the Company has not availed of any loans from financial institutions or banks or government and has not issued debentures.

ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, therefore, the provision of clause (ix) of the paragraph 3 of the Order is not applicable to the Company.

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT (CONTD.)

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

xi. According to the records of the Company examined by us and based on our examination of the records of the Company, the managerial remuneration has not been paid or provided, hence the provisions of section of 197 read with schedule V to companies Act is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, provision of clause (xii) of the paragraph 3 of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties, are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provision of clause (xv) of the paragraph 3 of the Order is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, therefore, the provision of clause (xvi) of paragraph 3 of the order is not applicable.

For **Brahmayya & Co.**
Chartered Accountants
Firm's Regn No: 000511S

R. Nagendra Prasad
Partner
Membership No. 203377
UDIN:

Place: Chennai
Date: May 27, 2020

BALANCE SHEET
as at March 31, 2020

	Note	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	**297.47**	17.57
Intangible assets	3 (b)	**1.06**	-
Non-current financial assets			
Investments	4	**7.20**	7.20
Loans	5	**-**	-
Other financial assets	7 (a)	**1.05**	0.20
Deferred tax assets (net)	8	**6.50**	-
Advance income tax (net)		**11.41**	0.60
Other non-current assets	9 (a)	**0.20**	-
		324.89	25.57
Current assets			
Inventories	10	**6.91**	-
Financial assets			
Trade receivables	11	**55.51**	-
Cash and cash equivalents	12	**243.33**	0.46
Other Balances with Banks	13	**200.00**	387.57
Other financial assets	7 (b)	**55.19**	5.23
Other current assets	9 (b)	**61.24**	0.12
		622.17	393.38
Total		**947.06**	**418.96**
Equity and Liabilities			
Equity			
Equity share capital	14	50.00	50.00
Other equity	15	675.75	366.88
Total Equity		**725.75**	416.88
Liabilities			
Non-current liabilities			
Provisions	16 (a)	**59.65**	-
		59.65	-
Current liabilities			
Financial liabilities			
Trade payables	17		
- Micro and Small Enterprises		**0.24**	-
- Others		**81.68**	1.60
Other financial liabilities	18	**33.50**	0.43
Provisions	16 (b)	**4.69**	-
Other current liabilities	19	**41.55**	0.05
		161.66	**2.08**
Total		**947.06**	**418.96**
The accompanying notes form an integral part of the standalone financial statements	1 - 36		

As per our report attached

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No. 000511S

R. Nagendra Prasad
Partner
Membership No. 203377

Date: May 27, 2020
Place: Chennai

For and on behalf of the Board

Rohit Khosla
Director
DIN: 07163135

Gaurav Pokhariyal
Director
DIN: 07173075

Mohit Gupta
Director
DIN: 01865794

Date: May 27, 2020
Place: New Delhi

STATEMENT OF PROFIT AND LOSS
for the Period ended March 31, 2020

	Note	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
INCOME			
Revenue from operations	20	**962.57**	-
Other income	21	**19.94**	**24.88**
TOTAL		**982.51**	**24.88**
Expenses			
Food and beverages consumed	22	**233.12**	-
Employee benefit expenses and payment to contractors	23	**170.49**	-
Finance costs		**-**	-
Depreciation and amortisation expenses	3&4	**16.57**	0.12
Other operating and general expenses	24	**150.08**	9.48
Total		**570.26**	9.60
Profit before exceptional items and tax		**412.25**	15.28
Exceptional items		**-**	-
Profit before tax		**412.25**	15.28
Tax expense			
Current tax		**110.31**	6.49
Deferred tax		**(6.61)**	-
Total		**103.70**	6.49
Profit after tax		**308.54**	8.79
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**0.43**	**-**
Add/ (Less):- income tax credit/ (expense)		(0.11)	-
Other comprehensive income for the year, net of tax		**0.32**	**-**
Total comprehensive income for the year		**308.87**	**8.79**
Earnings per share:	29		
Basic and Diluted - (₹)		**617.09**	**17.59**
Face value per equity share - (₹)		**100.00**	100.00
The accompanying notes form an integral part of the standalone financial statements	1 - 36		

As per our report attached

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No. 000511S

R. Nagendra Prasad
Partner
Membership No. 203377

Date: May 27, 2020
Place: Chennai

For and on behalf of the Board

Rohit Khosla
Director
DIN: 07163135

Gaurav Pokhariyal
Director
DIN: 07173075

Mohit Gupta
Director
DIN: 01865794

Date: May 27, 2020
Place: New Delhi

STATEMENT OF CHANGES IN EQUITY
as at March 31, 2020

₹ lakhs

Particulars	a) Equity Share Capital	b) Other Equity		Other Equit	Total Equity
	Equity Share Capital Subscribed	Reserves and Surplus			
		General Reserve	Retained Earnings		
Balance as at April 1, 2018	50.00		358.09	358.09	408.09
Profit for the year ended March 31, 2019	-	-	8.79	8.79	8.79
Other Comprehensive Income for the year ended March 31, 2019, net of taxes	-	-	-	-	-
Total Comprehensive Income for the year ended March 31, 2019	-	-	**8.79**	**8.79**	**8.79**
Balance as at March 31, 2019	**50.00**	-	**366.88**	**366.88**	**416.88**
Profit for the year ended March 31, 2020	-	-	308.54	308.54	308.54
Other Comprehensive Income for the year ended March 31, 2020, net of taxes	-	-	0.32	0.32	0.32
Total Comprehensive Income for the year ended March 31, 2020	-	-	**308.87**	**308.87**	**308.87**
Balance as at March 31, 2020	**50.00**	-	**675.75**	**675.75**	**725.75**

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 36).

As per our report attached

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No. 000511S

R. Nagendra Prasad
Partner
Membership No. 203377

Date: May 27, 2020
Place: Chennai

For and on behalf of the Board

Rohit Khosla
Director
DIN: 07163135

Gaurav Pokhariyal
Director
DIN: 07173075

Mohit Gupta
Director
DIN: 01865794

Date: May 27, 2020
Place: New Delhi

CASH FLOW STATEMENT
for the Period ended March 31, 2020

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Cash Flow From Operating Activities		
Profit before tax	**412.25**	15.28
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation expenses	**16.57**	0.12
Interest income	**(19.89)**	(24.88)
Provision for Employee Benefits	**0.43**	-
	(2.89)	(24.76)
Cash Operating Profit before working capital changes	**409.36**	(9.48)
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**(6.91)**	-
Trade receivables	**(55.51)**	-
Other financial assets	**(53.52)**	-
Other current assets	**(61.12)**	0.37
Other non-current fiancial assets	**(0.85)**	-
Other non-current assets	**(0.20)**	-
	(178.12)	0.37
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	**80.32**	-
Other financial liabilities	**41.50**	-
Short term provisions	**4.69**	-
Long-term Provisions	**59.65**	-
Other liabilities	**19.76**	-
	205.93	-
Cash Generated from Operating Activities	437.17	(9.11)
Income taxes paid	(121.12)	(6.64)
Net Cash Generated From Operating Activities (A)	**316.05**	**(15.75)**
Cash Flow From Investing Activities		
Payments for purchase of property, plant and equipment	**(284.22)**	-
Interest received	**23.46**	24.72
Bank Balances not considered as Cash and cash equivalents	**187.58**	(14.35)
Net Cash Generated/(Used) In Investing Activities (B)	**(73.18)**	10.37
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	242.87	(5.38)
Cash and Cash Equivalents - Opening	0.46	5.84
Cash and Cash Equivalents - Closing	243.33	0.46

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 36).

As per our report attached

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No. 000511S

R. Nagendra Prasad
Partner
Membership No. 203377

Date: May 27, 2020
Place: Chennai

For and on behalf of the Board

Rohit Khosla
DIN: 07163135
Director

Gaurav Pokhariyal
Director
DIN: 07173075

Mohit Gupta
Director
DIN: 01865794

Date: May 27, 2020
Place: New Delhi

NOTES TO FINANCIAL STATEMENTS

for the Period ended March 31, 2020

NOTE 1. CORPORATE INFORMATION

Taj Enterprises Limited(“TEL” or the “Company”) is domiciled and incorporated in India in 1979 and has its registered office at Taj Palace Hotel, S.P.Marg, New Delhi 110021, India. It is a subsidiary of Indian Hotels Company Limited.

The company has started operation from Oct 2019 and is primarily engaged in the banquet business.

NOTE 2. BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

The financial statements have been prepared on the following basis:

(a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

(b) Standards issued but not yet effective:

There are no new standards or amendments to the existing standards notified by Ministry of Corporate Affairs ("MCA"), which would have been applicable from April 1, 2020.

(c) Basis of preparation

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

All assets and liabilities are classified as current and non-current as per company’s normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(d) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

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 in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

- **Impairment testing:** Property, plant and equipment and intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws 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.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

- **Estimation uncertainty relating to the global health pandemic on COVID-19:** "On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 24, 2020, and extended up to May 31, 2020. All airline, road, and railway travel was suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sports facilities& retail outlets, etc were closed, except for a few essential services/supplies like grocery stores, pharmacies, etc. There has been a partial lifting of the stringent measures in the last few days.

  The hotel and banquet business has been severely impacted on account of COVID-19. The company has taken a series of actions focused on health & safety of our employees & customers, ensuring adequate liquidity and cost optimisation measures. Cash Conservations measures have also included deferral of discretionary spending & Capex, unless absolutely required.

  The Company has assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, right of use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Period ended March 31, 2020

SIGNIFICANT ACCOUNTING POLICIES

(e) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns & discounts.

INCOME FROM OPERATIONS

Income from Banquets Operations: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue from banquet services are recognised once banquet services have been provided as per the contract with the customer.

CONTRACT BALANCES

a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

INTEREST

Interest income is accrued on a time proportion basis using the effective interest rate method.

(f) Employee Benefits(other than for persons engaged through contractors):

i. Provident Fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in theStatement of Profit and Loss during the year. The contributions as specified under the law are paid to the providentfund set up by the respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

ii. Gratuity Fund

The Gratuity liability is defined benefit obligations, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

iv. Short Term Obligations

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries,bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful lives of the depreciable assets are as follows

Class of Assets	**Estimated Useful Life**
Buildings	30 to 60 years
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Furniture & Fixtures	8 years
End User devices – Computers, Laptops etc.	6 years
Other Miscellaneous Hotel Assets	4 years

In respect of buildings on leasehold land, depreciation is based on the tenure which is lower of the life of the buildings or the expected lease period.Improvements to leasehold buildings are depreciated on the basis of their estimated useful lives or the expected lease period.

Freehold land is not depreciated.
The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.Proportionate depreciation is charged for the addition and disposal made during the year.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(h) Intangible Assets

Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Intangible assets with finite lives are amortised over their estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful life used for amortising intangible assets isas under:

Class of Assets	Estimated Useful Life
Software and Licences	6 years

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(i) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment periodically including whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

(j) Foreign Currency Translation

The functional currency of the Company is Indian Rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

(k) Lease

On inception of a contract, the company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the company statement of financial position as a right-of-use asset and a lease liability.

Lease contracts may contain both lease & non-lease components. The company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components. The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the company is reasonably certain to exercise and excludes the effect of early termination options where the company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Period ended March 31, 2020

change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

The company has opted not to apply the lease accounting model to leases of low value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

(l) Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts andrebates are deducted in determining the cost of purchase.

(m) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach.Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

Minimum Alternative Tax ("MAT") credit forming part of deferred tax assets is recognised 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. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(n) Provisions

Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Company created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

(o) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method.

(p) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(q) Earnings per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year adjusting the bonus element for all the reported period arising on account of issue of equity shares on rights and including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(r) Financial Instruments

(I) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

- Cash and Cash Equivalents–Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

- Debt Instruments -The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

    (i) Financial assets at amortised cost
    Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

    (ii) Financial assets at fair value through Other Comprehensive Income(FVOCI)
    Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

    (iii) Financial assets at fair value through profit orloss (FVTPL)
    Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit orloss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

- Equity Instruments - The Company subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measuredat cost) at fair value. Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(II) Financial liabilities

Initial recognition and measurement
Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement ofProfit andLoss when the liabilities are derecognised, and through the amortisation process.

De-recognition
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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 the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(III) Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

(s) 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.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Period ended March 31, 2020

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the Statement of Profit and Loss.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

(t) Business combinations

Business combinations of entities under common control are accounted using the “pooling of interests” method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

	Freehold Land	Buildings (Refer Footnote (i))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Cost							
At April 1, 2018	16.92	1.29					18.21
Additions							-
Disposals							-
At March 31, 2019	**16.92**	**1.29**	-	-	-	-	**18.21**
Additions	-	37.29	242.76	8.45	7.88	-	296.39
Disposals							-
At March 31, 2020	**16.92**	**38.58**	**242.76**	**8.45**	**7.88**	-	**314.60**
Depreciation							
At April 1, 2018		0.52					0.52
Charge for the year	-	0.12	-	-	-	-	0.12
Disposals	-						-
At March 31, 2019		**0.64**	-	-	-	-	**0.64**
Charge for the year	-	0.23	15.28	0.41	0.58	-	16.49
Disposals							-
At March 31, 2020	-	**0.87**	**15.28**	**0.41**	**0.58**	-	**17.13**
Net Block							
At March 31, 2019	**16.92**	**0.65**	-	-	-	-	**17.57**
At March 31, 2020	**16.92**	**37.72**	**227.48**	**8.04**	**7.30**	-	**297.47**

Footnotes :

(i) Cost includes improvements to buildings constructed on leasehold land - ₹ 37.29 lakhs (Previous year - ₹ Nil lakhs).

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 4 : INTANGIBLE ASSETS

₹ lakhs

	Website Development Cost	Software	Service and Operating Rights	Total
Cost				
At April 1, 2018	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
At March 31, 2019	**-**	**-**	**-**	**-**
Additions	-	1.14	-	1.14
Disposals				-
At March 31, 2020	**-**	**1.14**	**-**	**1.14**
Amortisation				
At April 1, 2018				-
Charge for the year	-	-	-	-
Disposals				-
At March 31, 2019	**-**	**-**	**-**	**-**
Charge for the year	-	0.08	-	0.08
Disposals				-
At March 31, 2020	-	0.08	-	0.08
Net Block				
At March 31, 2019	-	-	-	-
At March 31, 2020	**-**	**1.06**	**-**	**1.06**

NOTE 5 : INVESTMENTS

	Face Value	March 31, 2020		March 31, 2019	
		Holdings As at	₹ in lakhs	Holdings As at	₹ in lakhs
Non Current Investments					
Fully Paid Unquoted Equity Investments					
Investments in Fellow Subsidiary Company (at cost)					
Inditravel Limited	10	72,000	7.20	72,000	7.20
			7.20		**7.20**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 6 : LOANS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Non Current Loans at amortised costs		
(Unsecured, considered good unless stated otherwise)		
	-	-
Loans to Related Parties	-	-
Other loans and advances	-	-
Considered good	-	-
Credit impaired	**10.00**	**10.00**
	10.00	**10.00**
Less: Allowance for credit impaired	**10.00**	**10.00**
	-	-

NOTE 7 : OTHER FINANCIAL ASSETS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(a) Non Current Financial Assets		
Deposits with Public Bodies and Others at amortised costs		
Related parties	-	-
Public Bodies and Others	1.05	0.20
	1.05	0.20
Less: Allowance for doubtful deposits	-	-
	1.05	**0.20**
(b) Current Financial Assets		
Interest receivable		
Related Parties	-	-
Others	**1.66**	**5.23**
	1.66	**5.23**
Other receivables		
Related Parties (Refer Note 31)	**8.68**	-
Others	**44.85**	-
	53.52	-
	55.19	**5.23**

NOTE 8 : DEFERRED TAX ASSETS (NET)

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Deferred Tax Assets:		
Provision for Employee Benefits	6.28	-
Others	**1.50**	-
	7.77	-
Deferred Tax Liabilities:		
Property, plant and equipment & Intangible assets	**1.27**	-
	1.27	-
	6.50	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 9 : OTHER ASSETS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(a) Other Non Current Assets		
Deposits with Government Authoritites	0.20	-
	0.20	-
(b) Other Current Assets		
Prepaid Expenses	**2.06**	-
Indirect tax recoverable	**58.81**	-
Advance to Suppliers	**0.20**	**0.12**
Advance to Employees	**0.17**	-
	61.24	**0.12**

NOTE 10 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Food and Beverages	6.01	-
Stores and Operating Supplies	0.90	-
	6.91	-

NOTE 11 : TRADE RECEIVABLES

₹ lakhs

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Unsecured		
Outstanding over six months	-	-
Others		
Considered good	55.51	-
Balances having significant increase in credit risk	-	-
Credit impaired	-	-
	55.51	-
Less : Allowance for credit impaired	-	-
	55.51	-

(i) For related party balances refer Note 32.

NOTE 12 : CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Cash on hand	**0.15**	-
Cheques, Drafts on hands, Funds in transit	**-**	-
Balances with bank in current account	**243.19**	0.46
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**-**	-
	243.33	0.46

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 13 : OTHER BALANCES WITH BANKS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Call and Short-term deposit accounts	200.00	387.57
	200.00	387.57
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current Financial Asset	**-**	-
	200.00	**387.57**

NOTE 14 : EQUITY SHARE CAPITAL

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Authorised Share Capital		
1,00,000 Equity Shares of ₹ 100 each	**100.00**	100.00
	100.00	100.00
Issued Share Capital		
50,000 (Previous Years 50,000) Equity Shares of ₹ 100 each	**50.00**	50.00
	50.00	50.00
Subscribed and Paid Up		
50,000 (Previous Years 50,000) Equity Shares of ₹ 100 each, Fully Paid	**50.00**	50.00
(Refer Footnote)	**50.00**	50.00

Footnotes:

(i) The Company has one class of equity shares having a par value of ₹ 100 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2020		March 31, 2019	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
As at the beginning of the year	50,000	50.00	50,000	50.00
Add : Shares issued on Rights basis	-	-	-	-
As at the end of the year	50,000	50.00	50,000	50.00

(iii) Shareholders holding more than 5% shares in the Company :

₹ in lakhs

	March 31, 2020		March 31, 2019	
	No. of Shares	%	No. of Shares	%
Equity shares of ₹ 100 each fully paid				
The Indian Hotels Company Limited	**46,596**	**93%**	22,298	45%
Piem Hotels Limited	**-**	**-**	10,548	21%
Inditravel Limited	**-**	**-**	12,450	25%
Mr. Jagat Singh	**3,000**	**6%**	3,000	6%
Taida Trading & Industries Limited*	**-**	**-**	1,300	3%
Others*	**404**	**1%**	404	1%
	50,000	**100%**	50,000	100%

* Less than 5%

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 15 : OTHER EQUITY

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Reserves & Surplus		
Retained Earnings		
Opening Balance	**366.88**	358.09
Add: Current year profits	**308.54**	8.79
Add: Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings)	**0.32**	-
Closing Balance	**675.75**	366.88
	675.75	**366.88**

NOTE 16 : PROVISIONS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(a) Non Current provisions		
Employee Benefit Obligation		
Compensated absences	**14.28**	-
Gratuity (Refer Note 27)	**45.37**	-
	59.65	-
(b) Current provisions		
Employee Benefit Obligation		
Compensated absences	**1.85**	-
Gratuity (Refer Note 27)	**2.84**	-
	4.69	-

NOTE 17: TRADE PAYABLES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Micro and Small Enterprises (Refer Footnote (i) and (ii))	**0.24**	-
Others:		
Vendor Payables	**74.48**	1.60
Accrued expenses and others	**7.20**	-
	81.68	1.60
	81.92	1.60

Footnotes:

(i) The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information collected by the Management.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

(ii) The disclosures relating to Micro and Small Enterprises are as under:

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	0.24	0
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

(iii) For related party balances refer Note 32

NOTE 18: OTHER FINANCIAL LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Other Current financial liabilities		
Creditors for capital expenditure	**13.31**	-
Employee related liabilities	**15.69**	-
Others	**4.50**	0.43
	33.50	0.43

NOTE 19 : OTHER CURRENT LIABILITIES

₹ lakhs

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Advances collected from customers (Refer Footnote)	**22.06**	-
Statutory dues	**19.49**	0.05
	41.55	0.05

Footnote:

For detailed disclosure relating to Ind AS 115 - Revenue from Contracts with Customers refer Note 33.

NOTE 20 : REVENUE FROM OPERATIONS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Food and Banquet Income	**962.57**	-
	962.57	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 21 : OTHER INCOME

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Interest Income from financial assets at amortised cost		
Deposits with banks	19.89	24.88
Total	**19.89**	**24.88**
Miscellaneous non-operating income	0.05	-
	19.94	**24.88**

NOTE 22 : FOOD AND BEVERAGES CONSUMED

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Food and Beverages consumed	**233.12**	-
	233.12	-

NOTE 23 : EMPLOYEE BENEFIT EXPENSES AND PAYMENT TO CONTRACTORS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Salaries, Wages, Bonus etc.	117.18	-
Company's Contribution to Provident and Other Funds (Refer Note 27)	8.61	-
Reimbursement of Expenses on Personnel Deputed to the Company	4.50	-
Payment to Contractors	13.64	-
Staff Welfare Expenses	26.57	-
	170.49	**-**

NOTE 24 : OTHER OPERATING AND GENERAL EXPENSES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(i) Operating expenses consist of the following :		
Linen and Room Supplies	5.35	-
Catering Supplies	36.95	-
Other Supplies	0.22	-
Fuel, Power and Light (net)	20.17	-
Repairs to Buildings	0.45	-
Repairs to Machinery	6.59	-
Repairs to Others	1.16	-
Linen and Uniform Washing and Laundry Expenses	4.12	-
Security charges and Others	8.94	8.22
Food Transportation	6.70	-
Discount to Collecting Agents	4.23	-
Other Operating Expenses	3.21	-
	98.09	8.22

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(ii) General expenses consist of the following :		
Rent	**25.06**	-
Rates and Taxes	**2.76**	-
Insurance	**0.86**	-
Advertising and Publicity	**0.24**	-
Printing and Stationery	**1.30**	0.04
Passage and Travelling	**1.15**	-
Professional Fees	**13.09**	0.69
Outsourced Support Services	**0.91**	-
Payment made to Statutory Auditors (Refer Footnote (i))	**2.40**	0.30
Other Expenses	**4.22**	0.23
	52.00	1.26
	150.08	9.48

(i) Payment made to Statutory Auditors:

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
As auditors	**1.50**	0.30
As tax auditors	**0.50**	-
For other services	**0.40**	-
For out-of pocket expenses	**-**	-
	2.40	0.30

25 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR):

(a) On account of matters in dispute:

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company, in respect of taxes, etc., which are in dispute, are as under:

Nil - ₹ lakhs (PY - Nil ₹ lakhs)

(b) Others:

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Period ended March 31, 2020

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

(iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented

The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial statements, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

26 CAPITAL COMMITMENTS

(Amount in INR lakhs)

Particulars	31/3/2020	31/3/2019
Estimated number of contracts remaining to be executed on capital account and not provided for		
Tangible assets	-	-
Intangible assets	-	-
Total	**-**	**-**

27 EMPLOYEE BENEFITS:

(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds"(net of recoveries):

(Amount in INR lakhs)

Particulars	31/3/2020	31/3/2019
Provident Fund	8.61	0.00
Total	**8.61**	**0.00**

(b) The Company operates post retirement defined benefit plans as follows :-

a. Un-Funded:

i. Post Retirement Gratuity

(c) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2020 :-

(i) Amount to be recognised in Balance Sheet and movement in net liability

(Amount in INR lakhs)

	Gratuity Un-Funded	
Particulars	**31/3/2020**	**31/3/2019**
Present Value of Funded Obligations	-	-
Present Value of Unfunded Obligations	48.21	0.00
Fair Value of Plan Assets	-	-
Net (Asset) / Liability	**48.21**	**0.00**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

(ii) Expenses recognised in the Statement of Profit & Loss

(Amount in INR lakhs)

Particulars	Gratuity Un-Funded	
	31/3/2020	31/3/2019
Current Service Cost	1.79	-
Past service Cost	-	-
Interest Cost	1.53	-
Expected return on Plan Assets	-	-
Effect of the limit on Plan Asset	-	-
Total	**3.32**	**0.00**

(iii) Expenses recognised in Other Comprehensive Income (OCI)

(Amount in INR lakhs)

Particulars	Gratuity Un-Funded	
	31/3/2020	31/3/2019
Changes in financial assumptions	-	-
Changes in demographic assumptions	-	-
Experience adjustments	(0.43)	-
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognise the effect of asset ceiling	-	-
Total	**(0.43)**	**-**

(iv) Reconciliation of Net Liability/ Asset

(Amount in INR lakhs)

Particulars	Gratuity Un-Funded	
	31/3/2020	31/3/2019
Opening Net Benefit Liability	-	-
Expense charged to profit and loss	3.32	-
Amount recognized outside profit and loss	(0.43)	
Employer Contribution	-	-
Impact of liability assumed (settled)	45.32	-
Closing Net Defined Benefit Liability/ (Asset) - Current	**48.21**	**-**

(v) Reconciliation of Defined Benefit Obligation

(Amount in INR lakhs)

Particulars	Gratuity Un-Funded	
	31/3/2020	31/3/2019
Opening Defined Benefit Obligation	-	-
Current Service Cost	1.79	-
Past Service Cost	-	-
Interest Cost	1.53	-
Changes in financial assumptions	-	-
Changes in demographic assumptions	-	-
Experience adjustments	(0.43)	-
Benefits Paid	-	
Liability assumed (settled)	45.32	-
Closing Defined Benefit Obligation	**48.21**	**-**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

(vi) Reconciliation of Fair Value of Plan Assets

(Amount in INR lakhs)

Particulars	Gratuity Un-Funded 31/3/2020	Gratuity Un-Funded 31/3/2019
Opening Fair Value of Plan Assets	-	-
Interest on Plan Assets	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	-	-
Contribution by Employer	-	-
Benefits Paid	-	-
Closing Fair Value of Plan Assets	-	-
Expected Employer's contribution/ outflow next year		

(vii) Actuarial Assumptions

(Amount in INR lakhs)

Particulars	Gratuity Un-Funded 31/3/2020	Gratuity Un-Funded 31/3/2019
Discount rate (p.a.)	6.65%	0.00%
Salary Escalation Rate (p.a.)	Staff - 5%, Executive - 4%	0.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

(viii) Maturity Profile

Maturity Profile	Amount in INR lakhs
Expected benefits for year 1	2.84
Expected benefits for year 2	2.66
Expected benefits for year 3	2.60
Expected benefits for year 4	2.38
Expected benefits for year 5	2.12
Expected benefits for year 6	14.19
Expected benefits for year 7	17.20
Expected benefits for year 8	1.23
Expected benefits for year 9	1.18
Expected benefits for year 10 & above	44.91

The weighted average duration to the payment of these cash flows is 8.13 years.

(ix) Effect of Change in Key Assumptions

Year Ended March 31, 2020 (Amount in INR lakhs)

Particulars	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	-3.94%	4.28%
Impact of decrease in 50 bps on DBO	4.20%	-4.05%

The expected contribution for the next year is INR Nil.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Information disclosed above is to the extent provided by actuary.

Exposure to Risks:
These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk	A decrease in the Government Securities (G-Sec Bonds) interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

28 SEGMENT INFORMATION:

The Company's only business being **Banquet Catering** , disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments'. There is no geographical segment to be reported .

29 EARNINGS PER SHARE (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share' prescribed under Section 133 of the Companies Act, 2013.

(Amount in INR lakhs)

Particulars	31/3/2020	31/3/2019
Profit/ (Loss) after tax –(₹)	308.54	8.79
Number of Ordinary (Equity) Shares	50,000	50,000
Weighted Average Number of Ordinary (Equity) Shares:		-
Considered in calculation of Basic EPS	50,000	50,000
Considered in calculation of Diluted EPS	50,000	50,000
Face Value per Ordinary (Equity) Share (₹)	100.00	100.00
Earnings Per Share (₹):		
Basic	617.09	17.59
Diluted	617.09	17.59

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 30: TAX DISCLOSURES

i) Income Tax recognised in Profit or loss:

₹ lakhs

Particulars	31/3/2020	31/3/2019
Current Tax		
In respect of the current year	110.31	6.47
In respect of earlier years		
Resulting from reversal of provision for tax for earlier years	-	-
Other demands and tax paid for earlier years	-	0.02
	110.31	**6.49**
Deferred Tax		
In respect of the current year		
Other items includes the impact on account of change in tax rates	(6.61)	-
Total tax expense recognised in the current year relating to continuing operations	**103.70**	**6.49**

ii) Reconciliation of tax expense with the effective tax:

₹ lakhs

Particulars	31/3/2020	31/3/2019
Profit before tax from continuing operations (a)	412.25	15.28
Income tax rate as applicable (b)	25.17%	26.00%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	103.75	3.97
Permanent tax differences due to:		
Effect of expenses that are not deductible in determining taxable profit	-	2.50
Others	(0.05)	-
Deferred Tax reversal		
Net Impact of the change in the tax rates*	-	-
Adjustment to Opening Deferred Tax	-	-
Prior year taxes		
Income tax expense recognised in profit or loss (relating to continuing operations)	-	0.02
Total tax expense recognised in the current year	103.70	6.49

Foot Note:

* A new section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to domestic companies to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions defined in the said section. Accordingly the company has elected to exercise the option and has recognized provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax balances on the basis of the rate prescribed in the said section.

iii) Income tax recognised in other comprehensive income:

₹ lakhs

Particulars	31/3/2020	31/3/2019
Deferred tax		
(a) Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	-0.11	-
	-0.11	**-**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

iv) Reconciliation of Deferred Tax Asset and Deferred Tax Liability:

₹ lakhs

March 31, 2020	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Deferred tax liabilities/ assets in relation to:				
Property, Plant and equipment & Intangible Assets	-	(1.27)	-	(1.27)
Provision for Employee Benefits	-	5.55	-	5.55
Provisions for Defined benefit obligations	-	0.84	(0.11)	0.73
Others (Expenses disallowed to be allowed in future)	-	1.50	-	1.50
Total Deferred Tax Asset	**-**	**6.61**	**(0.11)**	**6.50**

₹ lakhs

March 31, 2019	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Deferred tax liabilities/ assets in relation to:				
Property, Plant and equipment & Intangible Assets	-	-	-	-
Provision for Employee Benefits	-	-	-	-
Provisions for Defined benefit obligations	-	-	-	-
Others (Expenses disallowed to be allowed in future)	-	-	-	-
Total Deferred Tax Assets	**-**	**-**	**-**	**-**

31 FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed.

Financial assets and liabilities

The carrying value of financial instruments by categories under the most relevant method i.e. amortised cost is as follows:

₹ lakhs

Particulars	31/3/2020	31/3/2019
Financial assets:		
Cash and cash equivalents	243.33	0.46
Bank Balances other than Cash & Cash Equivalents	200.00	387.57
Trade Receivables	55.51	-
Investments	7.20	7.20
Other financial assets - Non Current*	1.05	0.20
Other financial assets - Current*	55.19	5.23
Total	**562.27**	**400.67**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
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₹ lakhs

Particulars	31/3/2020	31/3/2019
Financial liabilities:		
Borrowings	-	-
Trade Payables	81.92	1.60
Other financial liabilities - Non Current*	-	-
Other financial liabilities - Current*	33.50	0.43
	115.42	**2.03**

Fair value of Financial Instruments measured at amortised cost :

The management considers that the carrying amount of assets and liabilities recognised at amortised cost in financial statements approximate to their fair value.

32 (A) RELATED PARTY TRANSACTIONS

Details of related parties:

(i) Holding Company

The Indian Hotels Company Limited (IHCL)
(Tata Sons Limited has substantial interest in The Indian Hotels Company Limited)

(ii) Fellow subsidiaries

KTC Hotels Limited

United Hotels Limited

Roots Corporation Limited

Piem Hotels Limited

Taj Trade and Transport Company Limited

Inditravel Limited

Northern India Hotels Limited

Benares Hotels Limited

Luthria & Lalchandani Hotel & Properties Pvt. Ltd.

Skydeck Properties and Developers Private Limited

Sheena Investments Private Limited

ELEL Hotels & Investments Limited

Taj International Hotels (H.K) Limited

IHOCO BV

St. James Court Hotels Limited

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

Taj International Hotels Limited

IHMS LLC - San Francisco

IHMS LLC - USA

PIEM International Hotels (H.K) Limited

BAHC 5

United Overseas Holdings Inc.

(ii) Directors who held the office during the year:

(a)	Rohit Khosla	Director	Appointed from 11th Oct 2019
(b)	Gaurav Pokhariyal	Director	Appointed from 18th July 2019
(c)	Mohit Gupta	Director	Appointed from 11th Oct 2019
(d)	Ashok Binnani *	Director	Resigned on 11th Oct 2019
(e)	Nabakumar Shome *	Director	Resigned on 17th Jan 2020
(f)	Beejal Desai *	Director	Resigned on 17th Oct 2019

* for part of the year

32 (B) DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED 31 MARCH, 2020 AND BALANCES OUTSTANDING AS AT 31 MARCH, 2020:

		(Amount in INR lakhs)		(Amount in INR lakhs)	
S.No.	**Particulars**	**Holding Company**		**Fellow Subsidiary**	
		31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
	Transactions during the year:				
1	Business income	87.10	-	-	-
2	Rent Expenses	17.09	-	-	-
3	Heat Light and Power Cost Expenses	20.78	-	-	-
4	Transfer of Fixed Assets	11.60	-	-	-
5	Reimbursement of expenses to related party	3.55	5.13	-	-
6	Transfer of Liability of Compensated Absences	8.13	-	0.55	-

S.No.	**Particulars**	**Holding Company**		**Fellow Subsidiary**	
		31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
	Balances outstanding at the end of the year:				
1	Trade Payables	3.70	-	-	-
2	Trade Receivables (Gross)	50.76	-	-	-
3	Other Receivables	8.13	-	0.55	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

33 DISCLOSURE PURSUANT TO IND AS 115

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Contract With Customers		
1 Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
Income from operations		
Food and Banquet Income	962.57	-
Total Income from operations	**962.57**	**-**
2 Impairment losses - Nil		
3 Disaggregate Revenue		
The following table presents company revenue disaggregated by type of revenue stream and by reportable segment (Refer Note 28 for Segment Reporting):		
Revenue based on geography		
India	962.57	-
Overseas	-	-
Revenue based on product and services		
Food and Banquet Income	962.57	-
4 The Company derives its revenue from the transfer of goods and services over time in its major service lines. This is consistent with the revenue information that is disclosed for each **reportable segment** under Ind AS 108. (Refer Note 28 for Segment Disclosure).		
5 Contract balances		
The following tables present information about trade receivables, contract assets, and deferred revenue:		
Trade Receivables	55.51	-
Deferred Revenue	-	-
Advance Collections	22.06	-
Advance Collections, deposits from customer		
Refer Note No. 2 on significant accounting policies for details of performance obligation and revenue recognition.		
At April	-	0.00
At March	22.06	0.00
Analysed as:		
Current	22.06	-
Non-current	-	-
Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to Nil lakhs.		

34 (a) FINANCIAL RISK MANAGEMENT:

The Company's principal financial liabilities, comprise, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits 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 management is supported by finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance team 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 Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

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 currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

Credit risk

Credit risk is the risk that a 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) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Particulars	31-Mar-20	31-Mar-19
No of Customers who owed more than 10% of the Total receivables	1	0
Contribution of Customers in owing more than 10% of Total receivables	91%	0%

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not requires the company to track changes in credit risk, rather it recognise impairment loss allowance based on life time expected credit loss at each balance sheet date, since its initial recognition.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company operates on the funds accrued through operation, hence, the said risk is not significant for the company.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

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

(Amount in INR lakhs)

Contractual Maturity of Financial Liabilities:	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total
Year ended 31 March 2020				
Borrowings (for renewal)	-	-	-	-
Trade and other payables	81.92	-	-	81.92
Other financial liabilities - Non Current	-	-	-	-
Other financial liabilities - Current	33.50	-	-	33.50
Year ended 31 March 2019				
Borrowings (for renewal)	-	-	-	-
Trade and other payables	1.60	-	-	1.60
Other financial liabilities - Non Current	-	-	-	-
Other financial liabilities - Current	0.43	-	-	0.43

35 There are no financial liabilities and assets that are set off during the financial year 31st March 2020 and 31st March 2019.

36 CAPITAL MANAGEMENT

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met through operating cash flows generated. The Company does not have any debt and thus Debt to Equity ratio is not given.

As per our report attached

For **Brahmayya & Co.**
Chartered Accountants
Firm Registration No. 000511S

R. Nagendra Prasad
Partner
Membership No. 203377

Date: May 27, 2020
Place: Chennai

For and on behalf of the Board

Rohit Khosla
Director
DIN: 07163135

Gaurav Pokhariyal
Director
DIN: 07173075

Mohit Gupta
Director
DIN: 01865794

Date: May 27, 2020
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of Taj Trade and Transport Company Limited

Report on the Audit of the Financial statements

Opinion

We have audited the accompanying financial statements of Taj Trade And Transport Company Limited ('the Company'), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement Of Changes In Equity and the Statement of Cash Flows and for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statement in accordance with the Standards of Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors 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 (ICAI) together with the independent requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Emphasis of matter(s)

We draw attention to:

Note 39 to the financial statements, regarding the management's impairment assessment of property, plant and equipment, intangible assets, investments, trade receivables valuation as at March 31, 2020 being considered recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from COVID19 pandemic.

Our opinion is not modified in respect of the above matter.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Information Other than the Financial statements and Auditor's 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 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.

Management's Responsibility for the Financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements 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 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:

- 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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The matter described in sub-paragraph(a) under the emphasis of matters paragraph above, in our opinion, may have adverse effect on the functioning of the Company.

g) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable.

i) 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 25 to the Financial statements;

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

   iii. there are no amounts that are required to be transferred, to the Investor Education and Protection Fund by the Company.

2. 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.

For **Chandrashekar Iyer & Co**
Chartered Accountants
Firm's Registration No: 114260W

Chandrashekhar Iyer
Partner
Membership No: 47723

Place: Mumbai
Date: June 1, 2020
UDIN: 20047723AAAAAJ1880

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Taj Trade and Transport Company Limited of even date)

i. In respect of the Company's fixed assets:

   a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b. The Company has a programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, none of the fixed assets were due for physical verification by the management during the year.

   c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has no immoveable property. Accordingly, sub clause (c) of clause (i) of paragraph 3 of the said order are not applicable.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records have been adequately provided for in the books of accounts.

iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clauses (a), (b) and (c) of clause (iii) of paragraph 3 of the said order are not applicable.

iv. According to the information and explanations given to us, the company has neither made any loans and investments. Accordingly, clause (iv) of paragraph 3 of the said order are not applicable.

v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provision of the Act and the rules framed there under are applicable.

vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities of the Company.

vii. a. The Company is generally regular in depositing with appropriate authorities applicable undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, goods and service tax (GST), custom duty, excise duty, and any other statutory dues applicable to it though there has been a slight delay in a few cases.

   b. According to the information and explanations given to us and on basis of examination of records, no undisputed amounts payable in respect of provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, goods and service tax (GST), customs duty, excise duty were outstanding, as at March 31, 2020 for a period of more than six months from the date they became payable.

   c. According to the records of the Company there are no dues of sales tax/Value added tax, goods & service tax, income-tax, customs duty and excise duty which have not been deposited on account of any dispute except the following :

Name of the Statue	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Maharashtra Sales Tax	Lease Tax	35,42,060/-	1998-99 to 2000-01	Sales Tax Appellate Tribunal (Mumbai)
Income Tax Act, 1961	Income Tax	9,42,450/-	AY 2012-13	Dy. Commissioner of Income Tax, Mumbai

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

viii. According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders or Government and accordingly clause viii of paragraph 3 of the said order is not applicable.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x. According to the information and explanations given by the management, no fraud by the company or on the company by its officers and employees has been noticed or reported during the year.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Accordingly clause (xi) of paragraph 3 of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties during the year are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Chandrashekar Iyer & Co**
Chartered Accountants
Firm's Registration No: 114260W

Chandrashekhar Iyer
Partner
Membership No: 47723

Place: Mumbai
Date: June 1, 2020
UDIN: 20047723AAAAAJ1880

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements section of our report to the Members of Taj Trade and Transport Company Limited of even date)

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 Taj Trade And Transport Company Limited ("the Company") as of March 31, 2020 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 Board of Directors of the Company 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 of the Company.

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

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2020, 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 **Chandrashekar Iyer & Co**
Chartered Accountants
Firm's Registration No: 114260W

Chandrashekhar Iyer
Partner
Membership No: 47723

Place: Mumbai
Date: June 1, 2020
UDIN: 20047723AAAAAJ1880

BALANCE SHEET
as at March 31, 2020

	Note	March 31, 2020 ₹	March 31, 2019 ₹
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,40,73,065	2,36,17,873
Capital work-in-progress	3	6,01,066	8,82,500
Other Intangible assets	4	13,39,727	1,87,927
		2,60,13,858	**2,46,88,300**
Financial assets			
Investments	5	1,94,44,221	1,94,44,221
Loans	6	1,29,574	84,436
Income Tax Asset (Net)		2,26,72,685	2,01,28,481
Total non-current assets		**6,82,60,338**	**6,43,45,438**
Current assets			
Inventories	8	6,05,11,421	3,02,04,279
Financial assets			
Investments	7	4,23,87,719	3,98,49,517
Trade receivables	9	29,23,284	38,80,321
Cash and cash equivalents	10	88,72,552	1,86,17,868
Bank balances other than cash and cash equivalents	11	3,61,64,192	4,14,19,488
Loans	6	61,58,232	65,18,696
Other current assets	12	73,05,291	3,65,100
Total current assets		**16,43,22,690**	**14,08,55,270**
Total Assets		**23,25,83,029**	**20,52,00,708**
Equity and Liabilities			
Equity			
Equity share capital	13	3,46,82,250	3,46,82,250
Other equity	14	9,42,24,597	10,31,17,092
Total equity		**12,89,06,847**	**13,77,99,342**
Liabilities			
Non-current liabilities			
Provisions	15	44,38,177	42,34,464
Total non current liabilities		**44,38,177**	**42,34,464**
Current Liabilities			
Financial liabilities			
Short Term Borrowings	16	88,72,305	46,89,315
Trade payables	17	7,68,20,058	4,33,53,932
Other current liabilities	18	1,31,98,940	1,48,76,767
Provisions	15	3,46,702	2,46,887
Total current liabilities		**9,92,38,005**	**6,31,66,901**
Total Equity and Liabilities		**23,25,83,029**	**20,52,00,708**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements from 1 to 44

As per our report attached
For **Chandrashekar Iyer & Co.**
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place : Mumbai
Date : June 1, 2020

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2020

	Note	March 31, 2020 ₹	March 31, 2019 ₹
INCOME			
Revenue from operations	19	15,86,17,682	17,56,62,147
Other income	20	1,05,07,139	84,11,098
Total Income		**16,91,24,821**	**18,40,73,245**
Expenses			
Material Purchased	21	12,33,79,848	5,45,23,621
Changes in Inventories	22	(3,03,06,001)	4,86,31,471
Employee benefit expenses	23	3,38,12,147	3,40,78,226
Depreciation and amortisation expense		39,17,469	37,58,656
Other expenses	24	4,72,71,776	4,80,51,784
Total Expenses		**17,80,75,239**	**18,90,43,758**
Profit/ (Loss) before exceptional items and tax		(89,50,418)	(49,70,513)
Exceptional items		-	-
Profit/ (Loss) before tax		**(89,50,418)**	**(49,70,513)**
Tax expense			
Current tax		-	-
MAT Credit utilised		-	-
Deferred tax		-	-
Total		**-**	**-**
Profit/ (Loss) after tax		**(89,50,418)**	**(49,70,513)**
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		57,923	(23,49,829)
		57,923	**(23,49,829)**
Total comprehensive Income for the period		**(88,92,495)**	**(73,20,342)**
Profit/ (Loss) for the period attributable to:			
Owners of the Company		(89,50,418)	(49,70,513)
Total Comprehensive Income for the period attributable to			
Owners of the Company		(88,92,495)	(73,20,342)
Earnings per share:			
Basic - (₹)		(2.58)	(1.43)
Diluted - (₹)		(2.58)	(1.43)
Face value per equity share - (₹)		10	10
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements from 1 to 44			

As per our report attached
For **Chandrashekar Iyer & Co.**
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place : Mumbai
Date : June 1, 2020

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

CASH FLOW STATEMENT
for the year ended March 31, 2020

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Cash Flow From Operating Activities		
Net Profit Before Tax	(89,50,418)	(30,18,779)
Adjustments For :		
Depreciation and Amortisation	39,17,469	37,58,656
Loss/(profit) on sale of assets	(13,848)	(30,525)
Gain on fair valuation of investment mandatorily measured at FVPL	(25,38,202)	-
Dividend Income	(8,33,795)	(26,33,961)
Interest Income	(28,66,363)	(34,23,861)
Provision for devaluation of stock	(1,141)	(55,73,294)
Provision for Employee Benefits	57,923	(23,49,829)
	(22,77,957)	**(1,02,52,815)**
Cash Operating Profit before working capital changes	**(1,12,28,375)**	**(1,32,71,593)**
Adjustments for (increase)/ decrease in operating assets:		
Inventories	(3,03,06,001)	4,86,31,471
Trade Receivables	9,57,038	(26,46,738)
Short-term loans and advances	(2,43,300)	17,75,044
Loans and advances	(45,138)	1,44,193
Other Current Assets	(69,40,191)	88,545
Other Non-Current Assets	-	14,72,977
	(3,65,77,590)	**4,94,65,491**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	3,34,66,126	(4,42,69,083)
Short term provisions	99,815	(1,55,637)
Long-term Provisions	2,03,713	6,06,220
Other Liabilities	(16,77,827)	4,82,975
	3,20,91,827	**(4,33,35,525)**
Cash Generated from Operating Activities	(1,57,14,138)	(71,41,627)
Direct Taxes (Paid)/ Refunded	(25,44,203)	(23,63,480)
Net Cash Generated From Operating Activities (A)	**(1,82,58,344)**	**(95,05,107)**

CASH FLOW STATEMENT
for the year ended March 31, 2020

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	(41,86,292)	(60,70,199)
Purchase of intangible assets	(13,73,587)	(69,804)
Sale of Property, Plant and Equipment	49,266	30,525
Capital Work in Progress	2,81,434	1,11,456
Purchase / (Sale) of current Investments	-	1,00,16,642
Interest Received	34,70,127	30,84,461
Dividend Received	8,33,795	29,69,522
Bank overdraft	41,82,989	-
Deposits matured	52,55,296	(3,02,384)
Net Cash Generated/(Used) In Investing Activities (B)	**85,13,028**	**97,70,219**
Cash Flow From Financing Activities		
Dividend paid (Including tax on dividend)	-	-
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(97,45,316)**	**2,65,112**
Cash and Cash Equivalents - Opening (Refer Note 11)	1,86,17,868	1,83,52,756
Cash and Cash Equivalents - Closing (Refer Note 11)	**88,72,552**	**1,86,17,868**

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements from 1 to 44

As per our report attached
For **Chandrashekar Iyer & Co.**
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place : Mumbai
Date : June 1, 2020

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2020

NOTE 1: CORPORATE INFORMATION

Taj Trade and Transport Co. Ltd is incorporated and domiciled in India and has its registered office at Mandlik House, Mandlik Road, Colaba, Mumbai 400 001. The Company is primarily engaged in the business of Retailing Merchandise under the brand name of Taj Khazana.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

(b) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

(c) Basis of preparation and presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(d) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

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 in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- Useful lives of property, plant and equipment and intangible assets: The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- Impairment testing: Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- Income Taxes: Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management’s expectations regarding the manner

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax law, 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 or loss.

- Fair value measurement of derivative and other financial instruments: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- Litigation: From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- Defined benefit plans: The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.
- All assets and liabilities are classified into current and non-current generally on the criteria of realisation /settlement within twelve months period from the Balance sheet date.

e) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer.

Revenue from operations

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes sale of goods and services.

Revenue from sale of goods is recognised net of trade discount, returns and indirect taxes on transfer of significant risks and rewards of ownership to the buyer (which generally coincides with the delivery of goods to the customers).

Rendering of services is recognised net off indirect taxes and is recognised in the period in which services have been rendered. These contracts are generally short term in nature.

Interest:
Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend:
Dividend income is recognised when the Company's right to receive the amount is established.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes all expenditure incidental to acquisition and installation.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that it's estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful life
Leasehold Improvements	05 years
Office Equipment	05 years
Plant & Machinery	15 years
Furniture & Fixtures	15 years
Electrical fittings	10 years
Computers	6 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(g) Intangible Assets:

Intangible assets include cost of acquired software and Licences. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. The estimated useful life used for amortising intangible assets are as under:

Nature of Assets	Useful life adopted
Software and Licences	6 years

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(h) Impairment ofassets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

(i) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(j) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(k) Inventories:

Traded goods and consumables are valued at lower of cost and net realisable value. Cost of traded goods is arrived on the basis of specific identification method. In the case of stocks of beauty salons, the same is valued under FIFO method.

(l) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(m) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognised in the financial statements.

(n) Employee Benefits

(i) Provident Fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

(ii) Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

(iii) Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

(iv) Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(o) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(p) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(q) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(r) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the decision-maker who are responsible for allocating resources and assessing performance of the operating segments and have been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets/liabilities”.

(s) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Refer note no. 42.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(t) Financial Instruments:

Financial Assets:

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 its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Investment in equity – others is carried at lower of cost or fair value

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

    (a) The Company has transferred substantially all the risks and rewards of the asset, or

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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.

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 Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

Particulars	Improvements to Buildings ₹	Plant and Equipment ₹	Furniture and Fixtures ₹	Office Equipment ₹	Vehicles * ₹	Total ₹	Capital Work in Progress ₹
Cost							
At April 1, 2018	55,26,998	91,73,764	1,90,73,145	98,438	1,200	3,38,73,545	9,93,956
Additions	3,54,454	6,29,607	49,51,888	1,34,250	-	60,70,199	13,68,644
Adjustment						-	
Disposals/ Transfer	-	4,25,679	14,110	-		4,39,789	14,80,100
At March 31, 2019	**58,81,452**	**93,77,692**	**2,40,10,922**	**2,32,688**	**1,200**	**3,95,03,955**	**8,82,500**
Additions	1,89,364	11,33,515	27,47,861	1,15,552	-	41,86,292	2,04,910
Adjustments						-	
Disposals/ Transfer	-	82,668	21,899	-		1,04,567	4,86,344
At March 31, 2020	**60,70,816**	**1,04,28,539**	**2,67,36,884**	**3,48,240**	**1,200**	**4,35,85,680**	**6,01,066**
Depreciation							
At April 1, 2018	42,03,541	38,42,516	45,80,465	5,763	-	1,26,32,285	
Charge for the year	6,22,422	12,81,919	17,65,073	24,172	-	36,93,586	
Adjustments						-	
Disposals	-	4,25,679	14,110	-		4,39,789	
At March 31, 2019	**48,25,963**	**46,98,756**	**63,31,428**	**29,935**	**-**	**1,58,86,082**	
Charge for the year	5,08,697	10,99,031	20,12,640	75,314	-	36,95,682	
Adjustments						-	
Disposals	-	47,250	21,899	-		69,149	
At March 31, 2020	**53,34,660**	**57,50,537**	**83,22,169**	**1,05,249**	**-**	**1,95,12,615**	
Net Block							
At March 31, 2019	**10,55,490**	**46,78,936**	**1,76,79,494**	**2,02,753**	**1,200**	**2,36,17,873**	**8,82,500**
At March 31, 2020	**7,36,157**	**46,78,002**	**1,84,14,715**	**2,42,991**	**1,200**	**2,40,73,065**	**6,01,066**

Footnotes :

1 * Cars & Vehicles including Leased Cars upto March 31, 2003 costing ₹ 49,39,770/- (Previous Year ₹ 49,39,770/-), WDV ₹ 1,200/- (Previous Year ₹ 1,200/-) have been held for disposal and valued at WDV or Net Realisable Value whichever is lower.

Refer to note number 30 to notes to accounts.

2 For Capital Commitments refer note no. 25.

NOTE 4 : INTANGIBLE ASSETS (ACQUIRED)

Particulars	Software ₹	Goodwill ₹	Total ₹
Cost			
At April 1, 2018	4,36,287	1,05,74,151	1,10,10,438
Additions	69,804	-	69,804
Adjustments			-
Disposals	-	-	-
At March 31, 2019	**5,06,091**	**1,05,74,151**	**1,10,80,242**
Additions	13,73,587	-	13,73,587
Adjustments			-
Disposals	-	-	-
At March 31, 2020	**18,79,678**	**1,05,74,151**	**1,24,53,829**

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 4 : INTANGIBLE ASSETS (ACQUIRED) (CONTD.)

Particulars	Software ₹	Goodwill ₹	Total ₹
Amortisation			
At April 1, 2018	2,53,094	1,05,74,151	1,08,27,245
Charge for the year	65,070	-	65,070
Adjustments			-
Disposals	-	-	-
At March 31, 2019	**3,18,164**	**1,05,74,151**	**1,08,92,315**
Charge for the year	2,21,787	-	2,21,787
Adjustments			
Disposals	-	-	
At March 31, 2020	**5,39,951**	**1,05,74,151**	**1,11,14,102**
Net Block			
At March 31, 2019	**1,87,927**	**-**	**1,87,927**
At March 31, 2020	**13,39,727**	**-**	**13,39,727**

NOTE 5 : INVESTMENTS

Particulars	March 31, 2020 Holdings As at	March 31, 2020 ₹	March 31, 2019 Holdings As at	March 31, 2019 ₹
Non Current Investments				
Fully Paid Quoted Equity Instruments				
Investments in Associate of Holding Companies (At Cost)				
Oriental Hotels Limited shares of ₹ 1 each fully paid	16,64,090	1,86,08,480	16,64,090	1,86,08,480
	16,64,090	**1,86,08,480**	**16,64,090**	**1,86,08,480**
Fully Paid Unquoted Equity Instruments				
Investments in Subsidiary and Associates of Holding Companies (At Cost)				
Inditravel Limited shares of ₹ 10 each fully paid	72,001	7,20,750	72,001	7,20,750
Taida Trading and Industries Limited shares of ₹ 100 each fully paid	680	68,000	680	68,000
	72,681	**7,88,750**	**72,681**	**7,88,750**
Other Investments (Cost or Fair value whichever is lower)				
Bombay Mercantile Co-op Bank Ltd	333	9,990	333	9,990
Saraswat Co-op Bank Ltd	1,000	10,000	1,000	10,000
	1,333	**19,990**	**1,333**	**19,990**
Total Investment in Equity instruments		**1,94,17,220**		**1,94,17,220**
Investment in Others				
National Saving Certificate *		95,000		95,000
		95,000		**95,000**
Total Non-current Investments - Gross		1,95,12,220		1,95,12,220
Less : Provision for Diminution in value of Investments **		(67,999)		(67,999)
Total Non-current Investments - Net		**1,94,44,221**		**1,94,44,221**
Footnotes :				
1) Aggregate value of cost of Quoted Investments				
2) Aggregate market value of Quoted Investments		1,86,08,480		1,86,08,480
3) Aggregate value of Unquoted Investments		3,03,69,643		6,95,58,962
4) Aggregate amount of provision for diminution in value of investments		9,03,740		9,03,740
5) * Security Deposit for VAT		(67,999)		(67,999)

6) ** Provision for diminution in value has been made on the basis of book value of the shares of the respective companies as per last audited Balance Sheet.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 6 : LOANS

	March 31, 2020 ₹	March 31, 2019 ₹
A) Non Current		
(Unsecured, considered good unless stated otherwise)		
Loans and advances to Employees	1,01,574	56,436
Security Deposit	28,000	28,000
	1,29,574	**84,436**
B) Current		
(Unsecured, considered good unless stated otherwise)		
Related Parties (Refer Note no. 43)		
Considered Good	4,66,719	2,23,419
Considered Doubtful	-	23,194
	4,66,719	**2,46,613**
Less provision for doubtful advances (Related Parties)	-	23,194
	4,66,719	**2,23,419**
Interest Receivable	7,91,513	13,95,277
Others	49,00,000	49,00,000
	61,58,232	**65,18,696**

NOTE 7 : INVESTMENTS

Particulars	March 31, 2020		March 31, 2019	
	Holdings As at	₹	Holdings As at	₹
Current Investments				
Investments in Mutual Fund Units (Quoted)				
Tata Mutual Fund	13,534	4,23,87,719	13,534	3,98,49,517
TOTAL		**4,23,87,719**		**3,98,49,517**
1) Aggregate amount of cost of quoted Investments		4,23,87,719		3,98,49,517
2) Aggregate market value of quoted Investments		4,23,87,719		3,98,49,517

NOTE 8 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

	March 31, 2020 ₹	March 31, 2019 ₹
Stock in Trade *	6,09,35,561	3,06,29,560
Less: Provision for Devaluation of Stock	4,24,140	4,25,281
	6,05,11,421	**3,02,04,279**

* Stock in Trade (as taken and certified by management) is valued at lower of Cost & Market Value

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 9 : TRADE RECEIVABLES

	March 31, 2020 ₹	March 31, 2019 ₹
Unsecured Considered good	29,23,284	38,80,321
(For Related Party balances refer note no. 43)	**29,23,284**	**38,80,321**

NOTE 10 : CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹	March 31, 2019 ₹
Cash on hand	3,11,020	3,62,556
Balances with bank in current account	85,61,532	80,05,116
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	-	1,02,50,197
	88,72,552	**1,86,17,868**

NOTE 11 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹	March 31, 2019 ₹
Other Balances with banks		
Call and Short-term deposit accounts (Of which ₹ 7,57,826 (Previous year ₹ 6,18,449) is held as security against Bank Guarantee)	3,47,64,192	4,00,19,488
Long Term Bank Deposit held as security against Bank guarantee	14,00,000	14,00,000
	3,61,64,192	**4,14,19,488**

NOTE 12 : OTHER ASSETS

	March 31, 2020 ₹	March 31, 2019 ₹
Current		
Prepaid Expenses	6,34,579	3,65,100
Indirect tax recoverable	66,70,712	-
	73,05,291	**3,65,100**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 13 : EQUITY SHARE CAPITAL

	March 31, 2020 ₹	March 31, 2019 ₹
Authorised Share Capital		
Equity Shares		
40,00,000 (Previous Year 40,00,000) Equity Shares of ₹ 10 each	4,00,00,000	4,00,00,000
	4,00,00,000	**4,00,00,000**
Issued Share Capital		
Equity Shares		
34,68,225 (Previous Year 34,68,225) Equity Shares of ₹ 10 each fully paid.	3,46,82,250	3,46,82,250
	3,46,82,250	**3,46,82,250**

Footnotes:

	March 31, 2020		March 31, 2019	
	No. of shares	₹	No. of shares	₹
As at the beginning of the year	34,68,225	3,46,82,250	34,68,225	3,46,82,250
Add : Issued during the year	-	-	-	-
As at the end of the year	**34,68,225**	**3,46,82,250**	**34,68,225**	**3,46,82,250**

(ii) Shareholders holding more than 5% shares in the Company :

	March 31, 2020		March 31, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 10 each fully paid				
The Indian Hotels Company Limited	12,54,000	36.16%	12,54,000	36.16%
TIFCO Holdings Limited	3,62,999	10.47%	3,62,999	10.47%
Inditravel Limited	5,50,766	15.88%	5,50,766	15.88%
Piem Hotels Limited	8,86,500	25.56%	8,86,500	25.56%

(iii) Shares in the entity held by the holding company/ ultimate holding company or by its subsidiaries and associates.

	March 31, 2020		March 31, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Name of the Company				
Equity shares of ₹ 10 each fully paid				
Shares held by Ultimate Holding Company				
The Indian Hotels Company Limited	12,54,000	36.16%	12,54,000	36.16%
	12,54,000	**36.16%**	**12,54,000**	**36.16%**
Shares held by Subsidiaries of Ultimate Holding Company				
TIFCO Holdings Limited	3,62,999	10.47%	3,62,999	10.47%
Inditravel Limited	5,50,766	15.88%	5,50,766	15.88%
Piem Hotels Limited	8,86,500	25.56%	8,86,500	25.56%
Northern India Hotels Limited	49,998	1.44%	49,998	1.44%
	18,50,263	**53.35%**	**18,50,263**	**53.35%**
Shares held by Associates of Ultimate Holding Company				
Oriental Hotels Limited	1,00,500	2.90%	1,00,500	2.90%
	1,00,500	**2.90%**	**1,00,500**	**2.90%**

(iv) The company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

(v) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential to their shareholdings.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 14: STATEMENT OF CHANGES IN EQUITY

₹

Particulars	Equity Share Capital Subscribed	Other Equity				Total
		Reserves and Surplus				
		Securities Premium Account	General Reserve	Other reserves	Retained Earnings	
Balance as at March 31, 2018	3,46,82,250	2,81,25,000	4,68,66,523	28,17,750	3,26,28,161	14,51,19,684
Profit/(Loss) for the year ended March 31, 2019					(49,70,513)	(49,70,513)
Other Comprehensive Income for the year ended March 31, 2019, net of taxes, (excluding actuarial gain/ losses, given below)					-	-
Remeasurements of post employment benefit obligation, net of tax					(23,49,829)	(23,49,829)
Total Comprehensive Income for the year ended March 31, 2019	-	-	-	-	**(73,20,342)**	**(73,20,342)**
Dividends				-	-	-
Tax on Dividend				-	-	-
Balance as at March 31, 2019	**3,46,82,250**	**2,81,25,000**	**4,68,66,523**	**28,17,750**	**2,53,07,819**	**13,77,99,342**
Profit/(Loss) for the year ended March 31, 2020					(89,50,418)	(89,50,418)
Other Comprehensive Income for the year ended March 31, 2020, net of taxes, (excluding actuarial gain/ losses, given below)					-	-
Remeasurements of post employment benefit obligation, net of tax					57,923	57,923
Total Comprehensive Income for the year ended March 31, 2020	-	-	-	-	**(88,92,495)**	**(88,92,495)**
Dividends				-	-	-
Tax on Dividend				-	-	-
Balance as at March 31, 2020	**3,46,82,250**	**2,81,25,000**	**4,68,66,523**	**28,17,750**	**1,64,15,324**	**12,89,06,847**

NOTE 15 : PROVISIONS

	March 31, 2020 ₹	March 31, 2019 ₹
A) Non- Current		
Employee Benefit Obligation		
Leave Encashment	13,66,112	12,94,024
Gratuity	30,72,065	29,40,440
	44,38,177	**42,34,464**
B) Current		
Employee Benefit Obligation		
Leave Encashment	3,46,702	2,46,887
	3,46,702	**2,46,887**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 16 : SHORT TERM BORROWINGS

	March 31, 2020 ₹	March 31, 2019 ₹
Bank Overdraft		
(Secured against Fixed Deposits of ₹ 3,02,10,390/- previous year ₹ 2,83,72,097/-)	88,72,305	46,89,315
	88,72,305	**46,89,315**

NOTE 17 : TRADE PAYABLES

	March 31, 2020 ₹	March 31, 2019 ₹
Micro, Small and Medium Enterprises - (Refer note no. 37)	-	-
Others	7,42,54,555	4,10,57,030
Accrued expenses and others	25,65,503	22,96,902
	7,68,20,058	**4,33,53,932**

NOTE 18 : OTHER CURRENT LIABILITIES

	March 31, 2020 ₹	March 31, 2019 ₹
A) Current		
Statutory dues	1,11,12,006	1,17,46,749
Related Parties	8,96,569	19,82,989
Others		
Provision for Contingencies	11,17,046	11,17,046
Others	73,319	29,983
	1,31,98,940	**1,48,76,767**

NOTE 19 : REVENUE FROM OPERATIONS

	March 31, 2020 ₹	March 31, 2019 ₹
Sale of Goods	13,71,07,429	14,82,38,677
Sale of Services	2,15,10,253	2,74,23,470
Total	**15,86,17,682**	**17,56,62,147**

NOTE 20 : OTHER INCOME

	March 31, 2020 ₹	March 31, 2019 ₹
Interest Income from financial assets at amortised cost		
Deposits with banks (Tax deducted at source ₹ 2,76,832/- (Previous Year ₹ 3,17,378/-)	28,66,363	32,72,127
Total	**28,66,363**	**32,72,127**
Dividend received on Investment carried at cost		
Dividend Income - Non-Current (Trade)	8,32,045	-
Dividend Income - Non-Current (Non Trade)	1,750	1,750
Profit on sale of assets (Net)	13,848	30,525
Gain on fair valuation of investment mandatorily measured at FVPL	25,38,202	26,32,211
Exchange Gain (Net)	41,546	1,16,941
Others	42,13,386	23,57,544
Total	**1,05,07,139**	**84,11,098**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 21 : MATERIALS PURCHASED

	March 31, 2020 ₹	March 31, 2019 ₹
Purchase of stock in trade - Trading	12,33,79,848	5,45,23,621
Total Material purchased	**12,33,79,848**	**5,45,23,621**

NOTE 22 : CHANGES IN INVENTORIES

	March 31, 2020 ₹	March 31, 2019 ₹
(i) Trading		
Opening Stock	3,06,29,560	7,92,61,031
Closing Stock	6,09,35,561	3,06,29,560
Total	**(3,03,06,001)**	**4,86,31,471**

NOTE 23 : EMPLOYEE BENEFIT EXPENSES

	March 31, 2020 ₹	March 31, 2019 ₹
Salaries, Wages, Bonus etc.	2,40,95,216	2,21,21,716
Company's Contribution to Provident and Other Funds	29,31,409	39,48,279
Reimbursement of Expenses on Personnel Deputed to the Company	39,33,495	40,85,282
Staff Welfare Expenses	28,52,027	39,22,949
Total	**3,38,12,147**	**3,40,78,226**

NOTE 24 : OTHER EXPENSES

	March 31, 2020 ₹	March 31, 2019 ₹
Electricity	29,52,496	30,52,526
Repairs to Machinery	-	4,03,027
Repairs - Others	6,42,497	7,88,118
Commission to others	17,236	2,491
Rent	2,40,15,992	2,06,74,782
Rates and Taxes	2,83,504	25,48,055
Insurance	12,61,438	11,95,656
Business Promotion Expenses	14,21,454	12,81,312
Travelling and Conveyance Expenses	25,94,543	26,29,769
Credit Cards Charges	15,97,266	26,08,581
Legal and Professional Charges	82,84,272	86,77,719
Payment made to Statutory Auditors (Refer Footnote (i))	4,92,268	5,01,630
Miscellaneous Expenses	37,08,810	36,88,118
Total	**4,72,71,776**	**4,80,51,784**

Footnote:

(i) Payment made to Statutory Auditors:

	March 31, 2020 ₹	March 31, 2019 ₹
As auditors	3,45,000	3,45,000
As tax auditors	86,250	86,250
For out-of pocket expenses	61,018	70,380
	4,92,268	**5,01,630**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 25 : CONTINGENT LIABILITIES

Contingent liabilities and commitments (to the extent not provided for)

Particulars	March 31, 2020 ₹	March 31, 2019 ₹
Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
(i) Income tax demand under appeal	9,42,450	9,42,450
	9,42,450	**9,42,450**
(b) Other money for which the company is contingently liable		
Employee Related Matters	69,26,220	69,26,220
(c) Guarantees given by banks on behalf of the company	5,44,090	5,44,090
	74,70,310	**74,70,310**
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	5,48,607	9,30,000
	89,61,367	**93,42,760**

The management believes that the outcome of the proceedings will not have an adverse effect on the company's financial position and results of the operation.

NOTE 26 : IND AS 115 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

Ind AS 115 - Disclosure format

Note No.	Particulars	Year Ended March 31, 2020 ₹	Year Ended March 31, 2019 ₹
	CONTRACT IND WITH CUSTOMERS		
1	Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Revenue from operations		
	Revenue from contract with customers		
	a) Sale goods	13,71,07,429	14,82,38,677
	b) Sale of services	2,15,10,253	2,74,23,470
	Total Revenue from operations	**15,86,17,682**	**17,56,62,147**
2	**Disaggregate Revenue**		
	The following table presents Company's revenue disaggregated by type of revenue stream		
	Revenue based on product and services		
	Revenue from contract with customers		
	a) Sale goods	13,71,07,429	14,82,38,677
	b) Sale of services	2,15,10,253	2,74,23,470
3	The Company derives its revenue from the transfer of goods and services at a point of time in its major service lines.		
4	**Contract balances**		
	Advance Collections, deposits from customer		
	Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/Banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services.		
	At April	-	-
	At March	-	-
	Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to ₹ NIL (P.Y. ₹ NIL).		

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 27 : The Company is carrying slow-moving/non-moving inventory of ₹ 4,24,140 (P.Y. ₹ 4,25,281) which is more than one year old in its books. An amount of ₹ 4,24,140 (P.Y. ₹ 4,25,281) is being carried forward as provision for obsolescence against this stock.

NOTE 28 : The Company is carrying forward a provision of ₹ Nil(P.Y ₹ Nil) on account of shortages/damages in the consignment stocks.

NOTE 29 : The Company has Goods on Approval arrangement with suppliers in ordinary course of business. The value of such stock, at cost, which has been excluded from the Balance sheet amounts to ₹ 19,85,92,086 (P.Y. ₹ 19,38,52,292).

NOTE 30 : ASSETS HELD FOR DISPOSAL

Particulars	Original Cost ₹	Book Value ₹	Book Value of Previous Year ₹
Cars & Vehicles	49,39,770 (P.Y. 49,39,770)	1,200	1,200

The estimated realisation value of the above assets is higher than the present book value.

NOTE 31 : EMPLOYEE BENEFITS

Applicable Disclosures as per IND AS-19:

The Company has calculated the various benefits to employees as under:

(A) Defined contribution plans

The company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund" and other funds (net of recoveries).

	March 31, 2020 ₹	March 31, 2019 ₹
Provident fund	15,81,001	9,87,620

(B) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Funded

(C) Defined benefit plans – as per actuarial valuation on March 31, 2020:-

	March 31, 2020 ₹	March 31, 2019 ₹
(i) Amount to be recognised in Balance Sheet and movement in net liability		
Present Value of Funded obligation	1,04,50,363	94,41,624
Fair Value of Plan Assets	73,57,058	64,79,944
Net (Assets) / Liability	**30,93,305**	**29,61,680**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 31 : EMPLOYEE BENEFITS (CONTD.)

		March 31, 2020 ₹	March 31, 2019 ₹
(ii)	**Expense recognised in Statement of Profit & Loss**		
	Current service cost	5,96,667	4,68,198
	Interest cost	2,04,732	1,43,653
	Total	**8,01,399**	**6,11,851**
(iii)	**Expense recognised in Other Comprehensive Income**		
	Remeasurements due to:		
	Changes in financial assumptions	(56,809)	(6,03,277)
	Changes in demographic assumptions	-	1,65,876
	Experience adjustments	(1,41,702)	27,00,097
	Actual return on plan assets less interest on plan assets	1,40,588	87,133
	Adjustment to recognise the effect of asset ceiling		
	Total	**(57,923)**	**23,49,829**
(iv)	**Reconciliation of Defined Benefit Obligation :**		
	Opening Defined Benefit Obligation	94,41,624	76,50,835
	Current service cost	5,96,667	4,68,198
	Interest cost	6,83,275	5,13,269
	Remeasurements due to actuarial loss/ (gain) arising from		
	Changes in financial assumptions	(56,809)	(6,03,277)
	Changes in demographic assumptions	-	1,65,876
	Experience adjustments	(1,41,702)	27,00,097
	Benefits Paid	(72,692)	(14,53,374)
	Closing Defined Benefit Obligation	**1,04,50,363**	**94,41,624**
(v)	**Reconciliation of Fair Value of Plan Assets**		
	Opening of Fair Value of Plan Assets	64,79,944	54,98,149
	Interest on plan assets	4,78,543	3,69,616
	Remeasurements due to:		
	Actual return on plan assets less interest on plan assets	(1,40,588)	(87,133)
	Contribution by Employer	6,11,851	21,52,686
	Benefits Paid	(72,692)	(14,53,374)
	Closing of Fair Value of Plan Assets	**73,57,058**	**64,79,944**
(vi)	**Acturial Assumptions**		
	Discount rate(p.a.) in %	**6.65%**	7.55%
	Salary Escalation rate (p.a.) in %	**7%**	8%
	Pension Escalation Rate (p.a.) in %	-	-
	Annual Increase in healthcare costs (p.a.)	-	-
	Mortality table(LIC)	-	-

(vii) Disaggregation of Plan Assets

	March 31, 2020 ₹				March 31, 2019 ₹			
	Quoted	**Unquoted**	**Total**	**%**	**Quoted**	**Unquoted**	**Total**	**%**
Government Debt Instruments	-	-	-	0%	-	-	-	0%
Insurer managed funds	-	73,57,058	73,57,058	100%	-	64,79,944	64,79,944	88%
Cash and cash equivalents	-	-	-	0%	-	-	-	0%
Investment funds	-	-	-	0%	-	-	-	0%
Others	-	-	-	0%	-	-	-	0%
Total	**-**	**73,57,058**	**73,57,058**	**100**	**-**	**64,79,944**	**64,79,944**	**88%**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 31 : EMPLOYEE BENEFITS (CONTD.)

(viii) Sensitivity Analysis

	March 31, 2020	
	Discount rate %	Salary Escalation rate %
Impact of increase in 50 bps on DBO	-2.75%	2.88%
Impact of decrease in 50 bps on DBO	2.90%	-2.75%

(ix) Any other additional disclosure given in the report

Mortality Table *	
Mortality in service	Table 1
	Table 1
Mortality in retirement	NA
	NA

*Table 1 - Indian Assured Lives Mortality (2006-08) Ult table

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

NOTE 32 : CURRENT, DEFERRED TAX (ASSET)/LIABILITY:

Deferred tax Asset on unabsorbed depreciation, business loss and others has been recognised to the extent of deferred tax liability.

Reconciliation of tax expense with the effective tax

Particulars	Year Ended March 31, 2020 ₹	Year Ended March 31, 2019 ₹
Profit before tax from continuing operation (a)	(89,50,418)	(49,70,513)
Income tax rate as applicable (b)	26.00%	26.00%
Calculated Taxes based on above, without any adjustments for deduction [(a) x (b)] - c	**(23,27,109)**	**(12,92,333)**
Permanent tax differences due to:		
Effect of income that is exempt from taxation (like dividend income)	(6,84,830)	(6,83,595)
Permanent disallowances	1,76,283	1,11,406
Deferred tax assets not created due to no probable certainty	28,35,656	18,64,522
Total (d)	**23,27,109**	**12,92,333**
Tax for current year (c+d)	-	-
Income tax expense recognised in profit or loss (relating to continuing operations)	-	-

NOTE 33 : ADDITIONAL INFORMATION

Sr. No.	Particulars	March 31, 2020 ₹	March 31, 2019 ₹
(i)	Value of imports on CIF basis :- Trading Goods	Nil	Nil
(ii)	Expenditure in Foreign Currency –		
	- Passage and Travelling	-	-
	- Professional Fees	-	-
(iii)	Earnings in foreign exchange		
	(a) Value of sales at shops including value of goods sold on consignment basis and settled in foreign currency or through foreign based credit card agencies (As certified by the management and not verified by the auditors)	5,83,86,717	5,98,37,537
	(b) Export – F.O.B. value	12,49,306	4,19,491

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 34 : DETAILS OF OPENING STOCK, PURCHASES, SALES AND CLOSING STOCK OF TRADED ITEMS FOR THE YEAR ENDED MARCH 31,2020.

Particulars	Opening Stock ₹	Purchases ₹	Sale ₹	Closing Stock ₹
Crafts and wall coverings	**56,68,283**	**1,29,07,653**	**2,74,31,387**	**65,12,101**
Previous year	83,37,347	77,77,351	1,83,74,956	56,68,283
Costume Jewellery	**68,16,027**	**3,86,88,332**	**2,28,25,724**	**2,78,55,120**
Previous year	2,99,22,229	8,84,043	2,65,31,110	68,16,027
Fabric/ Garments/ Leather	**28,92,929**	**2,26,21,106**	**2,51,23,616**	**77,64,928**
Previous year	53,14,306	1,55,94,017	2,57,89,166	28,92,929
Saree and stoles	**85,47,106**	**2,17,38,823**	**3,38,51,549**	**1,11,17,360**
Previous year	2,44,10,467	27,79,806	3,89,35,678	85,47,106
Assorted	**67,05,215**	**2,74,23,933**	**2,78,75,153**	**76,86,050**
Previous year	1,12,76,683	2,74,88,404	3,86,07,766	67,05,215
Total	**3,06,29,560**	**12,33,79,848**	**13,71,07,429**	**6,09,35,561**
Previous year	7,92,61,032	5,45,23,621	14,82,38,676	3,06,29,560

Note:

The particulars of sales, purchase, opening and closing stock given above represent broad categories, consisting of individual items that vary in nature and price and quantity. Current year's figures are therefore not comparable with those of the previous year.

NOTE 35 : EARNINGS PER SHARE

		March 31, 2020 ₹	March 31, 2019 ₹
A.	Numerator used for calculating basic and diluted Earnings per share Profit/(Loss)after Taxation	(89,50,418)	(49,70,513)
B.	Weighted average number of shares used as denominator for calculating basic and diluted Earnings per share	34,68,225	34,68,225
C.	Nominal value per share (₹)	10	10
D.	Basic and diluted earnings per share (₹)	(2.58)	(1.43)

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 36 : THE DETAILS OF PROVISIONS AS REQUIRED BY THE PROVISIONS OF ACCOUNTING IND AS 37 "PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS ARE AS UNDER;

Nature of Provision	Leave Encashment and Gratuity ₹
Opening Balance	**44,81,351**
Additional provisioning	9,15,379
Benefits paid during the year	6,11,851
Closing Balance	47,84,879

NOTE 37 : AMOUNTS DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act,2006" has been determined to the extend such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) The disclosures relating to Microand Small Enterprises are as under:

		March 31, 2020 ₹	March 31, 2019 ₹
(a)	Principal amount due thereon remaining unpaid to any supplier at end of each accounting year.	-	-
(b)	Interest due there on remaining unpaid to supplier as at end of each accounting year.	-	-
(c)	The amount of interest paid in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d)	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 this Act	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(f)	The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above paid to the small enterprise, for the purpose of are actually disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

NOTE 38 : There is no separate reportable segment, as the company is predominantly engaged in only one segment i.e. Retail outlets (Khazana). Therefore, the provisions of Ind AS – 108 issued by the Institute of Chartered Accountants of India, pertaining to segment reporting, is not applicable. There is only one geographical segment in which the company operates i.e. India.

NOTE 39 : The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. This being an unprecedented event which is difficult to estimate, the actual implications could vary. The economic/social consequences of this event are impacting the very operation of the retail trade and consumer demand. However the management considers the impairment assessment of property, plant and equipment, intangible assets, investments, trade receivables valuation as at March 31, 2020 as recoverable based on its internal and external sources of information and estimates, and its judgments on implication expected to arise from COVID19 pandemic.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 40 : EVENTS OCCURING AFTER BALANCE SHEET DATE:

Estimation uncertainty relating to the global health pandemic on COVID-19:

On March 11, 2020 the World Health Organisation declared Coronavirus outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple ‘lock-downs’ across the country, from March 22, 2020. In particular, all airlines, road and railway travel were suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sport facilities& retail outlets etc were closed, except for a few essentials services/supplies like grocery stores, pharmacies, etc.

The Company’s business has been severely impacted from start of the financial year 2020-21 on account of COVID-19 due to closure of all hotels. Stores based out of hotels have been closed since March 15, 2020 and the remaining stores have been closed since the mandated lockdown from March 22, 2020. The Company expects all the stores to become operational in staggered manner after the lockdown gets lifted. However, sales are expected to be very soft on account of social distancing norms, hotels operating at lower capacity, and softer consumer sentiments, etc. There could be an additional exposure on account of further extension of lockdown, and phased opening of stores in few cites where we operate.

Costs in the coming months are expected to be higher due to increased focus on store sanitisation and procurement of personal protection equipment for employees. The Company has asked the hotels for waiver on occupancy and maintenance charges for the lockdown period. As most of the lease agreements for the stores had expired on March 31, 2020, the company has received positive response from the hotels and new agreements will be signed only on reopening of the hotels. The Company is holding back on discretionary spends and planning other cost optimisation measures.

NOTE 41 : As at March 31, 2020, the Company’s current liabilities do not exceed its current assets. The Company also has enough Cash and Bank balances for the next 12 months to prevent disruption of the operating cash flows and enable the Company to meet its debts and obligations as they fall due.

Accordingly, the financial statements of the Company are prepared on a going concern basis.

NOTE 42 : LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 42 : LEASES (CONTD.)

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information.

Company as a lessee

Operating leases
For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis and consequently, on transition, the Company has not recognised a lease liability measured at the present value of the remaining lease payments nor recognised the right-of-use asset.

The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right-of-use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

NOTE 43 : RELATED PARTY DISCLOSURE UNDER IND AS – 24, ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.

(a) Name of related parties are as under :

A.	**Holding Company**	The Indian Hotels Company Limited
B.	**Subsidiaries of Holding Company**	KTC Hotels Limited United Hotels Limited Roots Corporation Limited Piem Hotels Limited Taj Trade and Transport Company Limited Northern India Hotels Limited Taj Enterprises Limited Benares Hotels Limited Luthria & Lalchandani Hotel & Properties Pvt. Ltd. Skydeck Properties and Developers Private Limited Sheena Investments Private Limited ELEL Hotels & Investments Limited Taj International Hotels (H.K) Limited IHOCO BV St. James Court Hotels Limited Taj International Hotels Limited - London PIEM International Hotels (H.K) Limited United Overseas Holdings Inc.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 43 : RELATED PARTY DISCLOSURE UNDER IND AS – 24, ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA. (CONTD.)

C. Joint Ventures of Holding Company	Taj Kerala Hotels & Resorts Limited Taj SATS Air Catering Limited Taj Safaris Limited Kaveri Retreat & Resorts Limited Taj Madras Flight Kitchen Pvt Ltd Taj Karnataka Hotels & Resorts Ltd Taj GVK Hotels & Resorts Ltd TAL Hotels & Resorts Ltd IHMS Hotels (SA) (proprietary) Ltd

(b) The details of related parties' transactions during the year and outstanding balances as at March 31, 2020 are as follows:

Particulars	Holding Company		Subsidiaries of Holding	
	March 31, 2020 ₹	**March 31, 2019** ₹	**March 31, 2020** ₹	**March 31, 2019** ₹
Deputed Staff cost	40,83,495	39,30,019	-	-
Operating / License fees paid	1,97,81,525	1,92,53,188	75,000	-
Other operating Income	2,68,838	-	5,496	-
Dividend Paid	-	-	-	-
Purchase of services	1,26,06,138	1,02,11,413	89,127	-
Current account dues	(49,66,432)	(1,86,544)	3,18,300	6,99,994

Particulars	Associates of Holding		Joint Ventures	
	March 31, 2020 ₹	**March 31, 2019** ₹	**March 31, 2020** ₹	**March 31, 2019** ₹
Operating / License fees paid	10,80,000	10,80,000	2,68,532	2,22,349
Dividend received	8,33,795	-	-	-
Purchase of services	1,28,744	1,39,016	37,128	12,000
Current account dues	(1,98,868)	2,35,570	96,128	97,711

(c) Statement of material transactions

	March 31, 2020 ₹	**March 31, 2019** ₹
HOLDING COMPANY		
The Indian Hotels Company Ltd		
Lease Rentals for Hotel/Factory Premises	1,97,81,525	1,92,53,188
Reimbursement of Deputed Staff Salary	40,83,495	39,30,019
Reimbursement of Fuel, Power, Light Etc.	40,12,653	28,12,530
Reimbursement of Laundry expenses	2,49,445	2,87,698
Reimbursement of Other expenses	83,44,040	71,11,185
Other Operating Income	2,68,838	-
Current account dues	(49,66,432)	(1,86,544)
SUBSIDIARIES OF HOLDING COMPANY		
Piem Hotels Limited		
Lease Rentals for Hotel/Factory Premises	75,000	-
Purchase of services	89,127	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 43 : RELATED PARTY DISCLOSURE UNDER IND AS – 24, ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA. (CONTD.)

	March 31, 2020 ₹	March 31, 2019 ₹
Inditravel Limited		
Other operating Income	5,496	-
Current account dues	3,18,300	6,99,994
St. James Courts Hotels Limited		
Current account dues	(1,81,503)	(1,81,503)
Associates of Holding Company		
Oriental Hotels Ltd		
Lease Rentals for Hotel/Factory Premises	10,80,000	10,80,000
Dividend Income - Non-Current Investment	8,33,795	-
Reimbursement of Laundry expenses	95,595	1,04,028
Reimbursement of Other expenses	33,149	34,988
Current account dues	(1,98,868)	2,35,570
Taida Trading and Industries Ltd.		
Current account dues	1,48,419	
JOINT VENTURES		
Kaveri Retreat & Resorts Limited- Corporate		
Lease Rentals for Hotel/Factory Premises	2,68,532	2,22,349
Reimbursement of Laundry expenses	8,571	-
Reimbursement of Other expenses	28,557	12,000
Current account dues	96,128	97,711

NOTE 44 : Figures of the previous year have been regrouped/ rearranged wherever necessary so as to make them comparable with those of the current year.

Signatures to Notes 1 to 44.

As per our report attached
For **Chandrashekar Iyer & Co.**
Chartered Accountants

Chandrashekhar Iyer
Partner
Membership No. 47723
Firm Registration No. 114260W

Place : Mumbai
Date : June 1, 2020

For and on behalf of the Board

Faisal Momen
Director
DIN : 00064878

Nabakumar Shome
Director
DIN : 03605594

INDEPENDENT AUDITOR'S REPORT

To the Members of **United Hotels Limited**

1. Report on the Ind AS financial statements

Opinion

We have audited the accompanying Ind AS financial statements of United Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (includingthe Statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act with the Companies (Indian Accounting Standards) Rules,2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its profit (including Other Comprehensive Income), its Cash Flows and Changes in Equity for the year ended on that date.

2. Basis of Opinion

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

3. Responsibility of Management for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accountingprinciples generally accepted in India. 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 appropriateaccounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

4. Auditor's Responsibility for the Audit of the Ind AS financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

5. 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 section 143(11) of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure A‟ a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

INDEPENDENT AUDITOR’S REPORT (CONTD.)

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 our knowledge and belief were necessary for the purpose of our audit.

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

c) The Balance Sheet, the Statement of Profit and Lossincluding Other Comprehensive Income, theStatement of Cash Flows and theStatement of Changes in Equity dealt with by the report are in agreement with the books of account.

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

e) On the basis of written representations received from the directors as on March 31, 2020 and taken on record by Board of Directors, none of the directors is disqualified as on March 31, 2020, 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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - refer Note 30 to the Ind AS financial statements;

   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;

h) As per information and explanations furnished to us and on examination of the records produced, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act, read with Schedule V of the Act.

For **R K Khanna & Co.**
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
Membership No: 083436

Place: New Delhi
Date: May 27, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

"Annexure A" of our Independent Auditor's report of even date on the Ind AS financial statements as at and for the year ended March 31, 2020 of United Hotels Limited

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) A substantial part of the Fixed assets has been physically verified by the management during the year and there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c) According to the information and explanations, and the records provided to us, the company does not have immovable property, hence no comment is required under paragraph 3(i)(c) of the Order.

2. Inventory has been physically verified by the management and no material discrepancies were noticed. In our opinion, the frequency of verification is reasonable.

3. The company in earlier years and in the current year has given an inter-corporate deposit (ICD) to a related party covered under Ind AS 24. The terms and conditions of ICD are not prejudicial to the interests of the Company; repayment of principal and interest has been stipulated and as at the end there is no overdue amount.

4. As per information and explanations given to us and records examined, the provisions of section 185 and 186 of the Act to the extent applicable have been complied with in respect of investments and loans.

5. According to the information and explanations given to us and records examined, the Company has not accepted any deposits that are covered by paragraph 3(v) of the Order.

6. According to the information and explanations given to us, maintenance of the cost records under section 148(1) of the Companies Act, 2013 is not applicable to the Company.

7. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employees‟ state insurance, income-tax, sales-tax, service tax, goods and services tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable.

   b) According to the information and explanations given to us and the records of the Company examined by us, there are no pending dispute in respect of income tax or sales tax or service tax or goods and service tax or duty of customs or duty of excise or value added tax, except as mentioned below:

Nature of the statute	Nature of dues	Period to which the amount relates	Amount (₹)	Forum where dispute is pending
The Income tax, 1961	Income Tax	A.Y. 1998-99	99.19	Hon'ble High Court of Delhi (appeal filed by the department against Order in the favour of the company)
		A.Y 2013-14	52.59	ITAT, New Delhi (appeals filed by the department against Orders in the favour of the company)
		A.Y 2014-15	62.22	

8. As per information and explanations furnished to us and on verification of the records produced, the Company has not availed any loans or borrowings to a financial institution/bank/government. The Company has not issued any debentures. Hence, no comment is required under the paragraph 3(vii) of the Order.

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

9. As per information and explanations given to us and as per verification of the records produced before us, the Company does not have any term loans or raised money by way of initial public offer or further public offer (including debt instruments), hence no comment is required under paragraph 3 (ix) of the Order.

10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the management.

11. As per information and explanations furnished to us and on examination of the records produced, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act, read with Schedule V of the Act.

12. The Company is not a Nidhi Company, hence, no comment is required under paragraph 3 (xii) of the Order.

13. As per information and explanations furnished to us and on examination of the records produced, the transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.

14. As per information and explanations furnished to us and on verification of the records produced, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence, no comment is required under paragraph 3(xiv) of the Order.

15. As per information and explanations furnished to us and on verification of the records produced, the Company has not entered into any non-cash transactions referred to in section 192 of the Act with directors or person connected with him during the year. Hence, no comment is required under paragraph 3(xv) of the Order.

16. As per information and explanations furnished to us and on verification of the records produced, we are of the opinion that the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **R K Khanna & Co.**
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
Membership No: 083436

Place: New Delhi
Date: May 27, 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

"Annexure B" to the Independent Auditor's report of even date on the Ind AS Financial Statements as at and for the year ended March 31, 2020 of United Hotels Limited

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

We have audited the internal financial controls over financial reporting of United Hotels Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 preparation of financial statements in accordance with generally 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.

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

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, to the best of our information and according to the explanations given to us, the Company has generally in most aspects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 **R K Khanna & Co.**
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
Membership No: 083436

Place: New Delhi
Date: May 27, 2020

BALANCE SHEET

as at March 31, 2020

	Note	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	956.69	943.22
Capital Work-in Progress		-	-
Right to use Assets	3(a)	159.55	-
Intangible Assets	4	11.00	15.24
		1,127.24	**958.46**
Financial assets			
Investments	5	157.62	155.93
Other financial assets	6	31.26	17.67
Deferred Tax Assets(Net)	7	289.86	168.75
Advance Income Tax (Net)	8	127.82	114.28
Other Non Current Assets	14	146.26	149.32
		752.82	**605.96**
Current assets			
Inventories	9	80.59	50.85
Financial assets			
Trade Receivables	10	135.09	189.77
Cash and Cash Equivalents	11(a)	1,797.91	1,562.47
Other Balances with Banks	11(b)	-	-
Loans	12	550.00	500.00
Other Financial Assets	13	121.04	75.51
Other current assets	14	55.69	73.03
		2,740.32	**2,451.62**
Total		**4,620.38**	**4,016.03**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	840.00	840.00
Other equity	16	1,587.41	1,847.26
Total Equity		**2,427.41**	**2,687.26**
Non-current liabilities			
Provisions	20	111.13	91.86
Lease Liabilities		683.00	-
		794.13	**91.86**
Current liabilities			
Financial liabilities			
Lease Liabilities		89.11	-
Trade Payables			
Total outstanding dues of micro & small enterprises	17	3.88	0.76
Total outstanding dues of creditors other than micro & small enterprises	17	289.18	202.34
Other Financial Liabilities	18	266.83	383.86
Other Current Liabilities	19	108.83	116.25
Provisions	20	641.01	533.71
		1,398.84	**1,236.91**
Total		**4,620.38**	**4,016.03**
Summary of significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1-37		

For and on behalf of the Board

As per our report attached
For **R K Khanna & Co.**
Chartered Accountants
Firm Registration No. 000033N

Rajinder Kumar
Director
DIN: 00053878

Mohit Gupta
Director
DIN: 01865794

Vipin Bali
Partner
M. No. 083436

Date: 27th May, 2020
Place: New Delhi

STATEMENT OF PROFIT AND LOSS
for the Period ended March 31, 2020

	Note	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
INCOME			
Room, Restaurants, Banquets and Income from Operations	21	3,963.75	4,318.02
Other Income	22	144.29	153.04
Total Income		**4,108.04**	**4,471.06**
EXPENSES			
Food and Beverages Consumed	23	468.88	482.32
Employee Benefits Expense and Payment to Contractors	24(a)	1,113.28	1,280.15
Finance costs	24(b)	81.50	-
Depreciation and amortisation expenses	3&4	152.80	133.78
Other Operating and General Expenses	25	1,796.20	2,129.33
Total Expenses		**3,612.66**	**4,025.57**
Profit before tax		**495.38**	**445.49**
Tax expense			
Current Tax		99.49	171.00
Short/(excess) of earlier years		(0.44)	(18.99)
Deferred Tax		64.22	(44.62)
Total Taxes		**163.27**	**107.39**
Profit after Tax for the year		**332.10**	**338.10**
Other comprehensive income, net of tax			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(12.30)	(11.78)
Change in fair value of equity instruments designated irrevocably as FVTOCI		1.69	0.88
Less:- Income tax expenses		-	3.28
		(10.61)	**(7.62)**
Item that will be reclassified subsequently to profit and loss		-	-
Other Comprehensive Income for the period, net of tax		**(10.61)**	**(7.62)**
Total Comprehensive Income for the period		**321.50**	**330.47**
Earnings Per Equity Share:	41		
Basic and Diluted	26	3.95	4.02
Summary of significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1-37		

For and on behalf of the Board

As per our report attached
For **R K Khanna & Co.**
Chartered Accountants
Firm Registration No. 000033N

Rajinder Kumar	**Mohit Gupta**	**Vipin Bali**
Director	Director	Partner
DIN: 00053878	DIN: 01865794	M. No. 083436

Date: 27th May, 2020
Place: New Delhi

STATEMENT OF CHANGES IN EQUITY
as at March 31, 2020

	Equity Share Capital Subscribed	Reserves and Surplus				Equity Instruments through OCI	Total
		Capital Reserve	General Reserve	Other reserves	Retained Earnings		
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Balance as at March 31, 2018	840.00	11.41	1,551.75	-	524.90	(470.00)	2,458.05
Profit for the Period ended Mar 31, 2019					338.10		338.10
Other Comprehensive Income for the Period ended March 31, 2019, net of taxes, (excluding actuarial gain/ losses, given below)						0.88	0.88
Remeasurements of post employment benefit obligation, net of tax					(8.51)		(8.51)
Total Comprehensive Income for the Period ended March 31, 2019	-	-	-	-	**329.59**	**0.88**	**330.47**
Add/ Less:							
Dividends				-	(84.00)		(84.00)
Tax on Dividend				-	(17.27)		(17.27)
Balance as at March 31, 2019	**840.00**	**11.41**	**1,551.75**	-	**753.22**	**(469.12)**	**2,687.26**
Profit for the Period ended March 31, 2020					332.10		332.10
Add:- Ind AS 116- Transition Reserve					(480.07)		(480.07)
Other Comprehensive Income for the Period ended March 31, 2020, net of taxes, (excluding actuarial gain/ losses, given below)						1.69	1.69
Remeasurements of post employment benefit obligation, net of tax					(12.30)		(12.30)
Total Comprehensive Income for the Period ended March 31, 2020	-	-	-	-	**(160.27)**	**1.69**	**(158.59)**
Add/ Less:							
Dividends				-	(84.00)		(84.00)
Tax on Dividend				-	(17.27)		(17.27)
Balance as at March 31, 2020	**840.00**	**11.41**	**1,551.75**	-	**491.68**	**(467.43)**	**2,427.41**

For and on behalf of the Board

As per our report attached
For **R K Khanna & Co.**
Chartered Accountants
Firm Registration No. 000033N

Rajinder Kumar
Director
DIN: 00053878

Mohit Gupta
Director
DIN: 01865794

Vipin Bali
Partner
M. No. 083436

Date: 27th May, 2020
Place: New Delhi

CASH FLOW STATEMENT
for the year ended March 31, 2020

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
CASH FLOW FROM OPERATING ACTIVITIES	-	-
Net Profit Before Tax	495.37	445.49
Adjustments For:	-	-
Depreciation	126.15	133.78
Depreciation on Right to Use Assets	26.65	-
Loss/(Profit) on sale of Assets	(1.82)	-
Provision for Doubtful Debts	1.53	(0.34)
Interest on lease liability	81.50	-
Interest Income	(141.21)	(150.64)
Accrual of SEIS Income	(37.95)	(48.44)
Provision for Employee Benefits	14.28	27.01
	69.13	**(38.63)**
Cash Flow From Operations Before Working Capital Changes	564.49	406.86
Adjustments for Increase/(decrease) in operating assets/liabilities	-	-
Trade and Other Receivables	(8.45)	(105.76)
Inventories	(29.74)	10.88
Trade and Other Payables	66.27	266.76
	28.07	**171.88**
Cash Generated From Operating Activities	**592.57**	**578.73**
Income Tax Refunds(Excluding Interest)	57.41	44.58
Income Tax Paid	(112.00)	(195.58)
Net Cash From Operating Activities	**537.97**	**427.73**
Cash Flow From Investing Activities	-	-
Purchase of Fixed Assets	(137.93)	(104.54)
Capital Advance	13.90	(9.52)
Interest Received	134.77	150.64
Inter Corporate Deposits placed with Benares Hotels Ltd.	(50.00)	-
Net Cash Used in Investing Activities	**(39.27)**	**36.58**
Cash Flow from Financing Activities	-	-
Payment of lease liabilities	(162.00)	-
Dividend Paid (Including tax on dividend)	(101.27)	(101.27)
Net Cash Used In Financing Activities	**(263.27)**	**(101.27)**
Net Increase / (Decrease) in Cash and Cash Equivalents	235.44	363.05
Cash and Cash Equivalents- Opening-1st April	1,562.47	1,199.42
Cash and Cash Equivalents-closing-31st March 2020	**1,797.91**	**1,562.47**

For and on behalf of the Board

As per our report attached
For **R K Khanna & Co.**
Chartered Accountants
Firm Registration No. 000033N

Rajinder Kumar
Director
DIN: 00053878

Mohit Gupta
Director
DIN: 01865794

Vipin Bali
Partner
M. No. 083436

Date: 27th May, 2020
Place: New Delhi

NOTES TO FINANCIAL STATEMENTS

for the Period ended March 31, 2020

NOTE 1. CORPORATE INFORMATION

United Hotels Limited ("UHL" or the "Company"), is a public limited company incorporated in 1950 and has its registered office at Vivanta by Taj – Ambassador, Sujan Singh Park, New Delhi – 110 003. The Company is primarily engaged in the business of Hoteliering and other allied services. The Indian Hotels Company Limited owned 55% of the equity capital of the company and is the holding company.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements. The Company has adopted all issued Indian Accounting Standards (Ind AS), as applicable.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

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 in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

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 or loss.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation ad its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(d) Revenue recognition:

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Revenue from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other Allied services: In relation to the, laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

Membership Fees: Membership fee income majorly consists of Spa Membership fees Income is earned when the customer enrols for membership programs. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

Interest:

Interest income is accrued on a time proportion basis using the effective interest rate method.

(e) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund authorities.

ii. Gratuity Fund

The Company has defined benefit plan for post-retirement benefit in the form Gratuity which is administered through LIC for all employees in hotel payroll. The company's contribution to Defined Benefit Plan is charged to the statement of profit and loss as paid. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date.

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

iv. Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(O) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Assets costing less than ₹ 5000	4 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(g) Intangible Assets:

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets is as under:

Class of Assets	Estimated Useful Life
Software and Licences	6 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

(h) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(i) Foreign currency translation:

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(j) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

(k) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(l) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

(m) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

(n) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(o) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(p) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(q) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(r) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(s) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

(t) Financial Instruments:

Financial Assets:

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 its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (a) The Company has transferred substantially all the risks and rewards of the asset, or

  (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

Financial Liabilities

Classification
The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

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.

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Accounting Policy for Leases:
On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company statement of financial position as a right-of-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

The Company has opted not to apply the lease accounting model to leases of low value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in the Company statement of cash flows:

– short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;

– payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from operating activities; and

– payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities

Other Amendments on the existing standard but note effective

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

a) income tax consequences in case of dividends;

b) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;

c) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

d) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;

The above amendments will come into force from April 1, 2019. The company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Plant & Equipment	Furniture and Fixtures	Office Equipments	Total	Capital Work in Progress
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Gross Block at Cost					
At April 1, 2018	1,044.86	232.32	68.21	1,345.39	-
Additions	89.31	2.78	12.45	104.54	104.54
Deduction for the year	-	-	-	-	-
Transfer	-	-	-	-	104.54
At March 31, 2019	**1,134.17**	**235.10**	**80.65**	**1,449.93**	**-**
At April 1, 2019	1,134.17	235.10	80.65	1,449.93	-
Additions	102.54	27.01	8.38	137.93	137.93
Disposals	1.90	0.00	0.64	2.55	-
Transfer	-	-	-	-	137.93
At March 31, 2020	**1,234.81**	**262.11**	**88.39**	**1,585.31**	**-**
Depreciation					
At April 1, 2018	262.15	88.11	28.37	378.63	-
Charge for the Period	95.56	21.15	11.36	128.08	-
Disposals	-	-	-	-	-
At March 31, 2019	**357.71**	**109.26**	**39.73**	**506.71**	**-**
Depreciation					
At April 1, 2019	357.71	109.26	39.73	506.71	-
Charge for the Period	91.31	18.68	11.92	121.91	-
Disposals	-		-	-	-
At March 31, 2020	**449.02**	**127.95**	**51.64**	**628.62**	**-**
Disposals					
Net Block	**776.46**	**125.84**	**40.93**	**943.22**	**-**
At March 31, 2020	**785.79**	**134.16**	**36.75**	**956.69**	**-**

NOTE 3 (A) : RIGHT TO USE ASSETS

Particulars	Others	Land	Building	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	
Gross Block at Cost				
At April 1, 2019				
Additions on acquisition			186.20	186.20
Additions				
Deduction for the year				
Adjustments				
At March 31, 2020		**-**	**186.20**	**186.20**
Depreciation				
At April 1, 2019				
Opening Adjustment				
Charge for the Year			26.65	26.65
Deduction for the year				
At March 31, 2020		**-**	**26.65**	**26.65**
Net Block				
At March 31, 2020		**-**	**159.55**	**159.55**

* for Right to use assets refer Note No. 26

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 4 : INTANGIBLE ASSETS

Particulars	Software ₹ in lakhs
Gross Block at Cost	
At April 1, 2018	38.43
Additions	-
Disposals	-
At March 31, 2019	**38.43**
At April 1, 2019	38.43
Additions	
Disposals	-
At March 31, 2020	**38.43**
Depreciation	
At April 1, 2018	17.49
Charge for the Period	5.70
Disposals	-
At March 31, 2019	**23.19**
At April 1, 2019	23.19
Charge for the Period	4.24
Disposals	-
At March 31, 2020	**27.43**
Net Block	
At March 31, 2019	**15.24**
At March 31, 2020	**11.00**

Footnotes:

Software includes Customer Reservation System and other licensed software.

NOTE 5 : INVESTMENT AT FAIR VALUE THROUGH OCI (FULLY PAID)

	Face Value	Holding as at 31.03.2020 (nos.)	₹ in lakhs	Holding as at 31.03.2019 (nos.)	₹ in lakhs
Fully Paid Unquoted Equity Instruments					
Taj Air Limited	10/-	62,50,000	156.88	62,50,000	155.00
Fully Paid Quoted Equity Investments					
Graviss Hospitality Limited	2/-	4,500	0.74	4,500	0.93
Total			**157.62**		**155.93**
Notes:-					
Aggregate of Unquoted Investments - Gross	Cost		625.00		625.00
Aggregate of Quoted Investments - Gross	Cost		0.05		0.05
	Market Value		0.74		0.93

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 6 : OTHER FINANCIAL ASSETS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Non Current		
Deposits with Public Bodies and Others		
with related parties	-	-
with Public Bodies and Others	12.93	8.35
	12.93	**8.35**
Deposits with Banks		
(Term deposit with banks maturing after 12 months from the Balance Sheet date and pledged with Sales Tax Authorities)	18.33	9.32
Total	**31.26**	**17.67**

NOTE 7 : DEFERRED TAX ASSETS (NET)

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Deferred Tax Assets:		
Provision for doubtful debts	4.06	5.07
Provision for Employee Benefits	18.62	19.94
Provision for Contingencies	157.30	146.05
IndAS-116 Lease Liabilitis	194.32	-
Provision for Revision in Minimum Wages	-	45.85
	374.30	**216.92**
Deferred Tax Liabilities:		
IndAS-116 Right to Use Assets	40.16	-
Depreciation on Property, Plant & Equipment and Intangible Assets	44.28	48.16
Total	**289.86**	**168.75**

NOTE 8 : ADVANCE INCOME TAX (NET)

	March 31, 2020 in lakhs	March 31, 2019 ₹ in lakhs
Advance Income Tax Paid (net)	127.82	114.28
Total	**127.82**	**114.28**

NOTE 9 : INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Food and Beverages	62.41	41.69
Stores and Operating Supplies	18.18	9.16
Total	**80.59**	**50.85**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 10 : TRADE RECEIVABLES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Outstanding over six months from the date they were due for payment:		
Considered good	15.97	6.45
Credit impaired	16.15	18.24
Which have significant increase in credit risk	-	-
	32.12	**24.69**
Others:		
Considered good	119.12	183.31
Which have significant increase in credit risk	-	-
	151.24	**208.00**
Less: Provision for trade receivables credit impaired	16.15	18.24
Total	**135.09**	**189.77**

Allowance for doubtful debts

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Opening Balance	18.24	18.57
Add:- Allowance for the year	1.69	3.32
	19.93	21.90
Bad debts written off	(3.61)	(2.75)
Reversal of allowance	(0.17)	(0.91)
Total	**16.15**	**18.24**

NOTE 11(A) : CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Cash on Hand	2.42	2.04
Term deposits with Banks having maturity of less than 3 months	1,600.00	1,150.00
Balance with bank in current accounts	195.49	410.43
Total	**1,797.91**	**1,562.47**

NOTE 11(B) : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Call and short term deposit - maturing after 12 months	18.33	9.32
Less : Term deposit with bank maturing after 12 months from the Balance Sheet data and other earmarked / margin money / pledged deposits classfied as non-current	18.33	9.32
Total	**-**	**-**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 12 : LOANS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current		
(Unsecured, considered good unless stated otherwise)		
Related Parties		
Benares Hotels Limited	550.00	500.00
Total	**550.00**	**500.00**

NOTE 13 : OTHER FINANCIAL ASSETS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current		
Deposit with public bodies and others	2.94	2.94
Other Advances		
Considered good	58.40	24.16
Considered doubtful	-	-
	58.40	**24.16**
Interest Receivable		
Related Parties	5.31	3.66
Others	13.75	22.90
	19.06	**26.56**
On Current Account dues :		
Related Parties	6.21	4.51
Others	34.43	17.34
	40.64	**21.85**
Total	**121.04**	**75.51**

NOTE 14: OTHER NON FINANCIAL ASSETS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Non Current		
Capital Advances	-	13.90
Export Incentive (SEIS) Receivable	146.26	135.42
	146.26	**149.32**
Current		
Prepaid Expenses	47.77	55.13
Advance to Suppliers	6.10	15.36
Advance to Employees	1.82	2.53
	55.69	**73.03**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 15 : EQUITY SHARE CAPITAL

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Authorised Share capital		
Equity Shares		
1,00,00,000 Equity Shares (Previous Year 1,00,00,000 equity shares of ₹ 10/-each)	1,000.00	1,000.00
	1,000.00	**1,000.00**
Issued, Subscribed and Paid up		
Equity Shares		
84,00,000 Fully Paid-Up Equity Shares (Previous Year 84,00,000 Fully Paid Equity Shares of ₹ 10/- each)	840.00	840.00
Total	**840.00**	**840.00**

a) Reconciliation of Equity Shares outstanding at the beginning and at the end of the period.

	March 31, 2020		March 31, 2019	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
As at the beginning of the Year	84,00,000	840.00	84,00,000	840.00
Add:- Shares Issued during the year	-		-	-
As at the end of the year	**84,00,000**	**840.00**	**84,00,000**	**840.00**

b) Shareholders holding more than 25% Equity Shares in the Company

Shareholder	March 31, 2020		March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
The Indian Hotels Co. Ltd. (Holding Company)	46,20,000	55.00%	46,20,000	55.00%
Total	**46,20,000**	**55.00%**	**46,20,000**	**55.00%**

The Indian Hotels Company Limited is the Holding of the Company

c) Shareholders holding more than 5% Equity Shares in the Company

Shareholder	March 31, 2020		March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Mr. Rajinder Kumar	6,51,840	7.76%	6,51,840	7.76%
Mr. Narinder Kumar	7,86,240	9.36%	7,86,240	9.36%
Mrs.Veena Khanna	6,51,840	7.76%	6,51,840	7.76%
Mr. Pawan Pershad	6,51,840	7.76%	6,51,840	7.76%
Mr. Virender Kumar	6,51,840	7.76%	6,51,840	7.76%
Total	**33,93,600**	**40.40%**	**33,93,600**	**40.40%**

d) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the apporval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 16: OTHER EQUITY

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Capital Reserve		
Opening and Closing Balance	11.41	11.41
General Reserve		
Opening Balance	1,551.75	1,551.75
Add: Transferred from Surplus in Statement of Profit and Loss	-	-
Closing Balance	**1,551.75**	**1,551.75**
Retained Earnings		
Opening Balance	753.22	524.90
Add:-Net Profit for the current year	332.10	338.10
Add:- Ind AS 116- Transition Reserve	(480.07)	-
Less:-Dividend Paid	84.00	84.00
Less:-Tax on Dividend	17.27	17.27
Less:-Transfer to General Reserves	-	-
Less: Ind AS- OCI Movements - Net Defined Benefit Plans	12.30	11.78
Less: Ind AS- OCI Movements - Tax on Net Defined Benefit Plans	-	(3.28)
Closing Balance	**491.68**	**753.22**
Other Reserves		
FVOCI - Equity Instruments		
Opening Balance	(469.11)	(470.00)
Add: Change in fair value of equity instruments designated irrevocably as FVTOCI	1.69	0.88
Closing Balance	**(467.43)**	**(469.11)**
Total	**1,587.41**	**1,847.26**

NOTE 17 : TRADE PAYABLES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Total outstanding dues of micro and small enterprises	3.88	0.76
Total outstanding dues of creditors other than micro and small enterprises	218.98	190.22
Accured expenses and others	70.20	12.12
Total	**293.06**	**203.10**

The amount due to Micro and Small Enterprises as defined in the "The Micro,Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by Management. Disclosure are relating to Micro and Small Enterprises are as under:-

		March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(a)	The principal amount remaining unpaid to suppliers as at the end of accounting year	3.88	0.76
(b)	The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
(d)	The amount of interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(e)	The amount of interest accured during the year and remaining unpaid at the end of accounting year	-	-
(f)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
		3.88	**0.76**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 18 : OTHER CURRENT FINANCIAL LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current		
On Current Account dues:		
Holding Company	45.22	24.30
Fellow Subsidiaries	-	-
Others	0.91	0.79
	46.13	**25.09**
Deposit from others	21.44	27.66
Creditors for Capital goods & services	23.27	12.86
Unclaimed share application money	-	0.06
Employee Related Liabilities	165.21	310.16
Other Liabilities	10.78	8.04
Total	**266.83**	**383.86**

NOTE 19 : OTHER CURRENT LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current		
Advance collected from Customers	45.57	43.82
Statutory Dues	63.26	72.44
Total	**108.83**	**116.25**

NOTE 20 : PROVISIONS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Long Term Provisions		
Employee Benefit Obligation (Non-current)		
Compensated absences	57.95	62.98
Gratuity	53.18	28.88
	111.13	**91.86**
Short Term Provisions		
Employee Benefit Obligation (Current)		
Compensated absences	16.01	8.71
Provisions - Others		
Provision for Contingencies*	625.00	525.00
Total	**641.01**	**533.71**

***For**	**Opening Balance ₹ in lakhs**	**Addition / (Deletion) ₹ in lakhs**	**Closing Balance ₹ in lakhs**
Legal and Statutory matters	525.00	100.00	625.00

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 21 : ROOMS, RESTAURANTS, BANQUETS AND INCOME FROM OPERATIONS

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Rooms Income	1,821.52	1,926.47
Food, Restaurants and Banquet Income	1,903.93	2,080.44
Shop Rental	25.62	77.50
Others	212.68	233.62
Total	**3,963.75**	**4,318.02**

NOTE 22 : OTHER INCOME

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Interest Income		
Inter-corporate deposits	72.96	54.22
Deposits with banks	52.70	67.71
Interest on Income Tax Refunds	15.55	28.71
	141.21	**150.64**
Profit on Sale of Fixed Assets	1.82	-
Others	1.26	2.40
Total	**144.29**	**153.04**

NOTE 23 : FOOD AND BEVERAGES CONSUMED

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Food and Beverages Consumed		
Opening Stock	50.85	61.72
Add:- Purchases *	498.62	471.44
	549.47	**533.17**
Less:- Closing Stock	80.59	50.85
Food and Beverages Consumed	**468.88**	**482.32**

***Purchase cost of Food and Beverages is after adjusting sale of empties**

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Sale of Empties	**3.80**	**2.92**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 24 (A) : EMPLOYEE BENEFITS EXPENSE AND PAYMENT TO CONTRACTORS

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Salaries, Wages, Bonus etc.	638.11	680.12
Company's Contribution to Provident and Other Funds	53.05	30.74
Reimbursement of Expenses on Personnel Deputed to the Company	252.73	245.45
Payment to Contractors	50.13	74.82
Staff Welfare Expenses	119.26	249.03
Total	**1,113.28**	**1,280.15**

NOTE 24 (B) : FINANCE COST

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Interest on Lease liability	81.50	-
Total	**81.50**	-

i The Company has recognised the following amount under the head "Company's Contribution to Provident Fund and Other Funds"

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Provident Fund	43.73	39.42
Gratuity Fund	9.32	(8.69)
Total	**53.05**	**30.74**

NOTE 25 : OTHER OPERATING AND GENERAL EXPENSES

i Operating Expenses consist of the following

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Linen and Room Supplies	50.17	54.30
Catering Supplies	38.41	46.97
Other Supplies	1.68	2.04
Fuel, Power & Light	286.99	288.40
Repairs to Buildings	73.32	103.63
Repairs to Machinery	120.04	136.41
Repairs to Others	23.27	28.34
Linen and Uniform Washing and Laundry Expenses	55.35	60.84
Payment to Orchestra Staff and Artistes and Others	55.65	97.18
Guest Transportation	6.81	7.05
Travel Agent's Commission	63.26	67.75
Credit/Debit Card Commission	27.35	33.36
Other Operating Expenses	109.00	111.14
Total	**911.30**	**1,037.41**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 25 : OTHER OPERATING AND GENERAL EXPENSES (CONTD.)

ii General Expenses consist of the following:

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Rent	14.99	17.21
Lease & License Fees	3.32	165.07
Rates & Taxes	206.76	189.32
Insurance	10.94	9.40
Advertising & Publicity	221.69	227.79
Printing & Stationery	12.65	17.45
Passage & Traveling	1.66	6.48
Bad Debts written off	1.53	2.42
Provision for Doubtful Debts	-	-
Professional Fees	36.28	71.69
Support Services	29.98	17.27
Expenditure on Corporate Social Responsibility	6.77	8.41
Loss on Sale of Fixed Assets	-	-
Operating/Management Fees	197.24	214.59
Central Reservation System/Customer Information System	78.89	85.84
Other Expenses	59.92	56.92
Corporate Expenses	-	-
Payment Made to statutory Auditors	2.28	2.04
Total	**884.90**	**1,091.91**
GRAND TOTAL (i+ii)	**1,796.20**	**2,129.33**

Footnotes:

(i) Expenses recovered from other parties:-

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Fuel, Power and Light	4.97	4.14
Rent	0.89	1.00
Total	**5.86**	**5.14**

(ii) Payment Made to Statutory Auditors:-

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
As Auditors	1.78	1.65
As Tax Auditors	0.45	0.35
Tax on above (Net of Credit availed)	0.05	0.04
Total	**2.28**	**2.04**

Update for the New Accounting Standard: IndAS 116 'Leases'

In accordance with Modified retrospective method of adoption, the company applied Ind AS 116 at the date of initial application date ie April 1, 2019 and the cumulative impact of the standard has been charged to the Retained Earnings net of deferred taxes. Accordingly, the comparative information in these Consolidated Financial Statements has been not been restated. The impact of the new standard in the Group's Financial Statement is summarised and set out below.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 25 : OTHER OPERATING AND GENERAL EXPENSES (CONTD.)

For the 12 months ended March31, 2020 Depreciation expense increased by ₹ 26.65 lakhs relating to the depreciation of new right-of-use assets recognised. Rent expense decreased by ₹ 162.00 lakhs relating to previous operating leases. Financial expenses increased by ₹ 81.50 lakhs relating to the interest expense on additional lease liabilities recognised. Income tax expenses decreased by ₹ 13.55 lakhs relating to the tax effect of these changes. Net cash from operating activities increased by ₹ 53.85 lakhs and the combination of cash from investing and financing activities reduced by the same amount, representing repayments of principal on the recognised lease liabilities.

At March 31, 2020: Right-of-use assets of ₹ 159.55 lakhs were recognised and presented separately in the Group statement of financial position. Lease liabilities of ₹ 772.11 lakhs were recognised and presented separately in the Group statement of financial position.

Net deferred tax liabilities decreased by ₹ 185.34 lakhs because of the deferred tax impact of the changes in assets and liabilities. The net effect of these adjustments increased the Group's net liabilities by ₹ 612.56 lakhs.

NOTE 26 (A) : TOTAL LEASE LIABILITIES ARE ANALYESED AS FOLLOWS:

Denominated in the following currencies

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Rupees	772.11	665.41
Total	**772.11**	**665.41**

Analysed as :

Denominated in the following currencies	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current	89.11	-
Non Current	683.00	665.41
Total	**772.11**	**665.41**

NOTE 26 (B) : AMOUNT RECOGNISED IN PROFIT OR LOSS

The following amount were recognised as expense in the year

Particulars	March 31, 2020 ₹ in lakhs
Depreciation of right-of-use assets	26.65
Expense relating to lease payment	-162.00
Interest on lease liabilities	81.50
Total recognised in the P&L statement	**-53.85**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 26 (C) : EXPOSURE TO FUTURE CASH FLOWS:

At March 31, 2019, the company was committed to future cash outflows of INR 1194.00 lakhs Relating to leases that have not yet commenced these will be recorded as a lease liability when the leased assets are available for use by the company.

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management and could in reality be different from expectations:

Maturity analysis	March 31, 2020 ₹ in lakhs
Less than 1 Year	162.00
Later than 1 year but not later than 5 years	870.00
Total	**1032.00**

NOTE 27: EARNING PER EQUITY SHARE

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Profit after Tax	332.10	338.10
No. of Equity Shares	8400000	8400000
Basic and Diluted	3.95	4.02

NOTE 28: EMPLOYEE BENEFITS

The company has taken group gratuity scheme with Life Insurance Corporation (LIC Ultimate (94-96) and annual contributions are made to the fund administrated by Life Insurance Corporation. Every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

Relevant information is disclosed below :-

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(i) Amount to be recognised in Balance Sheet and movement in net liability		
Present Value of Funded obligation	161.33	141.31
Fair Value of Plan Assets	108.15	112.43
Net (Assets) / Liability	**53.18**	**28.88**
(ii) Expense recognised in Statement of Profit & Loss		
Current service cost	10.57	8.95
Past service cost	-	(3.49)
Interest cost	1.43	(2.17)
Expected return on plan assets (Gains)/ losses on settlement		
Total	**12.00**	**3.29**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 28: EMPLOYEE BENEFITS (CONTD.)

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(iii) Expense recognised in Other Comprehensive Income		
Opening amount recognized in OCI outside P&L account	47.29	35.51
Remeasurements due to:		
Changes in financial assumptions	(7.75)	-
Changes in demographic assumptions	3.09	(0.05)
Experience adjustments	3.54	5.83
Actual return on plan assets less interest on plan assets	13.43	6.01
Adjustment to recognise the effect of asset ceiling	-	-
Total	**59.60**	**47.29**
(iv) Reconciliation of Defined Benefit Obligation :		
Opening Defined Benefit Obligation	141.31	122.36
Additions due to acquisitions		
Current service cost	10.57	8.95
Past service cost	-	(3.49)
Interest cost	10.57	8.49
Contribution by plan participants		
Remeasurements due to actuarial loss/ (gain) arising from		
Changes in financial assumptions	(7.75)	-
Changes in demographic assumptions	3.09	(0.05)
Experience adjustments	3.54	5.83
Actual return on plan assets less interest on plan assets		
Adjustment to recognise the effect of asset ceiling		
Benefits Paid	-	(0.77)
Liabilities assumed/ (settled)*		
Liabilities extinguished on Settlements		
FCTR-Defined Benefit Obligation		
Closing Defined Benefit Obligation	**161.33**	**141.31**
(v) Reconciliation of Fair Value of Plan Assets	112.43	101.08
Opening of Fair Value of Plan Assets	-	7.48
Employer contributions	9.14	10.66
Interest on plan assets		
Remeasurements due to:	(13.43)	(6.01)
Actual return on plan assets less interest on plan assets		
Contribution by Employer		
Contribution by plan participants	-	(0.77)
Benefits Paid		
Assets acquired/ (settled)*		
Assets distributed on Settlements		
FCTR		
Closing of Fair Value of Plan Assets	**108.15**	**112.43**
Expected Employer's contribution next year		
* On account of business combination or intra group transfer		
(vi) Acturial Assumptions		
Discount rate(p.a.) in %	6.7%	7.6%
Salary Escalation rate (p.a.) in %	4.5%	6.0%

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 28: EMPLOYEE BENEFITS (CONTD.)

	March 31, 2020		March 31, 2019	
	Unquoted ₹ in lakhs	%	Unquoted ₹ in lakhs	%
(vii) Disaggregation of Plan Asset				
Name of the fund				
LIC Ultimate policy	108.15	100%	112.43	100%
Total	**108.15**		**112.43**	

	March 31, 2020		March 31, 2019	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
(viii) Sensitivity Analysis				
Retiring Gratuity Benefit Plan	6.7%	4.5%	7.6%	6.0%
Impact of increase in 50 bps on DBO	-3.60%	3.89%	-4.57%	4.98%
Impact of decrease in 50 bps on DBO	3.83%	-3.69%	4.93%	-4.66%

NOTE 29 : CAPITAL COMMITMENTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for.	31.77	89.47

NOTE 30 : CONTINGENT LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
1- Property Tax	1,240.47	1,112.52
2- Income Tax	214.00	224.56

1- The property tax demand for various years aggregating to ₹ 2163.82 lakhs had been raised in respect of the hotel up to March 31, 2020 under the NDMC Bye Laws 2009. While admitted tax was paid for each year, the demand raised post 2010 till March 31,2015 was under challenge along with NDMC Bye Laws 2009. The Hon'ble Supreme Court vide its Order dated January 22, 2019 has declared the NDMC Bye Laws, pursuant to which the property tax demand for all these years was raised, as ultra vires the NDMC Act and hence quashed. The Company has, however, decided to continue with a provision of ₹ 625 lakhs provided in the books up to March 31, 2020 as the assessment of property tax post 2010 consequent to the quashing of the NDMC Bye Laws 2009 is yet to be finalized.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 30 : CONTINGENT LIABILITIES (CONTD.)

2- In respect of income tax matters, appeals have been filed by the Income Tax Dept against Orders in favour of the company; summary given below:

Year to which demand relates	Amount involved ₹ in lakhs	Forum where dispute is pending
A.Y.-1998-99	99.19	Hon'ble High Court of India
A.Y.-2014-15	62.22	
A.Y.-2013-14	52.59	ITAT, Delhi

NOTE 31 : INCOME TAX DISCLOSURES (IND AS 12)

(a) Income Tax recognised in Profit or loss:

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current Tax		
In respect of the current year	99.49	171.00
In repect of earlier years	(0.44)	(18.99)
	99.05	**152.01**
Deferred Tax		
In respect of the current year	30.47	(44.62)
Adjustment to deferred tax attributable to changes in tax rates and laws	33.75	-
	64.22	(44.62)
Total tax expense recognised in the current year relating to continuing operations	**163.27**	**107.39**

(b) Reconciliation of tax expense with the effective tax

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Profit before tax from continuing operations (a)	495.38	445.49
Income tax rate as applicable (b)	25.17%	27.820%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	124.68	123.93
Permanent tax differences due to:		
Corporate social responsibility expenditure	1.70	0.65
On account of bonus disallowance	3.58	1.00
Others		(0.34)
Effect on deferred tax balances due to change in rate from 27.82% to 25.17% (effective from 1st April 2019)	33.75	1.13
	163.71	**126.38**
Prior year taxes as shown above	(0.44)	(18.99)
Income tax expense recognised in profit or loss (relating to continuing operations)	**163.27**	**107.39**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 32 : INCOME TAX DISCLOSURES (IND AS 12)

(a) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs	March 31, 2018 ₹ in lakhs
Deferred Tax assets	374.30	216.92	192.84
Deferred Tax liabilities	(84.43)	(48.16)	(49.27)
Total	**289.87**	**168.75**	**143.57**

(b) Reconciliation of Deferred Tax Asset and Deferred Tax Liability

2019-20	Opening Balance	Impact on transition to Ind AS 116 adjusted in retained earnings	Recognised in profit or loss	Closing balance
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Deferred tax (liabilities)/ assets in relation to:				
Property. Plant & equipment and Intangible Assets	(48.16)	-	3.88	(44.28)
IndAS-116 Right to Use Assets	-	(51.78)	11.63	(40.16)
Provision for Employee Benefits	19.94	-	(1.32)	18.62
Provision for Revision in Minimum Wages	45.85	-	(45.85)	-
Provision for Doubtful Debts	5.07	-	(1.01)	4.06
IndAS-116 Lease Liability	-	237.12	(42.80)	194.32
Provision for Contingencies	146.05	-	11.25	157.30
Total	168.75	185.34	(64.22)	289.87
Capital Gain				
Total Deferred Tax Assets	**168.75**	**185.34**	**(64.22)**	**289.87**

2018-19	Opening Balance	Impact on transition to Ind AS 116 adjusted in retained earnings	Recognised in profit or loss	Closing balance
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Deferred tax (liabilities)/ assets in relation to:				
Property. Plant & equipment and Intangible Assets	(49.27)	-	1.11	(48.16)
Provision for Employee Benefits	14.40	-	5.54	19.94
Provision for Revision in Minimum Wages	33.50	-	12.35	45.85
Provision for Doubtful Debts	5.12	-	(0.05)	5.07
IndAS-116 Lease Liability	22.72	-	(22.72)	-
Provision for Contingencies	117.10	-	28.95	146.05
Total Deferred Tax Assets	**143.57**	**-**	**25.18**	**168.75**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 33 : FINANCIAL INSTRUMENTS (IND AS 109)

(a) Financial Assets & Liabilities

	31-03-2020			31-03-2019		
	FVOCI	Amortised cost	Total	FVOCI	Amortised cost	Total
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Financial assets:						
Investments						
Equity Investment						
- External Companies	0.74	-	0.74	0.93	-	0.93
Trade Receivables	-	135.09	135.09	-	189.77	189.77
Cash and cash equivalents	-	1,797.91	1,797.91	-	1,562.47	1,562.47
Loans	-	550.00	550.00	-	500.00	500.00
Other financial assets*	-	152.31	152.31	-	93.18	93.18
Total - Financial Assets	**0.74**	**2,635.30**	**2,636.05**	**0.93**	**2,345.42**	**2,346.35**
Financial liabilities:						
Trade Payables including capital creditors		420.90	420.90		306.00	306.00
Other financial liabilities		138.98	138.98		280.95	280.95
Total - Financial Liabilities	**-**	**559.89**	**559.89**	**-**	**586.96**	**586.96**

(b) Fair value of Financial instruments on a recurring basis:

As of March 31, 2020:	Level 1	Level 2	Level 3	Level 4
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Financial assets:				
Equity shares				
Listed equity investment				
- Graviss Hospitality Limited	0.74	-	-	0.74
Unquoted equity investment				
- Taj Air Limited	156.88	-	-	156.88
Total	**157.62**	**-**	**-**	**157.62**

As of March 31, 2019:	Level 1	Level 2	Level 3	Level 4
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Financial assets:				
Equity shares				
Listed equity investment				
- Graviss Hospitality Limited	0.93	-	-	0.93
Unquoted equity investment				
- Taj Air Limited	155.00	-	-	155.00
Total	**155.93**	**-**	**-**	**155.93**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 33 : FINANCIAL INSTRUMENTS (IND AS 109)(CONTD.)

(c) Contractual maturity of financial liabilities:

March 31, 2020	Due in 1st year ₹ in lakhs
Non-derivative financial liabilities:	
Trade and other payables	420.90
Other financial liabilities	138.98
Total	**559.89**

March 31, 2019	Due in 1st year ₹ in lakhs
Non-derivative financial liabilities:	
Trade and other payables	306.00
Other financial liabilities	280.95
Total	**586.96**

NOTE 34 : IND AS 115 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

With effect from April 1, 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended March 31, 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at April 1,2018 ('transition date') in equity and the impact on such transition date is not material.

Also the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months. (Also refer Credit Risk)

Prior to adoption of IND AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations. The recognition of these revenue streams is largely unchanged by IND AS 115.

CONTRACT WITH CUSTOMERS	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
1 Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
Revenue from operations		
Revenue from contract with customers		
a) Room Revenue, Food & Beverages and Banquets	3,725.45	4,006.91
b) Other revenue from contract with customers	174.73	185.18
	3,900.18	**4,192.08**
Other operating revenue		
a) Export Incentive	39.57	48.44
b) Other revenue	-	-
	39.57	48.44
Total Revenue from operations	**3,939.75**	**4,240.52**
2 **Disaggregate Revenue :** The following table presents Company's revenue disaggregated by type of revenue stream		

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 34 : IND AS 115 'REVENUE FROM CONTRACTS WITH CUSTOMERS' (CONTD.)

CONTRACT WITH CUSTOMERS	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Revenue based on product and services		
Revenue from contract with customers		
a) Room Revenue	1,821.52	1,926.47
b) Food & Beverages and Banquets	1,903.93	2,080.44
c) Other revenue from contract with customers	200.35	262.68
Other Operating Revenue		
a) Export Incentives	39.57	48.44
b) Other revenue	-	-
3 The Company derives its revenue from the transfer of goods and services at a point of time in its major service lines		
4 **Contract balances**		
Advance Collections, deposits from customer		
Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/ restaurant/Banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services.		
At April	(71.47)	(94.12)
At March	(67.61)	(71.47)
Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to ₹ 96.35/-		

NOTE 35 : RELATED PARTY DISCLOSURES

a) The names of Related Parties of the Company are as under

(i) **Company having Significant Influence**

Tata Sons Ltd.
(including subsidiaries and JV of an entity)

(ii) Holding Company

The Indian Hotels Company Ltd.

(iii) Fellow Subsidiaries Company

Domestic :-

TIFCO Holdings Limited
KTC Hotels Limited
Roots Corporation Limited
Piem Hotels Limited
Taj Trade and Transport Company Limited
Inditravel Limited
Northern India Hotels Limited
Taj Enterprises Limited
Benares Hotels Limited
Luthria & Lalchandani Hotels & Properties Pvt. Ltd.
Skydeck Properties and Developers Private Limited
Sheena Investments Private Limited
ELEL Hotels & Investments Limited

(iv) **Associates & Joint Ventures of Holding Company**

Domestic :-

Taida Trading & Industries Ltd.
Oriental Hotels Ltd.
Taj Madurai Ltd.
Taj Sats Air Catering Limited
Taj Madras Flight Kitchen Private Limited
Taj Karnataka Hotels and Resorts Limited
Taj Kerala Hotels and Resorts Limited
Kaveri Retreats & Resorts Limited
TajGVK Hotels and Resorts Limited
Taj Safaris Limited
Zarrenstar Hospitality Private Limited

International :-

TAL Lanka Hotels PLC
Lanka Island Resorts Ltd.
BJETS Pte. Ltd. (Singapore)
TAL Hotels & Resorts Limited
IHMS Hotels (SA) (Proprietary) Limited

(v) **Key Management Personnel**

Mr. Rajinder Kumar Working Director

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 35 : RELATED PARTY DISCLOSURES (CONTD.)

International :-
Taj International Hotels (H.K.) Limited
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited
IHMS LLC - San Francisco
IHMS LLC - USA
PIEM International Hotels (H.K.) Limited
BAHC 5 Pte Ltd.
United Overseas Holding Inc.

Mr. Virinder Kumar Working Director
Mr.Narinder Kumar Working Director

(vi) **Firms/ companies in which key Management** personnel are interested
New Delhi Hotels Limited
Digvijay Finances Pvt. Ltd.
United Finances & Agencies Pvt. Ltd.

(b) Details of related party transaction during the period ended 31.03.2020 and outstanding balances as at 31.03.2020

Particulars	Company having Significant Influence ₹ in lakhs	Holding Company ₹ in lakhs	Key Management Personnel ₹ in lakhs	Fellow Subsidiaries ₹ in lakhs	Associates & Joint Ventures of Holding Co. ₹ in lakhs
Dividend Paid	-	46.20	20.90	-	-
Operating Fees Paid / Provided	-	193.43	-	-	-
Advertisement/CRS & CIS Paid / Provided	-	154.75	-	-	-
Purchase of goods & Services	43.54	26.78	-	-	-
Sale of goods & Services	25.92	-	-	-	-
Directors Remuneration	-	-	96.95	-	-
Trade Receivables	2.98	-	-	-	-
Trade Payables	-		-	-	-
Receivable Due on Current A/c	-	-	-	3.45	-
Payable Due on Current A/c	-	45.22	-	-	-
ICD Placed	-	-	-	550.00	-
Interest Recoverable	-	-	-	5.31	-

(c) Statement of Material Transactions

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Company having Significant Influence		
Tata Consultancy Services		
Purchase of goods & services	43.54	28.10
Trade Payable	-	1.67
Sale of goods & services	25.92	40.17
Trade Receivable	2.98	3.01
Holding Company		

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

NOTE 35 : RELATED PARTY DISCLOSURES (CONTD.)

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
The Indian Hotels Company Limited		
Operating/Licence Fee Paid	193.43	210.34
Advertisement/Brand Cost/CRS/CIS Paid	154.75	168.27
Purchase of goods & services	26.78	60.80
Payable due on current account	45.22	24.30
Dividend Paid	46.20	25.18
Remuneration to Key Management Personnel		
Mr. Rajnder Kumar		
Remuneration	34.59	32.22
Dividend Paid	6.52	6.52
Mr. Virinder Kumar		
Remuneration	32.25	30.66
Dividend Paid	6.52	6.52
Mr. Narinder Kumar		
Remuneration	30.11	28.17
Dividend Paid	7.86	7.86
Fellow Subsidiaries		
TIFCO Holdings Ltd		
Dividend Paid	-	21.02
PIEM Hotels Limited		
Sale of goods & services		
Receivable due on current account	0.47	-
Payable due on current account		0.39
Banaras Hotels Limited		
Receivable due on current account	2.99	0.66
ICD Placed	550.00	500.00
Interest Recoverable	5.31	3.66
Interest earned on ICD placed	72.96	50.56
Associates/Joint Ventures		
Key Management Personnel interested		
New Delhi Hotels Ltd.		
Sale of goods & Services	0.86	0.73
Dividend Paid	3.02	3.02

NOTE 36 : IMPACT OF COVID-19

On March 11, 2020, the World Health Organisation declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. The world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Government has taken series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020 and extended upto May 31, 2020. In particular, all airlines, road and railway travel were suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sport facilities & retail outlets etc were closed, except for a few essentials services/supplies like grocery stores, pharmacies, etc.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Period ended March 31, 2020

The hotel business is severely impacted post the outbreak of COVID 19 in Q4 of FY 2019-20 and resulted income reduced by ₹ 302.65 lakhs.

Particulars	March 31, 2020 ₹ in lakhs
Room Income	156.54
Food & Beverage Income	138.01
Other Income - F&B	2.05
Other Income -Misc	6.05
Total Impact on turnover	**302.65**

NOTE 37 : FIGURES OF THE PREVIOUS YEAR HAVE BEEN REGROUPED / RECAST WHEREVER NECESSARY.

For and on behalf of the Board

As per our report attached
For **R K Khanna & Co.**
Chartered Accountants
Firm Registration No. 000033N

Rajinder Kumar
Director
DIN: 00053878

Mohit Gupta
Director
DIN: 01865794

Vipin Bali
Partner
M. No. 083436

Date: 27th May, 2020
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of **Skydeck Properties and Developers Private Limited**

REPORT ON THE IND AS FINANCIAL STATEMENTS OPINION

We have audited the accompanying Ind AS financial statements of **SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED("the Company"),** which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) In the case of Balance Sheet, the state of affairs of the Ind AS Company as at March 31, 2020;

(ii) In the case of the Statement of Profit and Loss including other comprehensive income, of the profit for the period ended on that date;

(iii) In case of the Statement of Cash Flows, of the cash flows for the period ended on that date;

Basis of Opinion

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

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

The Company's Board of Directors is responsible for the information other than the Ind AS Financial Statements and Auditor's Report thereon. The Other Information comprises the Directors' Report including Annexures to Directors' Report (collectively called as "Other Information") but does not include the Ind AS 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 Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein; we are required to communicate the matters to those charged with governance. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the 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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

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.

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

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

Auditor's responsibility on the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements 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 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Ind AS financial statements.

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

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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 safe guards.

Report on Other Legal and Regulatory Requirements

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

(ii) As required by sub-section (3) of section 143 of the Act we, report that:

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

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

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

(d) In our opinion, the aforesaid Ind AS Financial Statements comply with the applicable Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;

(e) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year, therefore the provisions of Section 197 read with Schedule V of the Act is not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 in its Ind AS Financial Statements;

INDEPENDENT AUDITOR'S REPORT (CONTD.)

(ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;

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

For **Damji Merchant and Co.**
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No.003741

Place: Mumbai
Date :June 05, 2020

ANNEXURE A

Referred to in paragraph 7 of our Report of even date to the members of Skydeck Properties and Developers Private Limited on the Ind AS Financial Statements of the company for the year ended March 31, 2020

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) The Company did not hold any fixed assets during the year under report. Accordingly, provisions of paragraph 3 clause (i)(a), (b), and (c) of the Order are not applicable.

(ii) The Company has no inventories and therefore, question of its physical verification does not arise.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments, provided any guarantees and security to its directors and any other entities in which the directors are interested and therefore question of complying with the provisions of section 185 and 186 of Companies Act, 2013 does not arise.

(v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act,2013.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act,2013.

(vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with appropriate authorities in India. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at March 31, 2020 for a period of more than six months from the date they became payable. Since there were no employees, the question of payment of dues on Provident Fund and Employees' State Insurance does not arise;

(b) According to the information and explanation given to us, there are no disputed dues on account of Income Tax, Sales tax, Service Tax, Duty of Customs or Duty of Excise, Value Added Tax and Goods and Services Tax.

(viii) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not availed of any loans from any financial institutions or bank or debenture holder.

(x) During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, by its officers or employees nor the same has been noticed or reported during the course of our audit. We have also not been informed of any such instance by the Management.

(xiii) According to the records of the Company examined by us and as per the information and explanations given to us, all the transactions with the related party are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards. Refer Note No. 25.

ANNEXURE A (CONTD.)

(xv) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we have not reported on item nos. (ix), (xi), (xii), (xiv), and (xvi) of (CARO), 2016 as the same are not applicable to the company.

For **Damji Merchant and Co.**
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No.003741

Place: Mumbai
Date :June 05, 2020

ANNEXURE B

Referred to in paragraph 8(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the Ind AS Financial Statements of Skydeck Properties and Developers Private Limited.

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

In conjunction with our audit of the IndAS Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Skydeck Properties and Developers Private Limited as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company are 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 Ind AS 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 IndAS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

ANNEXURE B (CONTD.)

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 IndAS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 **Damji Merchant and Co.**
Chartered Accountants
Firm's Registration No. 102082W

Damji Merchant
Partner
Membership No.003741

Place: Mumbai
Date :June 05, 2020

BALANCE SHEET
as at March 31, 2020

	Note	March 31, 2020 (₹ in lakhs)	March 31, 2019 (₹ in lakhs)
ASSETS			
Non-current assets			
Financial assets			
Investments	3	52,861.00	52,861.00
Advance income tax (net)		5.81	2.56
		52,866.81	**52,863.56**
Current assets			
Financial assets			
Trade receivables	4	45.77	-
Cash and cash equivalents	5	77.75	60.92
Other financial assets	6	0.09	0.05
		123.61	**60.97**
Total		**52,990.42**	**52,924.53**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	89,303.22	89,303.22
Other equity	8	(44,357.41)	(44,362.51)
Total equity		**44,945.81**	**44,940.71**
Current Liabilities			
Financial liabilities			
Trade payables	9		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		34.71	2.43
Other financial liabilities	10	8,005.38	7,981.13
Other current liabilities	11	4.52	0.26
		8,044.61	**7,983.82**
Total		**52,990.42**	**52,924.53**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For **Damji Merchant & Co.**
Chartered Accountants
Firm Registration No : 102082W

For and on behalf of the Board

Damji Merchant
Partner
Membership No. 003741

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place : Mumbai
Date : June 05, 2020

Rashna Kararia
Company Secretary

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2020

	Note	Year ended March 31, 2020 (₹ in lakhs)	Year Ended March 31, 2019 (₹ in lakhs)
INCOME			
Revenue from operations	12	58.12	-
Other income	13	3.54	2.94
Total Income		**61.66**	**2.94**
EXPENSES			
Finance costs	14	-	-
Other operating and general expenses	15	54.24	6.58
Total Expenses		**54.24**	**6.58**
Profit/ (Loss) before exceptional items and tax		7.42	(3.64)
Exceptional items		-	-
Profit/ (Loss) before tax		**7.42**	**(3.64)**
Tax expense			
Current tax		2.32	-
Deferred tax		-	-
Total		**2.32**	**-**
Profit/ (Loss) after tax		**5.10**	**(3.64)**
Other comprehensive income, net of tax			
Other comprehensive income for the year		-	-
Total comprehensive Income for the year		**5.10**	**(3.64)**
Earnings per share:	16		
Basic - (₹)		0.00	(0.00)
Diluted - (₹)		0.00	(0.00)
Face value per ordinary share - (₹)		10.00	10.00
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For **Damji Merchant & Co.**
Chartered Accountants
Firm Registration No : 102082W

For and on behalf of the Board

Damji Merchant
Partner
Membership No. 003741

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place : Mumbai
Date : June 05, 2020

Rashna Kararia
Company Secretary

STATEMENT OF CHANGES IN EQUITY
as at March 31, 2020

Particulars	Equity Share Capital Subscribed	Other Equity		Total
		Retained Earnings	Other Reserve	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Balance as at April 1, 2019	89,303.22	(43,969.94)	(388.93)	(44,358.87)
Profit / (Loss) for the year ended March 31, 2019	-	(3.64)	-	(3.64)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the year ended March 31, 2019	-	(3.64)	-	(3.64)
Balance as at March 31, 2019	**89,303.22**	**(43,973.58)**	**(388.93)**	**(44,362.51)**
Profit for the year ended March 31, 2020	-	5.10	-	5.10
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the year ended March 31, 2020	-	5.10	-	5.10
Balance as at March 31, 2020	**89,303.22**	**(43,968.48)**	**(388.93)**	**(44,357.41)**

Summary of Significant Accounting Policies - Note 2

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For **Damji Merchant & Co.**
Chartered Accountants
Firm Registration No : 102082W

Damji Merchant
Partner
Membership No. 003741

Place : Mumbai
Date : June 05, 2020

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

CASH FLOW STATEMENT

for the year ended March 31, 2020

		Year ended March 31, 2020 ₹ in lakhs	Year Ended March 31, 2019 ₹ in lakhs
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) Before Tax		7.42	(3.64)
Adjustments For :			
Interest Income		(3.54)	(2.94)
Finance Costs		-	-
		(3.54)	**(2.94)**
Cash Operating Profit before working capital changes		3.88	(6.58)
Adjustments for (increase)/ decrease in operating assets:			
Trade receivables		(45.77)	-
		(45.77)	**-**
Adjustments for increase/ (decrease) in operating liabilities:			
Trade Payables		60.79	(3.15)
		60.79	**(3.15)**
Cash Generated from Operating Activities		18.90	(9.73)
Direct Taxes (Paid)/ Refunded		(5.62)	(0.24)
Net Cash Generated From Operating Activities (A)		**13.28**	**(9.97)**
CASH FLOW FROM INVESTING ACTIVITIES			
Interest Received		3.55	2.89
Bank Balances not considered as Cash and Cash Equivalents		-	-
Net Cash Generated/(Used) In Investing Activities (B)		**3.55**	**2.89**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		-	-
Short-term loans repaid		-	-
Net Cash Generated/ (Used) In Financing Activities (C)		**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)		**16.83**	**(7.08)**
Cash and Cash Equivalents - Opening		60.92	68.00
Cash and Cash Equivalents - Closing		**77.75**	**60.92**
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For **Damji Merchant & Co.**
Chartered Accountants
Firm Registration No : 102082W

For and on behalf of the Board

Damji Merchant
Partner
Membership No. 003741

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place : Mumbai
Date : June 05, 2020

Rashna Kararia
Company Secretary

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2020

1. BACKGROUND

Skydeck Properties and Developers Private limited ("Skydeck" or the "Company"), a private limited company was incorporated on May 13, 1998. The Company is primarily engaged in construction activities and providing Management Consultancy.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013, on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

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 in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Impairment of investments:** The Company reviews its carrying value of investment in subsidiaries carried at cost less impairment(if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss.

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 or loss.

c) Revenue recognition

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

Dividends

Dividend income is recognised when the Company's right to receive the amount is established.

d) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

e) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

f) Provisions, contingent liabilities and contingent assets

Provisions are recognised, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognised but only disclosed in the financial statements.

g) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

h) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

i) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

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 its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:
All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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.

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 Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

j) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 3 : INVESTMENTS

	Face Value	March 31, 2020		March 31, 2019	
		Holdings no. of Shares	₹ lakhs	Holdings no. of Shares	₹ lakhs
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Companies (At Cost)					
Sheena Investments Private Limited	10.00	10,00,000	23,200.00	10,00,000	23,200.00
ELEL Hotels and Investments Limited	10.00	13,09,896	29,660.95	13,09,896	29,660.95
Luthria and Lalchandani Hotels and Properties Private Limited	100.00	50	0.05	50	0.05
Total Investments			**52,861.00**		**52,861.00**

NOTE 4 : TRADE RECEIVABLES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(Unsecured)		
Others :		
Considered good	45.77	-
Which have significant increase in credit risk	-	
Credit impaired	-	
	45.77	**-**

NOTE 5 : CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Balances with bank in current account	17.75	0.92
Balances with bank in call and short-term deposit accounts (Original maturity less than 3 months)	60.00	60.00
	77.75	**60.92**

NOTE 6 : OTHER FINANCIAL ASSETS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Interest receivable		
Bank Deposits	0.09	0.05
	0.09	**0.05**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 7 : SHARE CAPITAL

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Authorised Share Capital		
Equity Shares		
90,01,00,000 (Previous year - 90,01,00,000) Equity Shares of ₹ 10/- each	90,010.00	90,010.00
	90,010.00	**90,010.00**
Issued Share Capital		
89,30,32,160 (Previous year - 89,30,32,160) Equity Shares of ₹ 10/- each	89,303.22	89,303.22
	89,303.22	**89,303.22**
Subscribed and Paid Up		
89,30,32,160 (Previous year - 89,30,32,160) Equity Shares of ₹ 10/- each, Fully Paid	89,303.22	89,303.22
	89,303.22	**89,303.22**

Footnotes:

i) Reconciliation of the shares outstanding at the beginning and at the end of the year.

Authorised Share Capital	March 31, 2020		March 31, 2019	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
As at the beginning of the year	89,30,32,160	89,303.22	89,30,32,160	89,303.22
As at the end of the year	**89,30,32,160**	**89,303.22**	**89,30,32,160**	**89,303.22**

ii) Shares held by Holding Company.

	No. of Shares March 31, 2020	No. of Shares March 31, 2019
Holding Company		
The Indian Hotels Company Limited ("IHCL")	89,30,32,160	89,30,32,160

iii) Shareholders holding more than 5% shares in the Company

	No. of Shares March 31, 2020	No. of Shares March 31, 2019
The Indian Hotels Company Limited	89,30,32,160	89,30,32,160
% of Holding	100 %	100 %

iv) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 8 : OTHER EQUITY

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Retained Earnings		
Opening	(43,973.58)	(43,969.94)
Add: Current year profit / (Loss)	5.10	(3.64)
Closing	**(43,968.48)**	**(43,973.58)**
Other Reserve		
Opening	(388.93)	(388.93)
Add : During the year	-	-
Closing	**(388.93)**	**(388.93)**
Total	**(44,357.41)**	**(44,362.51)**

NOTE 9: TRADE PAYABLES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Micro and Small Enterprises	-	-
Others		
Vendor Payables	33.88	0.16
Accrued expenses and others	0.83	2.27
	34.71	**2.43**

Footnotes:

There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium enterprises Development Act, 2006".

NOTE 10: OTHER FINANCIAL LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Other Payables :-		
Related Parties (Refer footnote below)	8,004.38	7,980.13
Others	1.00	1.00
	8,005.38	**7,981.13**

Footnote:

Inlcuding ₹ 7,980.06 lakhs outstanding as at March 31, 2020 (₹ 7,980.06 lakhs as at March 31, 2019) on account of purchase of ELEL Hotels and Investments Limited's Shares and payable to Lands End Properties Private Limited "LEPPL" which is subsequently amalgamated with The Indian Hotels Company Limited "IHCL".

NOTE 11: OTHER CURRENT LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Statutory dues	4.52	0.26
	4.52	**0.26**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 12 : REVENUE FROM OPERATIONS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Other operating income	58.12	-
Total	**58.12**	**-**

NOTE 13 : OTHER INCOME

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Interest Income from financial assets at amortised cost		
Deposits with banks	3.49	2.94
Income tax refund	0.05	-
Total	**3.54**	**2.94**

NOTE 14 : FINANCE COSTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Interest Expense at effective interest rate on borrowings	-	-
Interest on ICD borrowed	-	-
Total	**-**	**-**

NOTE 15 : GENERAL EXPENSES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
General expenses consist of the following :		
Rates and Taxes	0.07	0.12
Professional Fees	0.22	0.15
Brokerages and Commission	31.37	-
Business Support Cost	20.53	-
Directors' fees	-	2.48
Audit Fees		
As statutory auditors	0.24	1.48
For other services	0.59	0.68
Other Expenses	1.22	1.67
Total	**54.24**	**6.58**

NOTE 16 : EARNINGS PER SHARE (EPS)

Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.

	Year Ended March 31, 2020 ₹ in lakhs	Year Ended March 31, 2019 ₹ in lakhs
Profit / (Loss) after tax - (₹ lakhs)	5.10	(3.64)
Weighted Average Number of Equity Shares	89,30,32,160	89,30,32,160
Face Value per Equity Share	10.00	10.00
Earning Per Share - (₹) Basic and Diluted	0.00	(0.00)

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 17 : FAIR VALUE OF FINANCIAL INSTRUMENTS.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments approximate fair values due to interest charged at market rate in respect of borrowings and short term nature of account balances in respect of cash, receivables etc,.

NOTE 18 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables, loans and borrowings. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company manages and monitors these risks primarily through its operating and financing activities.

NOTE 19 : CREDIT RISK

Credit risk is the risk that the 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 financing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

NOTE 20 : LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Due within 1 year	
	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Non-derivative financial liabilities		
Trade Payable	34.71	2.43
Other Financial liabilities	8,005.38	7,981.13
Total	**8,040.09**	**7,983.56**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 21 : 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 currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

NOTE 22 : CAPITAL MANAGEMENT

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

NOTE 23 : SEGMENT REPORTING

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

NOTE 24 : TAXATION

a) Reconciliation of tax expense with the effective tax

Particulars	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Profit / (Loss) before tax	7.42	(3.64)
Income-tax rate as applicable @ 25.17% (previous year @ 26%)	1.87	(0.95)
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	0.31	(0.62)
DTA not created due to lack of reasonable certainty	-	(0.33)
	2.18	-
Prior year taxes	0.14	-
Income tax expense recognised in statement of profit & loss	**2.32**	-

b) The Company has not recognised any deferred tax assets on losses incurred considering no tax benefit for business losses claimed under the Income Tax act, 1961 in its tax returns.

NOTE 25 : RELATED PARTY TRANSACTIONS

a. The names of related parties of the Company are as under :

Holding Company

- The Indian Hotels Company Limited ("IHCL")

Direct Subsidiary Companies

- Sheena Investments Private Limited ("Sheena")
- ELEL Hotels and Investments Private Limited ("ELEL")
- Luthria and Lalchandani Hotel and Properties Private Limited ("Luthria")

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

b. Transactions with related parties :

Particulars of transactions	Holding Company		Subsidiary Companies	
	Transaction amount ₹ in lakhs	Outstanding amount ₹ in lakhs	Transaction amount ₹ in lakhs	Outstanding amount ₹ in lakhs
Payables				
Current Account Due	**20.54**	**8,004.38**	**-**	**-**
	-	*7,980.13*	-	-
Receivables				
Trade receivables	**58.12**	**45.77**	**-**	**-**
	-	-	-	-

Foot note : Figures in Italics represent previous year figures.

NOTE 26 : IMPACT OF COVID-19 PANDEMIC - DISRUPTION AND UNCERTAINTY IN BUSINESS

On March 11, 2020 the World Health Organisation declared Coronavirus outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020 and extended upto June 30, 2020. In particular, all airlines, road and railway travel were suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sport facilities & retail outlets etc were closed, except for a few essentials services/ supplies like grocery stores, pharmacies, etc.

The Company has assessed potential impact of Covid-19 on the carrying value of investments and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets.

NOTE 27 : There are no foreign currency transactions during the current and previous year.

In terms of our report of even date
For **Damji Merchant & Co.**
Chartered Accountants
Firm Registration No : 102082W

Damji Merchant
Partner
Membership No. 003741

Place : Mumbai
Date : June 05, 2020

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Rashna Kararia
Company Secretary

FORM AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	Effective shareholding
				₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	(%)
	Indian													
1	Sheena Investments Private Ltd.	January 15, 2010	INR	100.00	182.49	284.69	2.20	39.85	15.32	13.51	4.29	9.22	-	100.00%
2	ELEL Hotels and Investments Ltd.	January 15, 2010	INR	282.09	56,687.77	62,711.16	5,741.30	0.93	26.55	(1,425.91)	-	(1,425.91)	-	85.72%
3	Luthria and Lalchandani Hotel and Properties Private Ltd.	February 18, 2008	INR	1.00	(4.58)	1.48	5.06	-	-	(0.45)	-	(0.45)	-	87.15%

Footnotes:

i) The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2020

ii) Names of subsidiaries which are yet to commence operations - None

Part "B" : Associates and Joint Ventures Nil

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

Rashna Kararia
Company Secretary

Mumbai,
Date : June 05, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of **Sheena Investments Private Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the Indian Accounting Standards (Ind AS) financial statements of **Sheena Investments Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

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, of the state of affairs of the Company as at March 31, 2020, and profit, changes in equity and its cash flows for the year ended on that date.

Basis of 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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the Ind ASfinancial statements and our auditors' report thereon.

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

In connection with our audit of the Ind ASfinancial 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 for our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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

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

Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent theunderlying 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March31, 2020 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 with reference to financial statements 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 Auditors' 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.

3. No remuneration has been paid by the Company to its directors during the year and accordingly reporting on compliance with provisions of Section 197 is not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. AAAAFT9691
UDIN: 20220369

Place: Chennai
Date: June 05, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Sheena Investments Private Limited ("the Company") on the Ind AS financial statements as of and for the year ended March 31, 2020.

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax(GST) which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the Management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration has been paid or provided during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT (CONTD.)

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.

(xv) Based on our audit procedures 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 them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm’s Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. AAAAFT9691
UDIN: 20220369

Place: Chennai
Date: June 05, 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

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 with reference to financial statements of **Sheena Investments Private Limited** ("the Company") as of March 31, 2020 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 and Board of Directorsare responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements 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 **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. AAAAFT9691
UDIN: 20220369

Place: Chennai
Date: June 05, 2020

BALANCE SHEET
as at March 31, 2020

	Note	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
ASSETS			
Non-current assets			
Financial assets			
Investments	3	39.85	39.85
Advance income tax (net)		0.56	0.92
		40.41	**40.77**
Current assets			
Financial assets			
Trade receivables	4	0.90	2.85
Cash and cash equivalents	5	4.43	0.06
Bank balances other than cash and cash equivalents	6	225.00	239.51
Other financial assets	7	13.95	-
		244.28	**242.42**
Total		**284.69**	**283.19**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	100.00	100.00
Other equity	9	182.49	173.27
Total Equity		**282.49**	**273.27**
Current liabilities			
Financial liabilities			
Trade Payables	10		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		1.36	2.94
Other Financial Liabilities	11	0.71	6.85
Other Current Liabilities	12	0.13	0.13
		2.20	**9.92**
Total		**284.69**	**283.19**
Summary of significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Chennai
Date: June 05, 2020

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: June 05, 2020

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2020

	Note	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
INCOME			
Revenue from operations	13	1.00	1.00
Other income	14	14.32	15.12
Total Income		**15.32**	**16.12**
EXPENSES			
Other operating and general expenses	15	1.81	2.03
Total Expenses		**1.81**	**2.03**
Profit/ (Loss) before exceptional items and tax		13.51	14.09
Exceptional items		-	-
Profit/ (Loss) before tax		**13.51**	**14.09**
Tax expenses			
Current Tax		4.29	4.20
Deferred Tax		-	-
Total		**4.29**	**4.20**
Profit/ (Loss) after tax		**9.22**	**9.89**
Other comprehensive income, net of tax			
Other comprehensive income for the year		-	-
Total Comprehensive Income for the period		**9.22**	**9.89**
Earnings Per Equity Share:	16		
Basic - (₹)		0.92	0.99
Diluted - (₹)		0.92	0.99
Face value per ordinary share - (₹)		10.00	10.00
Summary of Significant Accounting Policies	2		

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For **PKF Sridhar & Santhanam LLP**
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R. H. Parekh
Director
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Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: June 05, 2020

STATEMENT OF CHANGES IN EQUITY
as at March 31, 2020

	Equity Share Capital Subscribed ₹ in lakhs	Reserves and Surplus Retained Earnings ₹ in lakhs	Total ₹ in lakhs
Balance as at March 31, 2018	100.00	163.38	263.38
Profit for the year ended March 31, 2019	-	9.89	9.89
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Period ended March 31, 2019	-	9.89	9.89
Balance as at March 31, 2019	**100.00**	**173.27**	**273.27**
Profit for the year ended March 31, 2020	-	9.22	9.22
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2020	-	9.22	9.22
Balance as at March 31, 2020	**100.00**	**182.49**	**282.49**

Summary of Significant Accounting Policies (Note 2)

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm Registration No : 003990S/S200018

Ramanarayanan J

Partner

Membership No.220369

Place: Chennai

Date: June 05, 2020

For and on behalf of the Board

R. H. Parekh

Director

DIN: 01942405

Ashok Binnani

Director

DIN: 03326335

Place: Mumbai

Date: June 05, 2020

CASH FLOW STATEMENT
for the year ended March 31, 2020

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Cash Flow From Operating Activities		
Profit Before Tax	13.51	14.09
Adjustments For :		
Interest Income	(14.32)	(15.12)
	(14.32)	**(15.12)**
Cash Operating Profit before working capital changes	(0.81)	(1.03)
Adjustments for (increase)/ decrease in operating assets:		
Trade Receivables	1.95	(0.90)
Other Current Assets	-	-
	1.95	**(0.90)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	(7.72)	5.00
Other Liabilities		
	(7.72)	**5.00**
Cash Generated from Operating Activities	(6.58)	3.07
Direct Taxes (Paid)/ Refunded	(3.93)	(4.81)
Net Cash Generated From Operating Activities (A)	**(10.51)**	**(1.74)**
Cash Flow From Investing Activities		
Interest Received	0.37	15.12
Bank Balances not considered as Cash and Cash Equivalents	14.51	(13.61)
Net Cash Generated/(Used) In Investing Activities (B)	**14.88**	**1.51**
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	4.37	(0.23)
Cash and Cash Equivalents - Opening	0.06	0.29
Cash and Cash Equivalents - Closing	4.43	0.06

Summary of Significant Accounting Policies (Note 2)

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
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Ramanarayanan J
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Place: Chennai
Date: June 05, 2020

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: June 05, 2020

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2020

1. BACKGROUND

Sheena Investments Private Limited (the "Company"), a private limited company was incorporated on February 12, 1990. The Company is primarily engaged in the business of investment and also providing management consultancy

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013, on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

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 in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Impairment of investments:** The Company reviews its carrying value of investment in subsidiaries carried at cost less impairment (if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss.

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 or loss.

c) Revenue recognition

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

Dividend income is recognised when the Company's right to receive the amount is established.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

d) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

e) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

f) Provisions, contingent liabilities and contingent assets

Provisions are recognised, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognised but only disclosed in the financial statements.

g) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

h) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

i) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:

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 its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:
All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Subsequent Measurement:

Debt instruments
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

    (a) the Company has transferred substantially all the risks and rewards of the asset, or

    (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset,

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification
The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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.

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 Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

j) Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 3 : INVESTMENTS

	Face Value	March 31, 2020		March 31, 2019	
		Holdings As at	₹ in lakhs	Holdings As at	₹ in lakhs
Non Current Investments					
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Fellow Subsidiary Companies (At Cost)					
ELEL Hotels and Investments Limited	10	11,08,145	39.80	11,08,145	39.80
Luthria and Lalchandani Hotels and Properties Private Limited	100	50	0.05	50	0.05
Total			**39.85**		**39.85**

Footnote :

The Company holds 11,08,145 (March 31, 2019 : 11,08,145) shares in ELEL Hotels and Investments Limited out of which 526,854 (March 31, 2019: 526,854) shares are held in Escrow Account in favour of a certain company, which shall be transferred on fulfillment of certain conditions. The conditions have not yet been fulfilled.

NOTE 4 : TRADE AND OTHER RECEIVABLES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
(Unsecured)		
Outstanding over six months :		
Considered good	-	1.95
Which have significant increase in credit risk	-	-
Credit impaired	-	-
Others :		
Considered good	0.90	0.90
Which have significant increase in credit risk	-	-
Credit impaired	-	-
	0.90	**2.85**

NOTE 5 : CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Balances with bank in current account	4.43	0.06
	4.43	**0.06**

NOTE 6 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Other Balances with banks		
Call and Short-term deposit accounts	225.00	239.51
	225.00	**239.51**
Less: Term Deposit with Bank maturing after 12 months from the Balance Sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current	-	-
	225.00	**239.51**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 7 : OTHER FINANCIAL ASSETS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Interest receivable		
Bank Deposits	13.95	-
Others	-	-
	13.95	**-**
On Current Account dues :		
Others	-	-
	-	**-**
	13.95	**-**

NOTE 8 : SHARE CAPITAL

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Authorised / Issues Share Capital		
Equity Shares		
10,00,000 (Previous year - 10,00,000)	100.00	100.00
Equity Shares of ₹ 10/- each		
	100.00	**100.00**
Subscribed and Paid Up		
10,00,000 (Previous year - 10,00,000)	100.00	100.00
Equity Shares of ₹ 10/- each, Fully Paid		
	100.00	**100.00**

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or bought back during the current and comparative periods.

ii) The ultimate Holiding Company of the Company is "The Indian Hotels Company Limited".

iii) Shares held by Holding Company.

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Name of the Company		
Holding Company		
Skydeck Properties and Developers Private Limited	10,00,000	10,00,000
iv) Shareholders holding more than 5% shares in the Company		
Skydeck Properties and Developers Private Limited	10,00,000	10,00,000
% of Holding	100 %	100 %

v) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

NOTE 9 : OTHER EQUITY

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Retained Earnings		
Opening Balance	173.27	163.38
Add: Current year profits	9.22	9.89
	182.49	**173.27**

NOTE 10: TRADE PAYABLES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Micro and Small Enterprises	-	-
Others		
Vendor Payables	-	1.56
Accrued expenses and others	1.36	1.38
	1.36	**2.94**

Footnote :

There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006".

NOTE 11: OTHER FINANCIAL LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Payables on Current Account dues :		
Related Parties	0.71	6.85
	0.71	**6.85**

NOTE 12 : OTHER NON FINANCIAL LIABILITIES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Current		
Statutory dues	0.13	0.13
	0.13	**0.13**

NOTE 13 : REVENUE FROM OPERATIONS

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Consultancy Fees	1.00	1.00
	1.00	**1.00**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 14 : OTHER INCOME

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Interest Income from financial assets at amortised cost		
Deposits with banks	14.32	15.12
	14.32	**15.12**

NOTE 15 : GENERAL EXPENSES

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
General expenses consist of the following :		
Rates and Taxes	0.07	0.09
Professional Fees	0.08	0.36
Audit Fees		
As statutory auditors	1.48	1.48
As Others services	0.06	-
Other Expenses	0.12	0.10
	1.81	**2.03**

NOTE 16 : EARNINGS PER SHARE "EPS"

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit after tax - (₹ lakhs)	9.22	9.89
Weighted Average Number of Equity Shares	10,00,000	10,00,000
Face Value per Equity Share	10.00	10.00
Earning Per Share - (₹) Basic and Diluted	0.92	0.99

NOTE 17 : FAIR VALUE OF FINANCIAL INSTRUMENTS.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments, including cash, bank fixed deposits, receivables etc., and approximate fair values due to the short term nature of these account balances.

NOTE 18 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments held by the company, principally comprise of cash, bank fixed deposits, trade and other receivables, trade and other payables. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company manages and monitors these risks primarily through its operating and financing activities.

NOTE 19 : CREDIT RISK

Credit risk is the risk that the counter party 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 financing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

NOTE 20 : LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

NOTE 21 : 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 currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

NOTE 22 : CAPITAL MANAGEMENT

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

NOTE 23 : SEGMENT REPORTING

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

NOTE 24 : TAXATION

Reconciliation of tax expense with the effective tax

₹ lakhs

	March 31, 2020 ₹ in lakhs	March 31, 2019 ₹ in lakhs
Profit before tax	13.51	3.66
Income-tax rate as applicable @ 25.17 % (previous year @ 25.75%)	3.40	
Permanent tax difference		0.54
Effect of expenses that are not deductible in determining taxable profit	0.46	
	3.86	**4.20**
Prior Period taxes	0.43	-
Income tax expense recognised in statement of profit & loss	**4.29**	**4.20**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

NOTE 25 : CAPITAL COMMITMENTS

As at March 31, 2020, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil (March 31, 2019 : ₹ Nil)

NOTE 26 : RELATED PARTY TRANSACTIONS

a. The names of related parties of the Company are as under :

Ultimate Holding Company
- The Indian Hotels Company Limited

Holding Company
- Skydeck Properties and Developers Private Limited

Subsidiary Companies
- ELEL Hotels and Investments Limited
- Luthria and Lalchandani Hotel and Properties Private Limited

b. Transactions with related parties :

₹ lakhs

Particulars of transactions	Ultimate Holding Company		Subsidiaries	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables	-	**0.71**	-	-
	-	*6.85*	-	-
Receivables	-	-	**1.00**	**0.90**
	-	-	*1.00*	*2.85*

Foot note: Figures in Italics represent previous year figures

NOTE 27 : IMPACT OF COVID-19 PANDEMIC - DISRUPTION AND UNCERTAINTY IN BUSINESS

On March 11, 2020 the World Health Organisation declared Coronavirus outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020 and extended upto June 30, 2020. In particular, all airlines, road and railway travel were suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sport facilities & retail outlets etc were closed, except for a few essentials services/ supplies like grocery stores, pharmacies, etc.

The Company has assessed potential impact of Covid-19 on the carrying value of investments and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets.

NOTE 28 : There were no foreign currency transactions during the current and previous year.

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No : 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Chennai
Date: June 05, 2020

For and on behalf of the Board

R. H. Parekh
Director
DIN: 01942405

Ashok Binnani
Director
DIN: 03326335

Place: Mumbai
Date: June 05, 2020

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

FORM AOC - I
(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	Effective shareholding
				₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	(%)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Footnote
Names of subsidiaries which are yet to commence operations - None

Part "B" : Associates and Joint Ventures

Sr. No	Name of Associates/ Joint Ventures	Latest Audited Balance sheet date	Date on which the Associate or Joint Venture was associated or acquired	Shares held by the company on the year end			Networth attributable to shareholding as per latest audited Balance Sheet	Profit/ loss for the year		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
				No. of shares (Refer Note 3)	Amount of Investment	Extent of Holding		Considered in Consolidation (to the extent of Group's effective shareholding)	Not Considered in Consolidation		
					₹ in lakhs	%	₹ in lakhs	₹ in lakhs	₹ in lakhs		
	Associates										
	Indian										
1	**ELEL Hotels and Investments Limited (Refer Note (iii))**	March 31, 2020	January 15, 2010	11,08,145	39.80	39.28%	22,377.76	NA	NA	Note (ii)	Note (iii)

Notes:
i) Names of Associates/ Joint Venture which are yet to commence operations - None
ii) There is significant influence due to percentage(%) of share holding (more than 20%).
iii) The Company, being intermediate holding company, is exempted from preparing consolidated financial statement.

For and on behalf of the Board

R. H. Parekh	**Ashok Binnani**
Director	Director
DIN: 01942405	DIN: 03326335

Place: Mumbai
Date : June 05, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of ELEL Hotels & Investments Limited

Report on the Audit of the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the financial statements of ELEL Hotels & Investments Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

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, of the state of affairs of the Company as at March 31, 2020, and loss, other comprehensive income, changes in equity and its cash flows 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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to:

Note 38 to the financial statements, regarding the management's impairment assessment of non-current assets, investments and other current assets appearing in the financial statements of the Company as at March 31, 2020 being considered as unimpaired and recoverable based on its internal & external sources of information and estimates, and its judgment on implications expected to arise from COVID-19 pandemic, wherein actual results could vary.

Our opinion is not modified in respect of the above matter.

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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.

Responsibilities of the Management and Those Charged with Governance for 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 and total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- 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 auditors' report to the related disclosures in the Ind AS 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) At this juncture, we are unable to comment whether the matter described in the Emphasis of Matter paragraph above, may have an adverse effect on the functioning of the Company.

   (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

INDEPENDENT AUDITOR’S REPORT (CONTD.)

(g) 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”.

(h) With respect to the other matters to be included in the Auditors’ 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 to the Ind AS financial statements.

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.

3. As required by Section 197(16) of the Act, we report that the remuneration paid by the Company to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

For PKF Sridhar & Santhanam LLP Chartered Accountants
Firm’s Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN:

Place of Signature: Chennai
Date: June 5, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of ***ELEL Hotels And Investments Limited*** ("the Company") on the Ind AS financial statements as of and for the year ended 31 March 2020.

(i) In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular program of verifying fixed assets which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sub-lease deed provided to us, we report that, the title deeds of land taken on lease are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax(GST), Duty of customs, Excise duty and Value added tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

Name of the statute	Nature of dues	Amount (` in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	589.20	1988-89, 1989-90, 1991-92, 1992-93 & 1996-97	High Court
Income Tax Act,1961	Income Tax	10.95	2016-17	Deputy Commissioner of Income Tax

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not taken any loan/borrowing from financial institutions, banks, Government or debenture holders. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) Based on our audit procedures and as per the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule 5 to the Companies Act, 2013

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures 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 them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For PKF Sridhar & Santhanam LLP Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN:

Place of Signature: Chennai
Date: June 5, 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

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 with reference to financial statements of ELEL Hotels & Investments Limited ("the Company") as of 31 March 2020 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 and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT (CONTD.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal control with reference to financial statements 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 (the “Guidance Note”).

For PKF Sridhar & Santhanam LLP Chartered Accountants
Firm’s Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
UDIN:

Place of Signature: Chennai
Date: June 5, 2020

BALANCE SHEET AS AT MARCH 31, 2020

	Note	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Assets			
Non-current assets			
Property, plant and equipment	3	-	-
Right-of-use assets	4	74.54	-
Capital work-in-progress	3	4,718.28	4,709.83
Intangible assets	5	55,241.53	56,353.77
		60,034.35	**61,063.60**
Financial assets			
Investments	6 (a)	0.93	0.93
Other financial assets	9 (a)	1.02	1.02
Advance Income Tax		871.56	806.86
Other non-current assets	10	958.67	958.67
		61,866.53	**62,831.08**
Current assets			
Financial assets			
Investments	6 (b)	225.85	522.58
Cash and cash equivalents	7	8.52	12.90
Bank Balances other than Cash and Cash Equivalent	8	50.00	-
Other financial assets	9 (b)	560.26	2.30
		844.63	**537.78**
Total		**62,711.16**	**63,368.86**
Equity and liabilities			
Equity			
Equity share capital	11	282.09	282.09
Other equity	12	56,687.77	58,113.68
Total equity		**56,969.86**	**58,395.77**
Non-current liabilities			
Financial liabilities			
Lease Liabilities		75.92	-
		75.92	**-**
Current Liabilities			
Financial liabilities			
Lease Liabilities		0.07	-
Trade payables	13		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		14.36	13.97
Other financial liabilities	14	807.95	345.33
Provisions	15	1,466.20	1,396.45
Current tax provisions		3,376.57	3,216.32
Other current liabilities	16	0.23	1.02
		5,665.38	**4,973.09**
Total		**62,711.16**	**63,368.86**
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Chennai
Date: June 5, 2020

For and on behalf of the Board

Puneet Chhatwal
Director
DIN: 07624616

Giridhar Sanjeevi
Director
DIN: 06648008

Place: Mumbai
Date: June 5, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Income			
Other income	17	26.55	61.01
Total Income		**26.55**	**61.01**
Expenses			
Finance cost	18	7.51	-
Depreciation	3 / 4	1,116.69	1,112.24
Other operating and general expenses	19	328.26	366.56
Total Expenses		**1,452.46**	**1,478.80**
Profit/ (Loss) before exceptional items and tax		**(1,425.91)**	**(1,417.79)**
Exceptional items		-	-
Profit/ (Loss) before tax		**(1,425.91)**	**(1,417.79)**
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total		**-**	**-**
Profit/ (Loss) after tax		**(1,425.91)**	**(1,417.79)**
Other comprehensive income			
other comprehensive Income for the period		-	-
Total comprehensive Income for the period		**(1,425.91)**	**(1,417.79)**
Earnings per share:	20		
Basic - (₹)		(50.55)	(50.26)
Diluted - (₹)		(50.55)	(50.26)
Face value per ordinary share - (₹)		10.00	10.00
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Chennai
Date: June 5, 2020

For and on behalf of the Board

Puneet Chhatwal
Director
DIN: 07624616

Giridhar Sanjeevi
Director
DIN: 06648008

Place: Mumbai
Date: June 5, 2020

STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2020

₹ lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus			
		Securities Premium	General Reserve	Retained Earnings	Total
Balance as at April 1, 2018	282.09	16,415.23	70,749.87	(27,633.63)	59,531.47
Profit for the year ended March 31, 2019	-	-	-	(1,417.79)	(1,417.79)
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**-**	**(1,417.79)**	**(1,417.79)**
Add/ Less:	-	-	-	-	-
Balance as at March 31, 2019	**282.09**	**16,415.23**	**70,749.87**	**(29,051.42)**	**58,113.68**
Profit for the year ended March 31, 2020	-	-	-	(1,425.91)	(1,425.91)
Total Comprehensive Income for the year ended March 31, 2020	**-**	**-**	**-**	**(1,425.91)**	**(1,425.91)**
Add/ Less:	-	-	-	-	-
Balance as at March 31, 2020	**282.09**	**16,415.23**	**70,749.87**	**(30,477.33)**	**56,687.77**

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements

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For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/S200018

For and on behalf of the Board

Puneet Chhatwal
Director
DIN: 07624616

Giridhar Sanjeevi
Director
DIN: 06648008

Ramanarayanan J
Partner
Membership No.220369

Place: Chennai
Date: June 5, 2020

Place: Mumbai
Date: June 5, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Cash Flow From Operating Activities		
Profit Before Tax	(1,425.91)	(1,417.79)
Adjustments For:		
Depreciation and Amortisation	1,115.19	1,112.24
Depreciation on Right-of-use-assets	1.50	
Interest on lease liability	7.51	-
Finance Costs	-	-
Dividend Income	-	(52.10)
Unrealised gain on fair value of current investment	(13.27)	-
Profit on sale of current investment	(10.01)	-
Interest Income	(3.27)	(7.05)
Provision for Contingencies - Rates & Taxes	69.75	69.75
	1,167.40	**1,122.84**
Cash Operating Profit before working capital changes	(258.51)	(294.95)
Adjustments for (increase)/ decrease in operating assets:		
Loans and advances	(0.29)	(0.54)
Other Current Assets	(554.73)	(0.05)
Other Non-Current Assets	-	(953.73)
	(555.02)	**(954.32)**
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	0.40	(21.18)
Other Liabilities	622.08	(11.29)
	622.48	**(32.47)**
Cash Generated from Operating Activities	(191.05)	(1,281.74)
Direct Taxes (Paid) / Refunded	(64.70)	(0.70)
Net Cash Generated From Operating Activities (A)	**(255.75)**	**(1,282.44)**
Cash Flow From Investing Activities		
Purchase of Property, Plant and Equipment	(11.40)	-
Sale of current Investments	320.00	1,133.67
Bank Balances not considered as Cash & Cash Equivalents	(50.00)	-
Interest Received	0.33	10.01
Dividend Received	-	52.10
Short-term Deposits repaid / (placed)	-	90.00
Net Cash Generated/(Used) In Investing Activities (B)	**258.93**	**1,285.78**
Cash Flow From Financing Activities		
Payment of lease liabilities	(7.56)	-
Net Cash Generated/ (Used) In Financing Activities (C)	**(7.56)**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	(4.38)	3.34
Cash and Cash Equivalents - Opening	12.90	9.56
Cash and Cash Equivalents - Closing	8.52	12.90

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Chennai
Date: June 5, 2020

For and on behalf of the Board

Puneet Chhatwal
Director
DIN: 07624616

Giridhar Sanjeevi
Director
DIN: 06648008

Place: Mumbai
Date: June 5, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. Background

ELEL Hotels & Investments Limited ("ELEL" or the "Company"), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956 on July 9, 1969.

2. Significant accounting policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

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 in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value in use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic comparable recent transactions and other market conditions.
- **Impairment of investments** The Company reviews its carrying value of investment in subsidiary carried at cost less impairment (if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

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 or loss.

- Litigation: From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

c) Revenue recognition

Interest
Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends
Dividend income is recognised when the Company's right to receive the amount is established.

d) Property, Plant and Equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for temporary improvements which are depreciated fully the same year of capitalisation.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

e) Intangible Assets:

Intangible assets includes lease acquisition rights and cost of acquired software Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year.

Lease acquisition rights are amortised from the acquisition date over the balance period of the lease.

An intangible assets is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

f) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

g) Foreign currency transactions

The functional currency of the Company is Indian rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were fair value measured.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

h) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit forming part of Deferred tax assets is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

i) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

j) Leases:

On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company’s Balance Sheet as a right-of-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including ‘in-substance fixed’ payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. ‘In-substance fixed’ payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

The Company has opted not to apply the lease accounting model to leases of low value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in the Company's statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities and

- payments for the principal and interest elements of recognised lease liabilities are presented within cash flows from financing activities

k) Provisions, contingent liabilities and contingent assets

Provisions are recognised, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognised but only disclosed in the financial statements.

l) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

m) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

n) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:
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 its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:
All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:
Debt instruments
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments
All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

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.

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 Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

o) Recent accounting pronouncements

a) Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

b) New standard notified and adopted by the Company during the year

i. New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard.

The Company has long-term lease for the land with Govt. of Maharashtra in which the redevelopment of hotel is under consideration. The impact on the Company's financial statements on account of recognition of right-to-use asset and corresponding liability is not material.

ii. Other Amendments

a. Ministry of Corporate Affairs has issued additional guidance on Ind AS 12 – Income Taxes pertaining to "accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities". The impact on account of this amendment on the company's financial statements is not material.

b. Other than (a) above, there are certain other modifications notified in the existing accounting standards on miscellaneous issues which is applicable with effect from April 1, 2019. None of these standards are applicable to the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Note 3: Property, Plant and Equipment (Owned, unless otherwise stated)

₹ lakhs

	Office Equipment	Total	Capital Work in Progress
Cost (Refer Footnote below)			
At April 1, 2018	5.19	5.19	4,709.83
Additions	-	-	-
Adjustment	-	-	-
Disposals/ Transfer	-	-	-
At March 31, 2019	**5.19**	**5.19**	**4,709.83**
Additions	2.95	2.95	8.45
Adjustments	-	-	-
Disposals/ Transfer	-	-	-
At March 31, 2020	**8.14**	**8.14**	**4,718.28**
Depreciation			
At April 1, 2018	5.19	5.19	-
Charge for the year	-	-	
Adjustments	-	-	-
Disposals	-	-	
At March 31, 2019	**5.19**	**5.19**	**-**
Charge for the year	2.95	2.95	
Adjustments	-	-	-
Disposals	-	-	
At March 31, 2020	**8.14**	**8.14**	**-**
Net Block			
At March 31, 2019	**-**	**-**	**4,709.83**
At March 31, 2020	**-**	**-**	**4,718.28**

Footnote:

On transition to Ind AS, carrying value of all the tangible assets under the previous GAAP is considered as the deemed cost under Ind AS. All accumulated depreciations were accordingly adjusted from the cost as on April 1, 2015.

Note 4: Right-of-use assets

₹ lakhs

	Land	Total
At April 1, 2019		
Opening Balance	76.04	76.04
Additions	-	-
Deductions for the year	-	-
At March 31, 2020	**76.04**	**76.04**
Depreciation		
At April 1, 2019	-	-
Opening Adjustements	-	-
Charge for the year	1.50	1.50
Deduction for the year	-	-
At March 31, 2020	**1.50**	**1.50**
Net Block		
At April 1, 2019	**76.04**	**76.04**
At March 31, 2020	**74.54**	**74.54**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Note 5: Intangible Assets (Acquired)

₹ lakhs

	Leasehold property Rights	Total
Cost (Refer Footnotes below)		
At April 1, 2018	60,802.70	60,802.70
Additions	-	-
Adjustments	-	-
Disposals	-	-
At March 31, 2019	**60,802.70**	**60,802.70**
Additions	-	-
Adjustments	-	-
Disposals	-	-
At March 31, 2020	**60,802.70**	**60,802.70**
Amortisation		
At April 1, 2018	3,336.69	3,336.69
Charge for the year	1,112.24	1,112.24
Adjustments	-	-
Disposals	-	-
At March 31, 2019	**4,448.93**	**4,448.93**
Charge for the year	1,112.24	1,112.24
Adjustments	-	-
Disposals	-	-
At March 31, 2020	**5,561.17**	**5,561.17**
Net Block		
At March 31, 2019	**56,353.77**	**56,353.77**
At March 31, 2020	**55,241.53**	**55,241.53**

Footnote:

i On transition to Ind AS, carrying value of all the intangible assets under the previous GAAP is considered as the deemed cost under Ind AS. All accumulated amortisation was accordingly adjusted from the cost as on April 1, 2015.

ii Pursuant to the Scheme of Amalgamation dated April 1, 2006, all the assets and liabilities including the existing assets and liabilities of the Company were recorded by the Company at their respective fair values as on the appointed date i.e. April 1, 2006 determined by an independent Government approved valuer. This resulted into a gain of ₹ 70,652.96 lakhs on fair valuation of leasehold land owned by the Company. As prescribed in the Scheme of Amalgamation and approved by the Honourable High Court, Mumbai the increase in book value arising on fair valuation of leasehold land of the Company has been credited to General Reserve.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Note 6: Investments

	Face Value	March 31, 2020 Holdings no. of Shares	March 31, 2020 ₹ lakhs	March 31, 2019 Holdings no. of Shares	March 31, 2019 ₹ lakhs
a) Non Current Investments					
Trade Investments:					
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Companies (At Cost)					
Luthria and Lalchandani Hotels and Properties Private Limited	100	900	0.82	900	0.82
			0.82		**0.82**
Others					
National Savings Certificates 'NSC' (Refer note below)			0.11		0.11
Footnote					
NSC pledged as security with Accounts Officer, State Excise, Mumbai					
			0.93		**0.93**

	March 31, 2020 Holdings no. of Shares	March 31, 2020 ₹ lakhs	March 31, 2019 Holdings no. of Shares	March 31, 2019 ₹ lakhs
b) Current Investments				
Investments in Mutual Fund Units				
Tata Liquid Fund Regular Plan - Growth	7,253	225.85	17,832	522.58
TOTAL		**225.85**		**522.58**

Note 7: Cash and Cash Equivalents

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Cash on hand	0.03	0.09
Balances with bank in current account	8.49	12.81
	8.52	**12.90**

Note 8: Bank Balances other than Cash and Cash Equivalent

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Margin money deposits	50.00	-
	50.00	**-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Note 9: Other Financial Assets

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
a) Non Current		
Deposits with Public Bodies and Others at amortised costs		
Public Bodies and Others	1.02	1.02
	1.02	**1.02**
b) Current		
Interest receivable	2.94	-
Others (Please refer below footnote)	554.73	-
	557.67	**-**
On Current Account dues:		
Related Parties	2.59	2.30
Others	-	-
	2.59	**2.30**
	560.26	**2.30**

Footnote:

The Company has got a credit in the current year of ₹ 61.64 lakhs in its Tax credit statement (26AS), gross amount of ₹ 616.40 lakhs, in relation to the interest on an insurance claim for the 1993 Bombay bomb blast due to which the Searock property was also damaged. The matter was in litigation and has been settled in favour of the Company by the Honourable Supreme Court. Accordingly, receivable from Insurance company of ₹ 554.76 lakhs (net of tax deducted at source) has been recognised by the Company by virtue of the Court Order dated 8th Feb 2019. As this insurance claims is payable to the erstwhile owners of the company/property, corresponding liability towards the same net of taxes thereupon have also been recognised.

Note 10: Other Assets

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Non Current		
Capital advances	-	-
Deposits with Government Authoritites	958.67	958.67
	958.67	**958.67**

Footnote:

This includes ₹ 954 lakhs paid to Muncipal Coporation of Greater Mumbai "MCGM" in respect of a property tax matter which the Company has paid under protest (Refer note 31 (b)).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Note 11: Share Capital

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Authorised Share Capital		
Equity Shares		
30,00,000 (Previous year - 30,00,000) Equity Shares of ₹ 10/- each	300.00	300.00
	300.00	**300.00**
Issued Share Capital		
28,20,887 (Previous year - 28,20,887) Equity Shares of ₹ 10/- each	282.09	282.09
	282.09	**282.09**
Subscribed and Paid Up		
28,20,887 (Previous year - 28,20,887) Equity Shares of ₹ 10/- each, Fully Paid	282.09	282.09
	282.09	**282.09**

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or buy back during the current and comparative periods.

ii) The Ultimate Holding Company of the Company is "The Indian Hotels Company Limited".

iii) Shares held by the Holding Company along with its subsidiaries and associates Companies are as below:

	No. of Shares March 31, 2020	No. of Shares March 31, 2019
Name of the Company		
Intermediate Holding Company		
Skydeck Properties and Developers Private Limited	1,309,896	1,309,896
Fellow Subsidiary Company		
Sheena Investments Private Limited	1,108,145	1,108,145
iv) Shareholders holding more than 5% shares in the Company		
Skydeck Properties and Developers Private Limited	1,309,896	1,309,896
% of Holding	46.44%	46.44%
Sheena Investments Private Limited	1,108,145	1,108,145
% of Holding	39.28%	39.28%
Excalibur Assets and Capital Management Pvt. Ltd	398,090	398,090
% of Holding	14.28%	14.28%

v) The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proporation to their shareholding.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Note 12: Other Equity

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Securities Premium		
Opening and Closing Balance	16,415.23	16,415.23
General Reserve		
Opening and Closing Balance	70,749.87	70,749.87
(Refer footnote (ii) to note 5)		
Retained Earnings		
Deficit at the beginning of the year	(29,051.42)	(27,633.63)
Add: Current year loss	(1,425.91)	(1,417.79)
Closing Retained Earnings	**(30,477.33)**	**(29,051.42)**
Reserves and Surplus Total	**56,687.77**	**58,113.68**

Note 13: Trade Payables

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Trade payable to Micro and Small Enterprises	-	-
Others		
Vendor Payables	6.18	5.84
Accrued expenses and others	8.18	8.13
	14.36	**13.97**

Footnote:
The Company has not received any information from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the MSMED Act) and hence disclosure, if any, relating to amounts unpaid as at the year-end together with interest paid / payable under the MSMED Act, have not been given.

Note 14: Other Financial liabilities

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Other payables		
Related Parties	7.54	1.03
Others	793.37	337.26
	800.91	**338.29**
Deposits from others		
Unsecured	7.04	7.04
	807.95	**345.33**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Note 15: Provisions

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
A) Short term provisions		
Provision for Contingencies (Refer Footnote (i))	1,466.20	1,396.45
Others	-	-
	1,466.20	**1,396.45**

Footnote:

(i) Provision for Contingencies include provisions for the following:

₹ lakhs

	Opening Balance	Addition/ (Deletion)	Closing Balance
Disputed claims for taxes , levies and duties	**1,178.75**	**69.75**	**1,248.50**
	1,109.00	69.75	1,178.75
Disputes in respect of Employee settlement (Refer Note 33)	**217.70**	-	217.70
	217.70	-	217.70
Total	**1,396.45**	**69.75**	**1,466.20**
	1,326.70	69.75	1,396.45

a) The above matters are under litigation/ negotiation and the timing of the cash flows cannot be currently determined.

b) Figures in italics are in respect of previous year.

Note 16: Other non financial Liabilities

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Current		
Statutory dues	0.23	1.02
Others	-	-
	0.23	**1.02**

Note 17: Other Income

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	-	1.62
Deposits with Bank	3.27	5.43
	3.27	**7.05**
Interest on Income Tax Refunds	-	-
Total	**3.27**	**7.05**
Dividend Income from Current Investments	-	52.10
Profit on sale of current investment	10.01	-
Gain on Current Investments carried at fair value (unrealised)	13.27	-
Others	-	1.86
Total	**26.55**	**61.01**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Note 18: Finance Cost

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Interest on Lease liability	7.51	-
Total	**7.51**	**-**

Note 19: Other operating and general expenses

		March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
(i)	**Operating expenses consist of the following:**		
	Fuel, Power and Light	3.73	4.41
	Repairs to Others	2.36	1.94
	Payment to security Agency	35.11	34.57
	Other Operating Expenses	1.13	0.48
	Total	**42.33**	**41.40**
(ii)	**General expenses consist of the following:**		
	Rent	69.74	77.30
	Rates and Taxes	185.35	185.31
	Printing and Stationery	0.54	0.83
	Professional Fees	23.71	55.53
	Directors' fees	1.77	1.42
	Payment made to Statutory Auditors (Refer Footnote (a))	4.72	4.66
	Other Expenses	0.10	0.11
		285.93	**325.16**
	Total	**328.26**	**366.56**

Footnotes:

		March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
a)	**Payment made to Statutory Auditors:**		
	As auditors	4.13	4.13
	For other services	0.59	0.53
		4.72	**4.66**

Note 20: Earnings Per Share (EPS)

	March 31, 2020 ₹ lakhs	March 31, 2019 ₹ lakhs
Earnings Per Share is calculated in accordance with IND AS 33 - 'Earnings Per Share'.		
Profit / (Loss) after tax - (₹ lakhs)	(1,425.91)	(1,417.79)
Weighted Average Number of Equity Shares	2,820,887	2,820,887
Face Value per Equity Share	10.00	10.00
Earning Per Share - (₹) Basic and Diluted	(50.55)	(50.26)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

21. Fair Value of financial Instruments.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company's financial instruments, including cash, receivables etc., approximate fair values due to the short term nature of these account balances.

The current investments in Mutual Funds are valued and carried at the net asset value as published by respective Mutual Fund Houses.

22. 'Financial risk management objectives and policies

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables, loans and borrowings. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company manages and monitors these risks primarily through its operating and financing activities.

23. Credit risk

Credit risk is the risk that the 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 financing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

24. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

25. 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 currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

26. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

27. Segment Reporting:

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

28. Taxation

a)	**Reconciliation of tax expense with the effective tax**		
		March 31, 2020	**March 31, 2019**
		₹ lakhs	₹ lakhs
	Profit / (Loss) before tax	(1,425.91)	(1,417.79)
	Income-tax rate as applicable @ 26% (previous year @ 26%)	(370.74)	(368.63)
	Effect of expenses that are not deductible in determining taxable profit	292.20	289.18
	Effect of income that is exempt from taxation (like dividend income)	-	(13.54)
	Others	(7.18)	-
	Deferred tax asset not recognised in statement of profit & loss	85.72	92.99
	Tax Expenses recognised in Profit & Loss	-	-

b)	**Deferred Tax**		
		March 31, 2020	**March 31, 2019**
		₹ lakhs	₹ lakhs
	Unabsorbed tax losses/depreciation for which no deferred tax asset has been recognised	1,353.30	1,073.03
	Deferred tax asset not created @ 26 % (Previous year @ 26%)	351.86	278.99

Footnote:

a. The unabsorbed depreciation can be carried forward indefinitely and unabsorbed business losses can be carried forward for 8 years. Due to continuing losses, no deferred tax asset has been created on prudent basis.

29. Capital Commitments

As on March 31, 2020, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil lakhs (March 31, 2019: ₹ Nil lakhs)

30. The Company has issued bank guarantee of ₹ 50 lakhs to Municipal Corporation of Greater Mumbai for certain development work in site for Solid Waste Management. The Company had deposited equivalent amount with the bank for the issuance of this guarantee.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

31. Contingent liabilities

₹ lakhs

		March 31, 2020	March 31, 2019
a)	Income Tax Including interest)		
	(Demands raised under Income-tax Act, 1961 in respect of assessment years 1988-89, 1989-90, 1991-92, 1992-93, and 1996-97 where the matter is under appeal with High Court)	3,126.97	3,126.97
b)	Property tax		
	(Also refer note # 10 for amount paid under protest)	1,593.00	1,593.00

32. The Company was subjected to a search and seisure operation under section 132 of the Income-tax Act, 1961 on February 28, 2007. Assessment orders were issued on December 31, 2008 for the assessment years 2001-02 to 2007-08 raising an aggregate demand of ₹ 3200 lakhs and penalty proceedings initiated. The Company has appealed against the said order and had received the favourable orders from first/second appellate authority and these matters are currently pending at the Hon'ble High Court of Delhi. Considering the developments, as a matter of prudence, the Company has made a provision for ₹ 3200 lakhs for the probable outflow against the above tax demand in 2008-09. Interest and penalty arising thereupon is currently not ascertainable considering the uncertainties involved.

33. A provision of ₹ 217.70 lakhs has been recognised for probable claims in respect of labour disputes pending before various judicial courts mainly for retrenchment/ suspension of employees in the year 2008-09 for which process of negotiation for out of court settlement has already been initiated by the Company. There has been no movement in provision for the same in the current year.

34. The Company was engaged in business of hoteliering and owned erstwhile hotel 'Sea Rock' in Mumbai, India which has since been demolished. Currently, the plan for re-building of the hotel is under consideration pending requisite and other regulatory approvals.

35. Transition to Ind AS – 116 "Leases"

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the prospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate as at April 1, 2019 and correspondingly right of use asset (RoU) of equivalent amount is created. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹76.03 lakhs and a lease liability of ₹ 75.99 lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cash out flows from financing activities on account of lease payments

- The Company's leased assets mainly comprise land parcel. The term of property lease is 99 years. The lease term remaining as on Balance Sheet date is 49 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

a. Total lease liabilities are analysed as follows:

Denominated in the following currencies:	March 31, 2020 ₹ lakhs
Indian Rupees	75.99
	-
Total	**75.99**
Analysed as	
Current	00.07
Non-current	75.92
Total	**75.99**

b. Amounts recognised in profit or loss

The following amounts were recognised as expense in the year:

	March 31, 2020 ₹ lakhs
Depreciation of right-of-use assets	1.50
Expense relating to variable lease payments	69.75
Expense relating to short-term leases and low-value assets	-
Interest on lease liabilities	7.51
Total recognised in the Company statement of profit & loss	**78.76**

Variable lease payments represent amount payable to Govt of Maharashtra towards ground rent for leasehold land, the amount for which is assessed every 15 years.

c. Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

Maturity analysis:	₹ lakhs
Less than 1 year	7.55
Between 1 and 2 years	7.55
Between 2 and 5 years	22.65
More than 5 years	332.53
Total	**370.28**

36. Related Party Transactions

a. The names of related parties of the Company are as under:

Ultimate Holding Company
- The Indian Hotels Company Limited

Intermediate Holding Company
- Skydeck Properties and Developers Private Limited

Fellow subsidiary and significant shareholder
- Sheena Investments Private Limited

Subsidiary
- Luthria and Lalchandani Hotel and Properties Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Associate of the Ultimate Holding Company (with whom the transactions carried out current/ previous year)

- Taida Trading and Industries Limited

b. Transactions with related parties:

₹ lakhs

Particulars of transactions	Holding Company		Subsidiary / Fellow subsidiary		Other related Parties	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables					-	-
Current account due	-	7.54	-	-	-	-
	-	*1.03*	-	-	-	-
Consultancy Fees incurred	-	-	1.00	0.90	-	-
	-	-	*1.00*	*2.85*	-	-
Receivables						
Current account	-	-	-	2.59	-	-
	-	-	-	*2.30*	-	-
ICD Placed	-	-	-	-	-	-
	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
					1.62	-

Footnote: Figures in Italic represent previous year figures.

37. There are no foreign currency transactions during the current and previous year.

38. Impact of COVID-19 Pandemic - Disruption and Uncertainty in Business

On March 11, 2020 the World Health Organisation declared Coronavirus outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, the Indian Government has taken series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020 and extended upto June 30, 2020. In particular, all airlines, road and railway travel were suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sport facilities & retail outlets etc were closed, except for a few essentials services/supplies like grocery stores, pharmacies, etc.

The Company has assessed potential impact of Covid-19 on the carrying value of non-current assets, investments and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets.

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Chennai
Date: June 5, 2020

For and on behalf of the Board

Puneet Chhatwal
Director
DIN: 07624616

Giridhar Sanjeevi
Director
DIN: 06648008

Place: Mumbai
Date: June 5, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A": Subsidiaries

Sr. No	Name of Subsidiary Company	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	Effective shareholding
				₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	(%)
	Indian													
1	Luthria and Lalchandani Hotel and Properties Private Limited		INR	1.00	(4.58)	1.48	5.06	-	-	(0.45)	-	(0.45)	-	90.00%

Footnotes:

i) The financial statements of the subsidiary is drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2020

Part "B": Associates and Joint Ventures

Not applicable

For and on behalf of the Board

Puneet Chhatwal
Director
DIN: 07624616

Giridhar Sanjeevi
Director
DIN: 06648008

Place: Mumbai
Date: June 5, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of **Luthria & Lalchandani Hotel & Properties Private Limited**

REPORT ON THE AUDIT OF THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Luthria & Lalchandani Hotel & Properties Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

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, of the state of affairs of the Company as at 31 March 2020, and loss, changes in equity and its cash flows 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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of the Management and Those Charged with Governance for 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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

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

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

Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 with reference to financial statements 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 Auditors' 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.

3. No remuneration has been paid by the Company to its directors during the year and accordingly reporting on compliance with provisions of Section 197 is not applicable.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No: 220369
UDIN: 20220369AAAAFV7454

Place of Signature: Chennai
Date: June 5, 2020

INDEPENDENT AUDITOR'S REPORT (CONTD.)

ANNEXURE A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Luthria & Lalchandani Hotel & Properties Private Limited ("the Company") on the Ind AS financial statements as of and for the year ended 31 March 2020.

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees or security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore clause 3(iv) of the Order is not applicable to the Company.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax (GST) which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration has been paid or provided during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures 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 them.

(xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No: 220369
UDIN: 20220369AAAAFV7454

Place of Signature: Chennai
Date: June 5, 2020

ANNEXURE B

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

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

We have audited the internal financial controls with reference to financial statements of Luthria and Lalchandani Hotel and Properties Private Limited ("the Company") as of 31 March 2020 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 and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

preparation of 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 of 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal control with reference to financial statements 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 **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No: 220369
UDIN: 20220369AAAAFV7454

Place of Signature: Chennai
Date: June 5, 2020

BALANCE SHEET
as at March 31, 2020

	Note	March 31, 2020 ₹ 000	March 31, 2019 ₹ 000
ASSETS			
Non-current assets			
Other non-current assets	3	136.33	136.33
Current assets			
Cash and cash equivalents	4	11.26	11.26
Total		**147.59**	**147.59**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	100.00	100.00
Other equity	6	(458.16)	(413.49)
Total equity		**(358.16)**	**(313.49)**
Current Liabilities			
Financial liabilities			
Trade payables	7		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		31.21	33.71
Other financial liabilities	8	472.54	425.37
Other current liabilities	9	2.00	2.00
		505.75	**461.07**
Total		**147.59**	**147.59**
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Sinancial Statements

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No. 003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place : Chennai
Date : June 5, 2020

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

Place : Mumbai
Date : June 5, 2020

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

	Note	Year Ended March 31, 2020 ₹ 000	Year Ended March 31, 2019 ₹ 000
INCOME			
Other income	10	-	-
Total Income		**-**	**-**
EXPENSES			
Other operating and general expenses	11	44.67	49.92
Total Expenses		44.67	49.92
Profit/ (Loss) before exceptional items and tax		**(44.67)**	**(49.92)**
Exceptional items		-	-
Profit/ (Loss) before tax		**(44.67)**	**(49.92)**
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total		**-**	**-**
Profit/ (Loss) after tax		**(44.67)**	**(49.92)**
Other comprehensive income, net of tax			
Other comprehensive income for the year		-	-
Total comprehensive Income for the year		**(44.67)**	**(49.92)**
Earnings per share:	12		
Basic - (₹)		(44.67)	(49.92)
Diluted - (₹)		(44.67)	(49.92)
Face value per ordinary share - (₹)		100.00	100.00
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements			

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm Registration No. 003990S/S200018

Ramanarayanan J

Partner

Membership No. 220369

Place : Chennai

Date : June 5, 2020

For and on behalf of the Board

R. H. Parekh	Ashok Binnani
Director	Director
DIN : 01942405	DIN : 03326335

Place : Mumbai

Date : June 5, 2020

STATEMENT OF CHANGES IN EQUITY
as at March 31, 2020

₹ 000

Particulars	Equity Share Capital Subscribed	Reserves and Surplus Retained Earnings	Total
Balance as at April 1, 2018	100.00	(363.57)	(263.57)
Profit for the year ended March 31, 2018	-	(49.92)	(49.92)
Other comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2019	**-**	**(49.92)**	**(49.92)**
Balance as at March 31, 2019	**100.00**	**(413.49)**	**(313.49)**
Profit for the year ended March 31, 2020	-	(44.67)	(44.67)
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year ended March 31, 2020	**-**	**(44.67)**	**(44.67)**
Balance as at March 31, 2020	**100.00**	**(458.16)**	**(358.16)**

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the Sinancial Statements

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm Registration No. 003990S/S200018

Ramanarayanan J

Partner

Membership No. 220369

Place : Chennai

Date : June 5, 2020

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

Place : Mumbai

Date : June 5, 2020

CASH FLOW STATEMENT
for the year ended March 31, 2020

	Year Ended March 31, 2020 ₹ 000	Year Ended March 31, 2019 ₹ 000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	(44.67)	(49.92)
Adjustments For :		
Interest Income	-	-
	-	-
Cash Operating Profit before working capital changes	(44.67)	(49.92)
Adjustments for (increase)/ decrease in operating assets:		
Other Current Assets	-	-
	-	-
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	44.67	37.00
Other Liabilities	-	-
	44.67	**37.00**
Cash Generated from Operating Activities	-	(12.92)
Direct Taxes (Paid)/ Refunded	-	-
Net Cash Generated From Operating Activities (A)	**-**	**(12.92)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-	-
Net Cash Generated/(Used) In Investing Activities (B)	**-**	**-**
CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
Net Cash Generated/ (Used) In Financing Activities (C)	**-**	**-**
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	-	(12.92)
Cash and Cash Equivalents - Opening	11.26	11.26
Cash and Cash Equivalents - Closing	11.26	11.26

Summary of Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements

In terms of our report of even date

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm Registration No. 003990S/S200018

Ramanarayanan J

Partner

Membership No. 220369

Place : Chennai

Date : June 5, 2020

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

Place : Mumbai

Date : June 5, 2020

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2020

1. Background

LuthriaandLalchandani Hotel and Properties Pvt Ltd ("Luthria&Lalchandani" or the "Company"), a private limited Company was incorporated on February 18 , 2008 by conversion of M/s Luthria&Lalchandani, a partnership firm under Part IX of the Companies Act, 1956. The Company is primarily engaged in construction activities and providing Management Consultancy.

2. Significant Accounting Policies

a) Basis of preparation and presentation:

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended till date) read with Section 133 of the Companies Act, 2013.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

b) Criticalaccounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented.

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 in any future periods affected.

c) Revenue recognition

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividends

Dividend income is recognised when the Company's right to receive the amount is established.

d) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit forming part of Deferred tax assets is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

e) Provisions, contingent liabilities and contingent assets

Provisions are recognised, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date to reflect the current best estimates.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognised but only disclosed in the financial statements.

f) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

g) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

h) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets:
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 its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:
All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. In case of financial assets subsequently measured at fair value through profit or loss, such transaction costs are not included. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:
Debt instruments
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the transaction. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments
All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

i) Recent accounting pronouncements

a) New standard notified and adopted by the Company

MCA on March 29, 2018 notified the new standard for revenue recognition (effective from April 1, 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer

ii. Identification of the performance obligations in the contract

iii. Determination of the transaction price

iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards have been modified on miscellaneous issues with effect from April 1, 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognised (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments have any material effect on the Company's financial statements.

b) New standard notified but not early adopted by the Company

i. New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

The company has long-term lease for land with Govt. of Maharashtra which in turn has been sub-leased to the holding company i.e ELEL Hotels & Investments Limited, accordingly, the new standard is not expected to have any effect on the Company's financial statements.

ii. Other Amendments

a. Ministry of Corporate Affairs has issued additional guidance on Ind AS 12 – Income Taxes pertaining to "accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities". This notification is not expected to have any material impact on the Company's financial statements.

b. Other than (a) above, there are certain other modifications notified in the existing accounting standards on miscellaneous issues which is applicable with effect from April 1, 2019. None of these standards are applicable to the Company.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

3. Other Financial Assets

	March 31, 2020 ₹ 000	March 31, 2019 ₹ 000
Non current		
Deposit with Govt. of Maharashtra for leasehold land (Refer note : 13)	136.33	136.33
	136.33	**136.33**

4. Cash and cash Equivalents

	March 31, 2020 ₹ 000	March 31, 2019 ₹ 000
Balances with bank in current account	11.26	11.26
	11.26	**11.26**

5. Share Capital

	March 31, 2020 ₹ 000	March 31, 2019 ₹ 000
Authorised / Issued Share Capital		
Equity Shares		
1,000 (Previous year - 1,000) Equity Shares of ₹ 100/- each	100.00	100.00
	100.00	**100.00**
Subscribed and Paid Up		
1,000 (Previous year - 1,000) Equity Shares of ₹ 100/- each, Fully Paid	100.00	100.00
	100.00	**100.00**

Footnotes:

i) There has been no change in the equity structure of the Company. No shares had been issued or buy back during the current and comparative periods.

ii) The ultimate Holiding Company of the Company is "The Indian Hotels Company Limited".

iii) Shares held by Holding Company along with its subsidiaries and associates Companies

	No. of Shares March 31, 2020	No. of Shares March 31, 2019
Name of the Company		
Holding Company		
ELEL Hotels and Investments Limited	900	900
Subsidiaries of ultimate Holding Company		
Skydeck Properties and Developers Private Limited	50	50
Sheena Investments Private Limited	50	50
iii) Shareholders holding more than 5% shares in the Company		
ELEL Hotels and Investments Limited	900	900
% of Holding	90.00%	90.00%

iv) The Company has one class of equity shares having a par value of ₹ 100/- per share. Each shareholder is eligible for one vote per share held.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

6. Other Equity

	March 31, 2020 ₹ 000	March 31, 2019 ₹ 000
Retained Earnings Non current		
Opening and Closing Balance	(413.49)	(363.57)
Add: Current year profit / (loss)	(44.67)	(49.92)
Total	(458.16)	**(413.49)**

7. Trade Payables

	March 31, 2020 ₹ 000	March 31, 2019 ₹ 000
Micor and Small Enterprises	-	-
Others		
Vendor Payables	9.90	9.90
Accrued expenses and others	21.31	23081
	31.21	**33.71**

Footnotes:

There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development Act, 2006".

8. Other Financial Liabilities

	March 31, 2020 ₹ 000	March 31, 2019 ₹ 000
Other Payables:		
Related Parties (Refer note 23)	282.21	235.04
Others	190.33	190.33
	472.54	**425.37**

9. Other Current Liabilities

	March 31, 2020 ₹ 000	March 31, 2019 ₹ 000
Statutory dues	2.00	2.00
	2.00	**2.00**

10. Other Income

	March 31, 2020 ₹ 000	March 31, 2019 ₹ 000
Interest Income from financial assets at amortised cost		
Deposits with banks	-	-
Total	**-**	**-**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

11. General Expenses

	March 31, 2020 ₹ 000	March 31, 2019 ₹ 000
General expenses consist of the following:		
Rates and Taxes	12.57	7.32
Professional Fees	8.50	19.00
Audit Fees	23.60	23.60
As Statutory Auditors		
Total	**44.67**	**49.92**

12. Earming Per Share (EPS)

	Year Ended March 31, 2020 ₹ 000	Year Ended March 31, 219 ₹ 000
Earnings Per Share is calculated in accordance with IND AS 33 - ‘Earnings Per Share’.		
Profit / (Loss) after tax	(44.67)	(49.92)
Weighted Average Number of Equity Shares	1,000.00	1,000.00
Face Value per Equity Share	100.00	100.00
Earning Per Share - (₹) Basic and Diluted	(44.67)	(49.92)

13.

The Company holds the Leasehold Rights of the Property i.e Government Land admeasuring 9,500 sq. mtrs. situated at Lands End at B J Road, Bombay suburban District, originally held by the firm M/S Luthria & Lalchandani, vide allotment Letter for Lease dated January 11, 1968 and Lease Deed Dated May 5, 1976 for a period of 99 years between the Governor of Maharashtra & M/S Luthria & Lalchandani.

The said property has been sub-leased by the then firm M/S Luthria & Lalchandani to the company ELEL Hotels and Investments Limited by virtue of Sub Lease dated April 3,1976.

14. Fair Value of Financial Instruments.

IND AS requires the Company to disclose the fair values of its financial assets and financial liabilities. The carrying amounts of the Company’s financial instruments, including cash, receivables etc., approximate fair values due to the short term nature of these account balances.

15. Financial Risk Management Objectives and Policies

Financial instruments held by the company, principally comprise of cash, trade and other receivables, trade and other payables. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group’s finance department. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company manages and monitors these risks primarily through its operating and financing activities.

16. Credit Risk

Credit risk is the risk that the 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 financing activities, including deposits with banks and other financial instruments.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

17. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled as at the reporting period.

18. 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 currency risk, interest rate risk and price risk. However, market risk is not significant for the company.

19. Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met primarily through equity.

As the Company has no borrowings, gearing ratio is not applicable.

20. Segment Reporting

As there is no reportable segment as envisaged by IND AS 108 "Operating Segment", no separate disclosure for segment reporting is made in the financial statements of the Company.

21. Taxation

a) Reconciliation of tax expense with the effective tax

	March 31, 2020 ₹ 000	March 31, 2019 ₹ 000
Loss before tax	(44.67)	(49.92)
Income-tax rate as applicable @ 25.17% (previous year @ 26%)	(11.24)	(12.98)
Permanent tax difference		
Effect of expenses that are not deductible in determining taxable profit	11.24	12.98
Income tax expense recognised in statement of profit & loss	-	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

b) The Company has not recognised any deferred tax assets on losses incurred considering no tax benefit for business losses claimed under the Income Tax act, 1961 in its tax returns

22. Capital Commitments

As on March 31, 2020, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil lakhs (March 31, 2019 : ₹ Nil lakhs)

23. Related Party Transactions

a. The names of related parties of the Company are as under :

Ultimate Holding Company
- The Indian Hotels Company Limited

Holding Company
- ELEL Hotels and Investments Limited

b. Transactions with related parties :

₹ 000

Particulars of transactions	Ultimate Holding Company		Holding Company	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Payables	-	23.19	-	259.02
	-	*5.27*	-	*229.77*
Receivables	-	-	-	-
	-	-	-	-

Foot note : Figures in Italics represent previous year figures.

24. There were no foreign currency transactions during the Current and Previous year.

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No. 003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place : Chennai
Date : June 5, 2020

For and on behalf of the Board

R. H. Parekh
Director
DIN : 01942405

Ashok Binnani
Director
DIN : 03326335

Place : Mumbai
Date : June 5, 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **IHOCO B.V.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of IHOCO B.V. ("the Company"), which comprise the statement of financial position as at March 31, 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw your attention to Note 2 to the financial statements, which explains the uncertainties and the management's assessment of the financial impact due to disruptions arising from COVID-19 pandemic situation. The Company has assessed potential impact of COVID-19 on the carrying value of trade receivable, and investments appearing in the financial statements of the Company. In developing assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditors' 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

For B S R & Co. LLP
Chartered Accountants
FRN No:101248W/W-100022

Burjis Pardiwala
Partner
M No. 103595
ICAI UDIN: 20103595AAAABN7636

Place: Mumbai
Date: 4/06/2020

STATEMENT OF FINANCIAL POSITION

As at March 31, 2020

	Note	March 31, 2020 US$	March 31, 2019 US$
Non-current assets			
Investments	3	255,788,184	255,788,184
Current assets			
Trade and other receivables	4	1,502,675	1,500,000
Cash and cash equivalents	5	5,041,976	4,174,037
Total assets		**262,332,835**	**261,462,221**
Equity			
Share capital	6	23,193,201	23,193,201
Share premium		298,081,137	298,081,137
Reserves	7	4,587,118	4,587,118
Retained earnings		(63,560,899)	(64,508,470)
Current Liabilities			
Trade and other payables	8	32,278	109,235
Total equity and liabilities		**262,332,835**	**261,462,221**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 June 2020

R. H. Parekh	**N. Chandrasekhar**	**V. Anantharaman**
Director	Director	Director
M. D. Gorissen	**A. J. A. Gabriels**	**M. Yasar**
Director	Director	Director

The notes form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended March 31, 2020

	Note	March 31, 2020 US$	March 31, 2019 US$
Revenue from operations	9	962,974	2,718,405
Other Income	10	8,029	26,524
Administrative expenses	11	(124,723)	(101,012)
Impairment of investments	3	-	(8,470,000)
Profit /(loss) on ordinary activities before taxation		**846,280**	**(5,826,083)**
Taxation on profit on ordinary activities	12	-	(29,316)
Earlier year tax reversal	12	101,292	-
Profit / (Loss) for the year		**947,572**	**(5,855,399)**
Other comprehensive income		-	-
Total comprehensive income for the year		**947,572**	**(5,855,399)**
Earnings per share:	18		
Basic and Diluted (US$)		0.04	(0.26)
Face value per equity share (US$)		1	1

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2020

	Share capital US$	Share premium account US$	Revaluation reserve US$	Profit and loss account US$	Total equity US$
April 1, 2018	21,560,231	278,714,107	4,587,118	(58,653,071)	246,208,385
Total Comprehensive income for the period					
Loss for the period	-	-	-	(5,855,399)	(5,855,399)
Other comprehensive income for the period	-	-	-	-	-
Contributions by and distribution to owners					
Shares issued	1,632,970	19,367,030	-	-	21,000,000
March 31, 2019	**23,193,201**	**298,081,137**	**4,587,118**	**(64,508,470)**	**261,352,986**
Comprehensive income for the period					
Profit for the period	-	-	-	947,572	947,572
Other comprehensive income for the period	-	-	-	-	-
March 31, 2020	**23,193,201**	**298,081,137**	**4,587,118**	**(63,560,898)**	**262,300,558**

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended March 31, 2020

	March 31, 2020 US$	March 31, 2019 US$
Cash flows from operating activities		
Profit / (Loss) for the year	947,572	(5,855,399)
Adjustments for:		
Income tax expense	(101,292)	29,316
Impairment of investments	-	8,470,000
Reversal of impairment of investments	-	-
Operating cash flows before movements in working capital	**846,280**	**2,643,917**
Decrease in trade and other receivables	-	127,592
Increase / (decrease) in trade and other payables	19,778	(26,989)
Cash generated by operations	**866,058**	**2,744,520**
Income taxes refund received / (paid)	1,881	(57,685)
Net cash from operating activities	**867,939**	**2,686,835**
Cash flows from Investing activities		
Investment in subsidiary	-	(21,000,000)
Net cash (used in) investing activities	**-**	**(21,000,000)**
Cash flows from Financing activities		
Proceeds on issue of shares	-	21,000,000
Net cash generated from financing activities	**-**	**21,000,000**
Net increase in cash and cash equivalents	867,939	2,686,835
Cash and cash equivalents at beginning of year (note 5)	4,174,037	1,487,202
Cash and cash equivalents at end of year (note 5)	**5,041,976**	**4,174,037**

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31/03/2020

1 : ACCOUNTING POLICIES

IHOCO B.V. is a private company ('the Company'), limited by shares, incorporated in the Netherlands. The address of the registered office is given on the company information page and the nature of the company's operations and principal activities are set out in the report of the directors.

The management has voluntarily adopted International Financial Reporting Standards ('IFRS') with effect from April 1, 2018. Up to and including the year ended March 31, 2018, the Company prepared its annual financial statements in accordance with United Kingdom Generally Accepted Accounting Principles.

These financial statements were authorised for issue by the Company's board of directors on June 04, 2020.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Going Concern

The Company holds investment in various companies, which face economic uncertainties due to COVID-19 which have impacted the operations of those entities adversely starting from the month of March 2020 onwards. Management of those entities have assessed the impact of existing and anticipated effects of COVID-19 on the future cashflow projections for those entities and have prepared a range of scenarios to estimate financing requirement, including issuance of any letter of support to those entities. The Company has also received a letter of financial support from its parent Company to help to meet any shortfall. Based on the above, the financial statements of the Company for the year ended March 31, 2020 have been prepared on a going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business.

Group accounts

The company is a wholly owned subsidiary of The Indian Hotels Company Limited. The company is included in the consolidated financial statements of The Indian Hotels Company Limited.

Therefore, the company has taken exemption from the preparation of consolidated financial statements as permitted by IFRS 10.

The financial statements contain information about the company as an individual company and so do not contain consolidated financial information as the parent of a group.

The following principal accounting policies have been applied:

Associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

Revenue

Interest receivable on loans is accrued based on the amounts owed at the effective rate of interest.

Dividend income is recognised when the company has the right to receive that income.

Valuation of investments

Investments in subsidiaries and associates are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

NOTES FORMING PART OF THEFINANCIAL STATEMENTS
for the year ended March 31,2020 (Contd.)

Certain investments have previously been subject to revaluation (see note 7) however on implementation of IFRS, the directors have elected to treat the brought forward carrying values as being held at deemed cost and do not propose to revalue investments going forward.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’)in US dollar.

Shares which were originally issued in Dutch Gilders were restated on October 08, 2015 at the US dollar equivalent at the time of issue with the difference included in a share redenomination reserve. Movements in this reserve represent the changes arising from the retranslation in each period and is transferred to/from the profit and loss reserve.

(b) Transactions and balances

Foreign currency transactions are translated into the company’s functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within ‘finance income or costs’. All other foreign exchange gains and losses are presented in profit or loss within ‘administrative expenses’.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument’s contractual obligations, rather than the financial instrument’s legal form.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Reserves

The Company reserves as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- The revaluation reserve represents the difference between the cost of investments at acquisition and the date of revaluation.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 : JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are viewed on an ongoing basis. Revisions to estimates are recognised prospectively. Management has determined whether there are any indicators of impairment of the Company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Estimation of uncertainties relating to the global health pandemic from Corona Virus (COVID-19):

IHOCO BV ("the Company") is Wholly Owned Subsidiary of The Indian Hotels Company Limited ('the parent company'). The Company is an investment company and an intermediate holding company. The Company has investments in 3 subsidiaries and 5 associates as at March 31, 2020. The subsidiaries and associates as given in note 3, which runs and operates hotels and resorts.

On March 11, 2020 the World Health Organisation declared Coronavirus (COVID-19) outbreak as a pandemic. Responding to the potential serious threat that this pandemic has to public health, Governments of most countries have taken series of measures to contain the outbreak, which included imposing multiple 'lock-downs'.

The subsidiaries and associate companies as above operate hotels and restaurants. Many of these hotels / restaurants were closed for business due to the lockdown and the business continues to be severely impacted on account of COVID-19. The management of these subsidiaries and associate companies expect that all the hotels will become operational in a staggered manner after the lockdown is lifted. Given the above, revenues are expected to be softer in the initial phase of the lockdown mainly due to lower occupancies arising out of reduced business and leisure travel. Further, the Company has given support letter to one of the associate company and the Parent company has committed to support the Company for any shortfall.

The Company has considered the possible effects that may arise from the pandemic relating to COVID-19 on carrying amount of its investments in subsidiaries and associates. In developing the assumptions relating to possible future uncertainties in the global economic conditions because of the pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. Based on current estimates, the Company expects the carrying amount of these investments will be fully recovered, as these investments are of strategic importance for international investment and expansion by the Company. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

NOTES FORMING PART OF THEFINANCIAL STATEMENTS
for the year ended March 31,2020 (Contd.)

3 : INVESTMENTS

	Subsidiary undertakings US$	Associated undertakings US$	Total S$
Cost			
As at April 1, 2018	**183,289,685**	**59,968,499**	**243,258,184**
Additions	21,000,000	-	21,000,000
Impairments	(8,470,000)	-	(8,470,000)
At March31,2019	**195,819,685**	**59,968,499**	**255,788,184**
Additions	-	-	-
Impairments	-	-	-
At March 31, 2020	**195,819,685**	**59,968,499**	**255,788,184**

In adopting IFRS, the Company has treated the value of its investments as at April 01, 2017 as deemed costs and translated such costs at the prevailing US$ rate. All investments acquired after that date are stated at cost less impairments

Subsidiary undertakings and associated undertakings

The principal undertakings in which the company's interest at the year-end are as follows:

Name	Country of Incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Subsidiary undertakings			
St James Court Hotel Limited	United Kingdom	54.01%	Hotel operator
Taj International Hotels Limited	United Kingdom	100.00%	Restaurants and catering
United Overseas Holdings Inc.	Delaware USA	100.00%	Hotel operator
Associated undertakings			
IHMS Hotels (SA) Proprietary Limited	South Africa	50.00%	Hotel operator
Lanka Island Resorts Limited	Sri Lanka	24.66%	Hotel operator
TAL Hotels and Resorts Limited	Hong Kong	26.67%	Hotel operator
TAL Lanka Hotels plc	Sri Lanka	24.62%	Hotel operator
Oriental Hotels Limited	India	5.25%	Hotel operator

4 : TRADE AND OTHER RECEIVABLES

	March 31, 2020 US$	March 31, 2019 US$
Amounts owed by associated undertakings		
(see note 14)	1,500,000	1,500,000
Advance income taxes	2,675	-
	150,2675	**1,500,000**

All amounts shown under debtors fall due for payment within one year except, Amounts owed by associated undertakings US$ 1,500,000 (March 31, 2019-US$1,500,000) which is payable to the Company on demand.

NOTES FORMING PART OF THEFINANCIAL STATEMENTS
for the year ended March 31,2020 (Contd.)

5 : CASH AND CASH EQUIVALENTS

	March 31, 2020 US$	March 31, 2019 US$
Bank balances	**5,041,976**	**4,174,037**

6 : SHARE CAPITAL

	March 31, 2020 US$	March 31, 2019 US$
Issued and fully paid		
23,193,201 nos. Ordinary shares of US$1 each (Previous year 23,193,201 nos. of US$ 1 each)	**23,193,201**	**23,193,201**

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. 1,632,970 shares of par value US$1 each were issued in the previous year. All shares were issued rank paripassu.

Shareholders holding more than 5% shares

	March 31, 2020 US$	March 31, 2019 US$
Ordinary share of US$ 1 each		
The Indian Hotels Company Limited	**23,193,201**	**23,193,201**

7 : REVALUATION RESERVE

	Revaluation reserve US$
Revaluation reserve US$	
At March 31, 2020 and March 31, 2019	**4,587,118**

The revaluation reserve represents the difference between cost of the investments at acquisition and the valuation of investments up to March 31, 2014. The valuation of such investments has been treated as deemed cost, following adoption of IFRS.

8 : TRADE AND OTHER PAYABLES

	March 31, 2020 US$	March 31, 2019 US$
Trade payable	32,278	12,500
Accruals and other payables	-	96,735
	32,278	**109,235**

9 : REVENUE FROM OPERATIONS

	March 31, 2020 US$	March 31, 2019 US$
Dividend Income	827,974	2,583,405
Interest Income	135,000	135,000
	962,974	**2,718,405**

NOTES FORMING PART OF THEFINANCIAL STATEMENTS
for the year ended March 31,2020 (Contd.)

10 : OTHER INCOME

	March 31, 2020 US$	March 31, 2019 US$
Exchange Gain	2,336	4,502
Miscellaneous Income	5,693	22,022
	8,029	**26,524**

11 : ADMINISTRATIVE EXPENSES

	March 31, 2020 US$	March 31, 2019 US$
Professional Fees	61,071	65,381
Bank charges	30,393	23,131
Auditors remuneration – audit	33,259	12,500
	124,723	**101,012**

12 : TAXATION

	March 31, 2020 US$	March 31, 2019 US$
Corporation tax		29,316
Reversal /(charge) for period	(101,292)	-
Taxation on profit on ordinary activities	**(101,292)**	**29,316**

Reconciliation of effective tax rate	March 31, 2020 US$	March 31, 2019 US$
Profit /(loss) before tax	846,280	(5,826,083)
Company's domestic tax rate	25%	25%
Expected income tax expenses	211,570	(1,456,521)
Tax effect of:		
Tax exempt Income	(206,993)	(645,851)
Earlier year losses set off	(4,577)	-
Earlier year tax reversal	(101,292)	(4,434)
Non-deductible expenses	-	2,136,122
Taxation on profit on ordinary activities	**(101,292)**	**29,316**

The Company is an investment company and does not normally receive trading income. The Company pays Dutch tax on investment income and deemed interest on net amounts due from related parties.

13 : FINANCIAL INSTRUMENTS

	March 31, 2020 US$	March 31, 2019 US$
Financial assets		
Financial assets that are debt instruments measured at amortised cost	6,544,651	5,674,037
Financial liabilities		
Financial liabilities measured at amortised cost	32,278	109,253

Financial assets measured at amortised cost comprise cash at bank and amounts due from associated undertakings. Financial liabilities measured at amortised cost comprise amounts due to group undertakings, accruals and deferred income.

NOTES FORMING PART OF THEFINANCIAL STATEMENTS
for the year ended March 31,2020 (Contd.)

14 : ULTIMATE PARENT UNDERTAKING, CONTROLLING AND RELATED PARTIES

The directors regard The Indian Hotels Company Limited, a company incorporated in India, as the ultimate parent undertaking and ultimate controlling party.

During the previous year, the company invested a further US$ 21,000,000 as capital contribution to United Overseas Holdings Inc.

The names of related parties of the Company are as follows:

Name	Relationship
The Indian Hotels Company Limited	Holding company
United Overseas Holding Inc.	Subsidiary company
Taj International Hotels Limited	Subsidiary company
St. James Court Hotel Limited	Subsidiary company
TAL Hotels & Resorts Limited	Associate company
Lanka Island Resorts Limited	Associate company
Oriental Hotels Limited	Associate company
IHMS Hotels (SA) Proprietary Limited	Associate company
TAL Lanka Hotels Plc	Associate company

The transactions with related parties for the year end are as follows:

	March 31, 2020 US$	March 31, 2019 US$
Dividend received from:		
Taj International Hotels Limited	495,355	1,329,435
TAL Hotels and Resorts Limited	266,905	1,066,687
Lanka Island Resorts Limited	-	187,282
Oriental Hotels Limited	65,713	-
Interest Income received from:		
TAL Hotels and Resorts Limited	135,000	135,000

The balances with related parties at the year-end are as follows:

	March 31, 2020 US$	March 31, 2019 US$
Amounts due from:		
TAL Hotels and Resorts Limited	1,500,000	1,500,000

Letter of support

The Company has issued a support letter to IHMS Hotels (SA) Proprietary Limited for shortfall in its operational and debt service requirements as mentioned in the Letter of Support.

The Company has received support letter from The Indian Hotels Company Limited to support for any shortfall in its fund requirement.

15 : EMPLOYEE BENEFITS

There were no employees of the Company as at March 31, 2020 and March 31, 2019.

NOTES FORMING PART OF THEFINANCIAL STATEMENTS
for the year ended March 31,2020 (Contd.)

16 : CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There are no capital commitments of the Company as at March 31, 2020 and March 31, 2019

There are no contingent liabilities of the Company as at March 31, 2020 and March 31, 2019.

The Company has issued letter of financial support to one of the associate company to meet any need based financial support.

17 : OPERATING SEGMENT

The Company is an investment arm for foreign operations of The Indian Hotels Company Limited and as such it has no segments as the investing activity is monitored under one single segment.The Directors review the internal management reports of each investments on a quarterly basis.

18 : EARNINGS PER SHARE

	March 31, 2020 US$	March 31, 2019 US$
Profit / (Loss) after tax	947,572	(5,855,399)
Opening balance	23,193,201	21,560,231
Effect of fresh issue of equity shares	-	59,0554
Weighted average number of equity shares	23,193,201	22,150,785
Earnings per share:		
Basic US $	0.04	(0.26)
Diluted US $	0.04	(0.26)

The calculation of basic earnings per share ('EPS') has been based on the above loss after tax attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. The calculation of diluted EPS has been based on the above loss after tax attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

19 : OTHER NOTES

Group financial statements of The Indian Hotels Company Limited can be obtained from their website at: www.ihcltata.com/investors.html.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Overseas Holdings, Inc.

We have audited the accompanying consolidated financial statements of United Overseas Holdings, Inc. and its subsidiaries, (collectively referred to as "the Company") which comprise the consolidated balance sheet as of March 31, 2020, and the related consolidated statements of loss, stockholder's equity and cash flows for the year ended on March 31, 2020 and the related notes to the consolidated financial statements, (hereinafter referred to as "consolidated financial statements").

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organisation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the consolidated financial position of the Company as of March 31, 2020, and the consolidated results of its operations and cash flows for the year then ended, in accordance with the accounting principles generally accepted in the United States.

Other matter

The consolidated financial statements of the Company as of March 31, 2019 and for the year then ended were audited by other auditor whose report, dated April 17, 2019, expressed an unmodified opinion on those consolidated financial statements.

KNAV P.A.
Atlanta, Georgia
June 03, 2020

CONSOLIDATED BALANCE SHEETS

(All amounts are stated in United States Dollars, unless otherwise stated)

	As at	
	March 31, 2020	**March 31, 2019**
Current assets		
Cash	3,734,242	2,160,293
Accounts receivable		
Guest ledger	96,940	508,301
City ledger	660,841	2,557,196
Inventories	620,983	712,772
Prepaid expenses	1,121,784	1,467,848
Total current assets	**6,234,790**	**7,406,410**
Property and equipment		
Investment in cooperative apartments	1,500,000	1,500,000
Land	14,000,000	14,000,000
Building and improvements	144,380,493	143,345,493
Furniture, fixtures, and equipment	33,510,864	32,532,433
Construction in progress	702,443	754,956
	194,093,800	**192,132,882**
Less: accumulated depreciation	(72,443,750)	(68,081,282)
Property and equipment, net	**121,650,050**	**124,051,600**
Other assets		
Deferred costs,net	102,278	271,388
Security deposits	118,045	124,800
Due from related parties	20,269	53,729
Total assets	**128,125,432**	**131,907,927**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable		
Trade	3,711,829	4,659,854
Others	-	4,969
Restoration obligation liability	1,035,000	-
Other taxes payable	257,691	365,858
Accrued expenses		
Payroll and related	564,334	1,165,148
Vacation, gratuities and incentives	3,990,260	4,182,264
Interest	146,545	6,656
Utilities	207,863	286,865
Other	1,894,870	1,163,742
Tenants' security deposits	147,000	147,000
Advance deposits and other credit balances	5,947,516	7,680,989
Notes payable to related parties	7,000,000	7,000,000
Line of credit	15,000,000	2,500,000
Total current liabilities	**39,902,908**	**29,163,345**
Total liabilities	**39,902,908**	**29,163,345**
Stockholder's equity		
Common stock, par value $1 per share, 100 shares authorised, issued and outstanding	100	100
Additional paid-in-capital	184,723,741	184,723,741
Accumulated deficit	(96,501,317)	(81,979,259)
Total stockholder's equity	**88,222,524**	**102,744,582**
Total liabilities and stockholder's equity	**128,125,432**	**131,907,927**

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENTS OF LOSS

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2020	**March 31, 2019**
REVENUE		
Rooms	43,547,038	46,448,873
Food and beverages	40,247,041	41,958,182
Others	10,178,953	9,592,134
Total revenue	**93,973,032**	**97,999,189**
DEPARTMENTAL EXPENSES		
Rooms	24,440,246	24,287,634
Food and beverages	40,894,487	42,787,352
Others	2,039,748	2,070,912
Total departmental expenses	**67,374,481**	**69,145,898**
Income before unallocated operating expenses & fixed charges	**26,598,551**	**28,853,291**
UNALLOCATED OPERATING EXPENSES		
Administrative and general	11,845,794	11,963,880
Sales and marketing	5,357,041	5,845,156
Repairs and maintenance	6,574,369	6,698,845
Utilities	3,441,218	3,782,312
Total unallocated operating expenses	**27,218,422**	**28,290,193**
(Loss) incomebefore fixed charges	**(619,871)**	**563,098**
FIXED CHARGES		
Real estate and other taxes	828,718	818,105
Insurance	687,124	541,906
Rent and license fees	7,953,786	7,751,889
Depreciation	5,677,314	6,239,399
Amortisation	169,111	301,043
Interest and finance costs	378,829	1,095,896
Total fixed charges	**15,694,882**	**16,748,238**
Loss before other income	**(16,314,753)**	**(16,185,140)**
Other income		
Sales and marketing, and management fees	1,754,297	2,275,377
Other income	-	6,915,100
Total other income	**1,754,297**	**9,190,477**
Loss before income tax	**(14,560,456)**	**(6,994,663)**
Income tax (benefit) expense	(38,398)	38,302
Net loss	**(14,522,058)**	**(7,032,965)**

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY

(All amounts are stated in United States Dollars, except number of shares or unless otherwise stated)

Particulars	Common stock				Additional paid-in capital	Accumulated deficit	Total stockholder's equity
	Authorised		Issued & outstanding				
	Shares	Value	Shares	Value			
Balance as at April 1, 2018	100	100	100	100	163,723,741	(74,946,294)	88,777,547
Contribution from shareholder					21,000,000		21,000,000
Net loss for the year						(7,032,965)	(7,032,965)
Balance as at March 31, 2019	**100**	**100**	**100**	**100**	**184,723,741**	**(81,979,259)**	**102,744,582**
Balance as at April 1, 2019	100	100	100	100	184,723,741	(81,979,259)	102,744,582
Net loss for the year						(14,522,058)	(14,522,058)
Balance as at March 31, 2020	**100**	**100**	**100**	**100**	**184,723,741**	**(96,501,317)**	**88,222,524**

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(All amounts are stated in United States Dollars, unless otherwise stated)

	As at	
	March 31, 2020	**March 31, 2019**
Cash flows from operating activities		
Net loss	(14,522,058)	(7,032,965)
Adjustments to reconcile net loss to net cash (used in)provided by operating activities:		
Depreciation and amortisation	5,846,425	6,724,525
Gain on sale of equipment	-	(4,133)
Changes in net operating assets and liabilities		
Accounts receivable	2,307,717	334,066
Inventories	91,789	64,089
Prepaid expenses	346,062	(57,832)
Security deposits	6,754	(2,897)
Restoration obligation, net	86,250	-
Accounts payable	(952,994)	1,107,202
Other tax payable	(108,167)	(68,184)
Accrued expenses	(803)	374,932
Advance deposits and other credit balances	(1,733,473)	683,824
Due from related parties, net	33,462	57,181
Net cash (used in) provided by operating activities	**(8,599,037)**	**2,179,808**
Cash flows from investing activities		
Change in cash in escrow	-	1,069,714
Purchase of property and equipment	(2,327,014)	(1,375,564)
Proceeds from sale of equipment	-	4,133
Net cash used in investing activities	**(2,327,014)**	**(301,717)**
Cash flows from financing activities		
Contributions from shareholder	-	21,000,000
Repayment of notes payable to related parties	-	(4,000,000)
Withdrawals online of credit	15,000,000	2,500,000
Repayment of line of credit	(2,500,000)	-
Repayment of term loan	-	(20,900,000)
Net cash provided by (used in) financing activities	**12,500,000**	**(1,400,000)**
Net increase in cash	1,573,949	478,091
Cash at the beginning of the year	2,160,293	1,682,202
Cash at the end of the year	**3,734,242**	**2,160,293**
Supplemental cash flow information		
Income tax paid	9,930	38,302
Interest paid	238,940	911,813

(The accompanying notes are an integral part of these consolidated financial statements)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are stated in United States Dollars, unless otherwise stated)

Note A - Organisation and Nature of Operations

United Overseas Holdings Inc. (the "Company") was incorporated in August 2015 under the laws of the State of Delaware as a wholly-owned subsidiary of International Hotel Management Services, Inc., ("IHMS Inc.")which subsequently has become a wholly-owned subsidiary of IHOCO B.V., a wholly owned subsidiary of The Indian Hotels Company Limited ("IHCL"), a company based in Mumbai, India.

As part of the international restructuring being implemented by IHCL, on October 2, 2015, the Company through a contribution deed (the "Restructuring") was assigned the assets of and assumed the liabilities of, International Hotel Management Services, LLC (formerly International Hotel Management Services, Inc.) at its net book value at the date of the Restructuring. The Restructuring also included the assignment of IHMS Inc.'s interest in its subsidiaries namely; IHMS, LLC ("the New York LLC"), IHMS (Boston) LLC ("the Boston LLC"), IHMS (SF) LLC ("the San Francisco LLC"), and IHMS (USA) LLC ("the Manager") to the Company at their respective net book values at the date of the Restructuring.

IHCL has agreed to provide financial support to the Company for working capital deficits.

Note B - Subsidiaries Operations

The New York LLC d/b/a The Pierre New York, ("Hotel Pierre") was formed in June 2005 under the laws of the State of Delaware, to acquire the lease with 795 Fifth Avenue Corporation ("795 Corp."), its affiliate 795 Fifth Avenue Limited Partnership ("795 Partnership"), Barney's New York ("Barney's"), and individual apartment owners (collectively "the Lessors"), which encompass the facilities of the Hotel Pierre located in New York, New York. In July 2005, the New York LLC acquired the lease from affiliates of Four Seasons Hotel Limited.

The San Francisco LLC was formed in March 2007 under the laws of the State of Delaware. In April 2007, the San Francisco LLC acquired the Campton Place Hotel (the "San Francisco Hotel") located in San Francisco, California from an unrelated third party.

The Boston LLC was formed in September 2006 under the laws of the State of Delaware. In January 2007, the Boston LLC acquired the Ritz Carlton Boston Hotel (the "Boston Hotel") located in Boston, Massachusetts from an unrelated third party.

On May 18, 2016, the Company entered into a limited liability company purchase agreement (the "Sale") to sell its entire membership interest in the Boston LLC to AS Holdings LLC,("new owner") an unrelated third party, for $125 million, adjusted for the difference between the closing working capital, at the date of the closing, and the target working capital. The closing of the Sale took place on July 12, 2016 (the "Closing"). In connection with the Sale, the Manager entered into a hotel management services agreement with the new owner of the Boston Hotel.

The management contract between the Manager and the new owner was terminated effective November 01, 2019.

The Pierre New York and San Francisco Hotel are collectively referred to herein as the "Hotel Properties". New York LLC, IHMS (USA) LLC and San Francisco LLC are collectively referred to herein as the "subsidiaries".

Significant Accounting Policies

The significant accounting policies are detailed below:

1. **Basis of preparation**

   a. The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States("US GAAP") to reflect the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

b. The consolidated financial statements are for the fiscal years ended March 31, 2020 and March 31, 2019.

c. Certain reclassifications, regroupings and reworking have been made in the consolidated financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or consolidated stockholder's equity.

2. Use of estimates

The preparation of consolidated financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Significant items subject to such estimates and assumptions include the collectability of accounts receivable, the allocation of interest costs and the useful lives and recoverability of costs of property and equipment and other contingencies. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the consolidated financial statements.

3. Principles of consolidation

The consolidated financial statements include the accounts of United Overseas Holdings, Inc. and its wholly owned subsidiaries, IHMS (SF) LLC, IHMS LLC & IHMS (USA) LLC. Upon consolidation, all inter company accounts and transactions are eliminated.

4. Cash and cash equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by Federal Deposit Insurance Corporation up to an aggregate of $ 250,000 per depositor at each financial institution.

5. Accounts receivable

Accounts receivable primarily represents receivables from the Hotel Properties' guests who occupy rooms and utilise the hotel amenities. An allowance for doubtful accounts is provided based on management's evaluation when it is determined that it is more likely than not a specific account will not be collected. As of March 31, 2020, and 2019, management has determined that an allowance for doubtful accounts was not required.

6. Inventories

Inventories which consist of food, beverages, chinaware, glassware, silverware and retail and guest supplies are valued at the lower of cost or net realisable value on a first-in, first-out basis.

7. Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Cost of items of property, and equipment comprise cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

Major maintenance projects that extend the life of the related equipment are capitalised. Cost of maintenance and repairs are charged to expense when incurred.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to consolidated statement of loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

The estimated useful life used to determine depreciation is:

Building improvements*	25-40 years
Co-operative apartments	30 years
Furniture, fixtures and equipment	5-10 years

*In case of Hotel Pierre, the building improvements are depreciated over the period of lease.

Deposits paid towards the acquisition of property and equipment outstanding as of each balance sheet date and the cost of property and equipment not ready for use before such date are disclosed under construction in progress. The amount of fully depreciated assets still in use by the Company are $ 23,972,014 as at March 31, 2020.

8. Long-lived assets

US GAAP requires that property and equipment held and used be reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset exceeds the sum of its expected future cash flows, on an undiscounted basis. If such review indicates that the asset is impaired, the asset's carrying amount would be written down to fair value. Additionally, US GAAP requires that long-lived assets to be disposed of be reported at the lower of carrying amount or fair value, less cost to sell. Management has determined that no adjustment was required for the years ended March 31, 2020 and 2019.

9. Deferred costs

The Company has capitalised lease acquisition costs incurred to acquire the lease of Hotel Pierre and secure the extension of the lease agreement with Barney's, the sub-lessor. The lease acquisition cost is amortised using a method which approximates the interest method over the term of the related lease agreements.

Accumulated amortisation of the lease acquisition costs amounted to $ 2,494,387 and $ 2,325,276 at March 31, 2020 and 2019, respectively.

10. Intangible assets

Intangible assets are stated at cost less accumulated amortisation. The Company amortises intangible assets over their estimated useful lives unless such lives are determined to be indefinite. Amortisable intangible assets are amortised over their estimated useful lives in proportion to the economic benefits consumed in each period. Intangible assets with indefinite lives are tested at least annually for impairment and written down to the fair value as required.

11. Revenue recognition

The Company primarily derives revenue from the products and services provided to the customers and revenue is generally recognised when control of the product or service has been transferred to the customer. The customers include guests at Hotel Properties. A summary of the revenue streams is as follows:

a. Owned & leased Hotel Properties revenues

The Company identifies following performance obligations in connection with the owned and leased Hotel Properties revenues, for which revenue is recognised as the respective performance obligations are satisfied, which results in recognising the amount that the Company expects to be entitled for providing the goods or services.

Owned & leased Hotel Properties revenues primarily consist of hotel room sales, revenue from accommodations sold in conjunction with other services (e.g., package reservations), food and beverage sales and other ancillary goods and services (e.g., parking, laundry) related to owned Hotel Property. Revenue is recognised when rooms

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

are occupied or goods and services have been delivered or rendered, respectively. Payment terms typically align with when the goods and services are provided.

b. Other revenues

Other revenues include revenues generated by the incidental support of hotel operations for leased and owned, Hotel Properties, and other operating income.

Other revenues from leased Hotel Property represent amounts, in the nature of management fees that are contractually paid to the Company by property owners. The fees cover payment for services provided to the 795 Corp. owners pursuant to the management contract entered between IHMS LLC and 795 Corp. Revenue is recognised over time as services are rendered.

c. Taxes and fees collected on behalf of governmental agencies

The Company is required to collect certain taxes and fees from customers on behalf of governmental agencies and remit these back to the applicable governmental agencies on a periodic basis. The Company has a legal obligation to act as a collection agent. The Company does not retain these taxes and fees and, therefore, they are not included in the measurement of revenues from Hotel Properties. The Company presents revenue, net of sales taxes, and other similar taxes. The Company records a liability when the amounts are collected and relieves the liability when payments are made to the applicable taxing authority or other appropriate governmental agency.

Revenue from contracts with customers

Effective April 01, 2019, the Company adopted Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), with a date of initial application of April 01, 2019 using the modified retrospective method and determined that the existing revenue recognition practices are in compliance with Accounting Standards Codification("ASC") 606. Accordingly, there was no cumulative effect adjustment to the balance of accumulated deficit in the consolidated balance sheet as of April 01, 2019, as the adoption did not result in a change to the timing of revenue recognition.

Erstwhile revenue recognition policy as per ASC 605

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is primarily acting as principal in all of its revenue arrangements.

Revenue is recognised as earned at the time of sale or rendering of service. Revenue is presented, net of taxes collected from the Hotel Properties' guests. Cash received in advance of the sale or rendering of services is recorded as advance deposits in the accompanying consolidated balance sheet. Base rental income is recognized in accordance with the lease terms.

12. Operating leases

The Company's operating lease rentals include (i) fixed lease payments, or minimum payments as contractually stated in the lease agreement; (ii) variable lease payments, or contingent rentals, which are generally based on a percentage of the leased Hotel Properties' operating and maintenance expense and are dependent on changes in an Consumer Price Index (CPI). In addition, the Company is required to pay some, or all, of the capital costs for furniture, equipment and leasehold improvements in the hotel during the term of the lease as defined by the lease agreement. The management has determined that the difference between lease rentals recognised on straight line basis and in accordance with the lease terms is not material. For operating leases, lease expense relating to fixed or minimum payments & variable payments are recognised when the lease expenses are incurred.

Lease rent expenses on other operating leases are charged to expense over the lease term. Certain operating lease agreements provide for scheduled rent increases over the lease term. Rent expense for such leases is recognised on a straight-line basis over the lease term in the rent and license fees in the consolidated statement of loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

13. Income taxes

The Company files income tax returns on a consolidated basis. The Company records income tax expense, if any, on an individual company basis in order to properly reflect its portion of consolidated income tax expense.

The Company recognises deferred tax assets and liabilities based on the differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements that will result in taxable or deductible amounts in future years. The Company's temporary differences giving rise to deferred taxes result primarily from net loss carry-forwards, employee related benefits and depreciation and amortisation. Deferred tax assets and liabilities are measured using the enacted tax rates in effect for the year in which the temporary differences are expected to be recovered or settled.

The Company is also subject to various other taxation requirements imposed by the State and City of New York.

14. Fair value measurements and financial instruments

Assets and liabilities recorded at fair value in the financial statements are categorised based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimise the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The estimated fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

15. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

16. Recently issued accounting standards not yet adopted

In February 2016, the FASB issued ASU2016-02, Leases. Under the new guidance, lessees are required to recognise a right-of-use asset and a lease liability on the consolidated balance sheet for all leases, other than those that meet the definition of a short-term lease. This update will establish a lease asset and lease liability by lessees for those leases classified as operating under current GAAP. Leases will be classified as either operating or finance under the new guidance. Operating leases will result in straight-line expense in the consolidated statement of loss, similar to current

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

operating leases, and finance leases will result in higher expense being recognised in the earlier years of the lease term, similar to current capital leases. This ASU is effective for the Company beginning April 01, 2021. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

Note C - Term Loan Facility

In September 2014, IHMS Inc. entered into a term loan facility agreement (the "Term Loan Facility") in the amount of $120 million. The proceeds from the Term Loan Facility were partly used to satisfy the Company's subsidiaries' previously outstanding mortgage loans. As part of the Restructuring, the Company assumed the Term Loan Facility and is the new borrower to the Term Loan Facility.

The Term Loan Facility was set to mature on September 15, 2022 and required monthly interest only payments computed at 3.81% plus LIBOR, as defined through March 15, 2017. Effective February 15, 2018, interest is computed at 2.30% plus LIBOR (5.27% at March 31, 2018). Principal payments, as defined, were due every six months beginning in March 2017. All principal payments were the responsibility of the Company and interest costs have been allocated to the Company's subsidiaries based upon factors determined by the Company's management to be appropriate. For the years ended March 31, 2020 and 2019, the Company allocated $ NIL and $ 401,905respectively, of interest costs to its subsidiaries.

For the year ended March 31, 2019, the Company repaid the outstanding principal balance of $20,900,000. There was no loan and interest outstanding as at March 31, 2020.

Note D - Line Of Credit

The Company entered into a $15 million line of credit agreement with J.P. Morgan Bank, N.A on December 24, 2018 which expires December 23, 2019. The Company renewed its $15 million credit facility for another 1 year expiring on December 23, 2020. Interest payments required on the credit facility are at a variable rate, equal to (a) the base rate, plus a margin offered by the bank, (b) a floating rate equal to the Eurodollar rate, plus a margin offered by the bank, or (c) a fixed rate offered by the bank and accepted by the Company. The amount outstanding on the credit facility as at March 31, 2020 and 2019, was $ 15,000,000 and $ 2,500,000, respectively. The average interest rate for outstanding credit facility was approximately 3.87% and 2.74% for the year ended March 31, 2020 and 2019, respectively.

Note E - Operating Leases

As lessors

The San Francisco LLC and the New York LLC, as lessors under various operating leases, will receive base rents over the next five years and thereafter as follows:

Year ending March 31,	IHMS (SF) LLC	IHMS LLC	Total
2021	47,958	466,894	514,852
2022	47,958	417,145	465,103
2023	47,958	333,531	381,489
2024	-	319,501	319,501
2025	-	329,263	329,263
	143,874	**1,866,334**	**2,010,208**

Certain of the Company's sub-leases contain provisions for additional rents and extension options. The Company recognised the rental income amounting to $ 504,814 and $530,285 for the years ended March 31, 2020 and 2019, respectively, in other revenue in the consolidated statement of loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

As lessees

Lease agreement with 795 Corp. and 795 Partnership

The New York LLC's lease agreements with 795 Corp. and 795 Partnership are for certain facilities of the Hotel Pierre for the purpose of operating a hotel business. The leases were originally scheduled to terminate on June 30, 2015 and may be extended for two additional ten-year terms. In November 2007, the New York LLC, entered a lease modification with 795 Corp. The principal modification extended the lease term for an additional 10 years, to June 30, 2025.

The lease agreements provide for 795 Corp. and 795 Partnership to receive rental payments with respect to Hotel Pierre's facilities. Rental payments consist of minimum rentals and additional rentals measured by a formula based upon 795 Corp.'s and 795 Partnership's costs.

On August 31, 2017, the New York LLC, entered a lease amendment with 795 Corp. which among other things extended the lease term to June 30, 2035 and has the following provisions:

- 795 Fifth Avenue Corporation to spend not less than $6,000,000 in the aggregate over the course of not more than seven years towards the replacement and retrofitting of the electro-mechanical equipment servicing Hotel Pierre.
- The New York LLC and 795 Fifth Avenue Corporation to share the cost of the replacement and installation of an emergency generator, where the New York LLC's obligation is subject to a maximum of $950,000, and any amount in excess to be spent by 795 Fifth Avenue Corporation.
- The New York LLC and 795 Fifth Avenue Corporation to split the costs associated with the façade repair work to the exterior of Hotel Pierre as required under Local Law 11, on a 50/50 basis.
- For the lease years, as defined, post June 30, 2025, the cost of repair and replacement of the building systems, as defined, and MEP equipment, as defined, will be shared by the New York LLC and 795 Fifth Avenue Corporation in the ratio of 35% and 65%, respectively.
- Increase in management fees payable to the New York LLC, for servicing to the cooperative apartments.

The future minimum lease payments, excluding additional variable rentals measured by formulae under lease agreement with 795 Corp. and 795 Partnership for Hotel Pierre are as follows:

Year ending March 31,	795 Corp.	795 Partnership	Total
2021	1,760,666	1,907,388	3,668,054
2022	1,424,666	1,543,388	2,968,054
2023	1,424,666	1,543,388	2,968,054
2024	1,088,666	1,179,388	2,268,054
2025	1,088,666	1,179,388	2,268,054
Thereafter	10,886,660	11,793,880	22,680,540
	17,673,990	**19,146,820**	**36,820,810**

Lease on Ballroom

The New York LLC assumed a lease agreement with Barney's, which was renewed on March 12, 2012, for the use of the Hotel Pierre's Ballroom. The lease agreement with Barney's was amended wherein, among other things, the scheduled expiration was extended to December 31, 2018 and the annual fixed rent was increased to $ 1,700,000 ("Amended Lease Agreement"). In addition, the Amended Lease Agreement required a one-time rent adjustment fee of $1,000,000 ("Rent Adjustment").

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

The Rent Adjustment is reported under deferred costs and is amortised over the term of the Amended Lease Agreement. As of March 31, 2020, and 2019, the Rent Adjustment was fully amortised.

Since the Amended Lease Agreement expired on December 31, 2018, the New York LLC and Barney's have reached an understanding for the extension of the Amended Lease Agreement for a period of 10 years ("Lease MOU"), with a 10% increase in the first 5 years and an additional 5% increase beginning in the 6th year of the Lease MOU.

The New York LLC has also reached an understanding with 795 Corp. and 795 Partnership, whereby 795 Corp. and 795 Partnership will bear 50% of the increase in the annual fixed rent over and above the previous annual fixed rent. The annual fixed rent was an increase to $ 1,870,000 on renewal of the lease term as per Lease MOU.

In August 2019, Barneys, the sub-lessor of the Hotel Pierre's Ballroom lease declared bankruptcy and surrendered their master lease of Barney's store with the order of the court and the lease arrangement with the sub lessor ended on February 28, 2020. Thereafter, the New York LLC entered into a new short-term lease with Flagship 660 Owner LLC, a Delaware limited liability company, ("landlord").

The short-term lease for Hotel Pierre's Ballroom with the landlord is for a fixed expiration date term till March 31, 2021. The New York LLC will pay annual fixed rentals amounting to $ 1,870,000 for Hotel Pierre's Ballroom over the lease term.

As per the aforesaid lease agreement, the New York LLC will have to surrender the Ballroom lease space back to the landlord in white box condition thereby incurring the expenses for restoration work in conjunction with the plans and specification as approved by the landlord.

The Company has reasonably estimated the restoration cost amounting to $ 1,035,000. The Company has recognised asset retirement obligation for the aforesaid cost under property and equipment and the same is depreciated over the remaining term of the Hotel Pierre's Ballroom lease.

Note F - Income Taxes

For the year ended March 31, 2020, the Company will file federal and state tax returns as per regulations applicable to Chapter C corporations in the United States. The Company is a member of UOH consolidated federal tax group.

The Company files combined state tax returns with affiliated group companies in certain states while in certain states, the Company files the tax returns at a separate entity level.

	For year ended	
	March 31, 2020	**March 31, 2019**
Current		
Federal	-	-
State	(38,398)	38,302
	(38,398)	**38,302**
Deferred		
Federal	-	-
State	-	-
	-	**-**
Total provision for income taxes	**(38,398)**	**38,302**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As at	
	March 31, 2020	**March 31, 2019**
Non-current deferred tax liabilities:		
Property & equipment	(103,007)	-
Total deferred tax liabilities	**(103,007)**	**-**
Non-current deferred tax assets:		
Property & equipment	-	544,764
Net operating losses	107,520,213	93,025,721
Advance deposits	108,663	-
Accrued employee compensation	1,192,833	1,314,013
Accrued interest	35,602	-
Interest disallowances	236,202	-
Total deferred tax assets	**109,093,513**	**94,884,498**
Net deferred taxes	108,990,506	94,884,498
Less: deferred tax asset valuation allowance	(108,990,506)	(94,884,498)
Total	**-**	**-**

Realisation of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realisable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the history of losses and current year significant losses, the management believes that it is more likely than not that the deferred tax assets may not be realised during foreseeable future and accordingly, a valuation allowance of $ 108,990,506 and $ 94,884,498 has been recorded as at March 31, 2020 and 2019, respectively.

No deferred tax assets were recognised as at March 31, 2020 and 2019.

The Company has federal NOLs of $ 370,060,079 and $ 355,500,399 as at March 31, 2020 and 2019, respectively. The NOLs of $ 5,207,624 and $ 14,569,208 generated in FY 2018-19 and FY 2019-20, respectively, will be carried forward indefinitely and can be carried back to 5 years.

The Company has state net operating loss carry for wards of approximately $ 560,732,621 and $ 530,721,012 as at March 31, 2020 and 2019, respectively, which if unutilised will expire based on the various state statutes.

Accounting for uncertain tax position

The Company recognises the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognised in the consolidated financial statements is the largest benefit that has a greater than 50% likelihood of being realised upon ultimate settlement with the relevant tax authority. The Company has no unrecognised tax positions as at March 31, 2020 and 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

The tax years of 2016 through 2018 remain subject to examination by the taxing authorities.

Note G - Revenue from Contracts with Customers

Disaggregation of revenue from contracts with customers

The following table presents revenue disaggregated by product line:

Particulars	Year ended March 31, 2020
Rooms	43,547,038
Food &beverages	40,247,041
Others	10,178,953
Total revenue by product line	**93,973,032**

The following table presents revenue disaggregated by timing of recognition:

Particulars	Year ended March 31, 2020
Revenue transferred at a point in time	83,794,079
Revenue transferred over time	10,178,953
Total revenue by timing of revenue recognition	**93,973,032**

The entire revenue is attributable to the United States. No other geographies are involved.

Contract balances

The following table provides information about contract assets and liability balances as of March 31, 2020

Particulars	Year ended March 31, 2020
Accounts receivable	
Guest ledger	96,940
City ledger	660,841
Contract assets (Unbilled receivables)	-
Contract liability (Advance deposits)	5,947,516

Note H - Advertising and Marketing Expense

Advertising costs are presented as part of sales and marketing expenses in the consolidated statement of loss. Advertising costs are expensed as incurred. The amount of advertising and marketing cost incurred by the Company for the year ended March 31, 2020 and 2019 is $ 1,991,961 and $ 2,129,933,respectively.

Note I - Employee Benefits Plans

Multi-Employer Defined Benefit Plans

The New York LLC is a party to the Industry wide Collective Bargaining Agreement between the New York Hotel Trades Council ("Union") and the Hotel Association of New York City, Inc. The collective bargaining agreement provides for Union sponsored multi-employer defined benefit plans (the "Plans") which the New York LLC makes contributions for the benefit of its employees covered by the collective bargaining agreement. The New York LLC has not received information from the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

Plans' administrator to determine its share of unfunded benefit obligations, if any. The New York LLC has not undertaken to terminate, withdraw or partially withdraw from the Plans.

a. The risks of participating in the multi-employer plan are different from a single-employer plan in the following aspects: Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If an employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The New York LLC's participation in the Plans for the plan years ended December 31, 2019 and 2018 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number (EIN). The most recent Pension Protection Act (PPA) zone status available is for the Plan's year-end at December 31, 2019 and 2018. The zone status is based on information that the New York LLC received from the Plan and is certified by the actuaries of the 1199 Plan. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The New York LLC's contributions to the Plans did not exceed more than 5% of the total contributions made to the Plans by all participating employers.

			Pension Protection Act Zone Status		FIP/RP Status	Contributions by the Company Amount in USD	
Pension fund	**EIN number**	**Plan number**	**2019**	**2018**	**Pending/ Implemented**	**2019**	**2018**
Pension Fund(1)	13-1764242	001	Green	Green	Yes	4,046,529	3,893,216
Health Benefits Fund (2)	13-6126923	501	N/A	N/A	Yes	7,954,067	7,614,612
Prepaid Legal Services Fund (3)	13-3418414	508	N/A	N/A	Yes	76,968	76,627
						12,077,564	**11,584,455**

(1)-New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund
(2) -New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund
(3) -New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund

Defined contribution 401(k) plan

The Company and the Subsidiaries have a defined contribution plan for the benefit of its eligible employees pursuant to Section 401(k) of the Internal Revenue Code. In addition to employee 401(k) contributions, the plan requires employer contributions of 3% of each eligible participants' plan compensation for each year. The employer may also make a profit-sharing contribution of a uniform percentage of eligible participants' plan compensation based on profits as defined. The employer contribution charged to the Company's and the subsidiaries' operations amounts to the following for the years ended March 31:

	2020	**2019**
San Francisco LLC	110,987	112,596
New York LLC	188,498	182,818
Company	31,950	35,510
Total	**331,435**	**330,924**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

Note J - Related Party Transactions

A. Ultimate parent company

1. Indian Hotels Company Limited (owning 100% of common stock of IHOCO B.V.)

B. Parent company

2. IHOCO B.V. (Owning 100% of common stock of United Overseas Holdings, Inc.)

C. Affiliate company

1. Taj International Hotels (HK) Limited

Amount due to related parties have no specified date of repayment.

The Company has following transactions with the related parties:

Indian Hotels Company Limited ("IHCL")
The Company has outstanding receivable from IHCL amounting to $ 20,269 and $ 53,729 as at March 31, 2020 and 2019, respectively.

Taj International Hotels (HK) Limited
The Company has obtained advances from TAJ International Hotels (HK) Limited amounting to $ 7,000,000 at 3.5% p.a. The Company pays interest on advances and recovers the interest paid from its subsidiaries, to the extent of proceeds used during the year. For the year ended March 31, 2020, the aforesaid loan was converted into interest free advances effective November 01, 2019. The total interest allocated to its subsidiaries was $ 143,644 and $ 245,000 for the year ended March 31, 2020 and 2019, respectively.

Note K - Commitments & Contigencies

Claims and legal actions

The Company is a party to claims that arose in the normal course of business. Management of the Company believes that the ultimate outcome of these claims will not have a material effect on the consolidated financial statements.

Management agreement with landlord

On July 1, 2005, 795 Corp. entered into a management agreement (the "Management Agreement") with the New York LLC. Under the Management Agreement, the New York LLC agreed to manage the Hotel Pierre as agent for 795 Corp. and provide the shareholders of 795 Corp. with certain services.

Under the Management Agreement, 795 Corp. is required to pay a base annual management fee of $3,907,362. This fee, subject to annual adjustments, reflects increases in costs of management over the prior year.

The Management Agreement was originally scheduled to expire on June 30, 2025. On August 31, 2017, the New York LLC entered into a modified Management Agreement which extended the term of the agreement by ten years to June 30, 2035. In connection with the modified Management Agreement, the base annual management fee required to be paid by 795 Corp. was increased to $5,744,690, with annual increases thereafter. In addition, the New York LLC is no longer required to provide certain services to the shareholders of 795 Corp.

Management fees, including other reimbursements and fees charged to 795 Corp. totaled to $7,152,297 and $6,798,833 for the years ended March 31, 2020 and 2019, respectively and are included in other revenue. The Management Agreement is co-terminus with the lease agreements with 795 Corp. and 795 Partnership.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

Management agreement for Boston Hotel

As part of the Sale, the Manager entered into a hotel management services agreement (the "Boston Management Agreement") with the new owner of the Boston Hotel. The Boston Management Agreement, which requires the Boston Hotel to be continually branded as the Taj Boston, has an initial lock-in term of ten years, as defined, and can be extended by the Manager for an additional 5-year term, provided that the Manager is not in default of the terms of the Boston Management Agreement. The Boston Management Agreement entitles the Manager to a revenue-based fee in an amount equal to 1.5% of gross revenue, and an incentive fee equal to 5% of net operating income, if any.

On April 3, 2018, the Manager and the new owner of the Boston Hotel amended the Boston Management Agreement, which includes a provision that allows the new owner of the Boston Hotel to terminate this agreement at any time, with at least three months' notice, without payment of a penalty beginning January 1, 2019. If such termination occurs, the Boston Hotel will no longer be branded as a Taj Hotel. In connection with the amendment, the Manager received a modification and incentive fee in the amount of $6,915,100 during April 2018 in consideration for entering the amendment.

Effective November 01, 2019, Boston Hotel terminated the Boston Management Agreement and it is no longer branded as Taj Hotels. Management fees earned for the years ended March 31, 2020 and 2019 amounted to $74,668 and $479,741, respectively.

Note L - Subsequent Events

In January 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

Due to the outbreak of COVID-19, effective March 20, 2020, and March 21, 2020 emergency was declared by the state of New York and California, respectively, and the Hotel Properties had to temporarily shut their operations and there was no revenue recognised from food & beverages till March 31, 2020.

The Hotel Properties continues to remain closed as at the date of audit report and expect to resume operations from August 2020.

The Company has evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the consolidated financial statements were issued. Management is currently evaluating the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the pandemic situation could have a negative effect on the Company's consolidated financial position and consolidated results of its operations, the specific impact is not readily determinable as of the date of these consolidated financial statements. The management is continuously assessing the situation and identifying the possible measures and initiatives to mitigate the impact of COVID-19. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

Independent Auditors' Report on Supplementary Information

To the Board of Directors and Stockholder of United Overseas Holdings, Inc.

We have audited the consolidated financial statements of United Overseas Holdings, Inc. as of and for the year ended March 31, 2020 and our report thereon dated June 03, 2020 expresses an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidated balance sheet and consolidated statements of loss and cash flows ("supplementary information") are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The supplementary information is the responsibility of the Company's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KNAV P.A.
Atlanta, Georgia.

June 03, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

Supplementary Information

	As at March 31, 2020					
Consolidated balance sheets	**IHMS (SF) LLC**	**IHMS LLC**	**IHMS (USA) LLC**	**United Overseas Holdings, Inc.**	**Eliminations**	**Consolidated**
ASSETS						
Current assets						
Cash	357,037	798,725	1,389	2,577,091	-	3,734,242
Accounts receivable						
Guest ledger	95,154	1,786	-	-	-	96,940
City ledger	9,799	651,042	-	-	-	660,841
Inventories	228,452	392,531	-	-	-	620,983
Prepaid expenses	315,787	794,797	-	11,200	-	1,121,784
Total current assets	**1,006,229**	**2,638,881**	**1,389**	**2,588,291**	**-**	**6,234,790**
Property and equipment						
Investment in cooperative apartments	-	1,500,000	-	-	-	1,500,000
Land	14,000,000	-	-	-	-	14,000,000
Building and improvements	45,771,617	98,608,876	-	-	-	144,380,493
Furniture, fixtures, and equipment	3,862,038	29,570,763	-	78,063	-	33,510,864
Construction in progress	131,323	571,119	-	-	-	702,442
	63,764,978	130,250,758	-	78,063	-	194,093,800
Less: accumulated depreciation	(17,470,946)	(54,903,668)	-	(69,136)	-	(72,443,750)
Property and equipment, net	**46,294,032**	**75,347,090**	**-**	**8,927**	**-**	**121,650,050**
Other assets						
Deferred costs, net	60,000	42,278	-	-	-	102,278
Security deposits	30,730	87,315	-	-	-	118,045
Investment in subsidiaries	-	-	-	90,418,386	(90,418,386)	-
Due from related parties	(10,148)	(80,173)	8,335,520	93,654,586	(101,879,516)	20,269
Total assets	**47,380,843**	**78,035,392**	**8,336,909**	**186,670,190**	**(192,297,902)**	**128,125,432**
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)						
Current liabilities						
Accounts payable trade	212,469	3,499,360	-	-	-	3,711,829
Restoration obligation liability	-	1,035,000	-	-		1,035,000
Other tax payable	65,223	192,468	-	-	-	257,691
Accrued expenses						
Payroll and related	82,757	481,577	-	-	-	564,334
Vacation, gratuities, and incentives	610,950	3,230,590	-	148,720	-	3,990,260
Interest	-	-	-	146,545		146,545
Utilities	26,751	181,112	-	-	-	207,863
Other	482,170	1,412,700	-	-	-	1,894,870
Tenants' security deposits	-	147,000	-	-		147,000
Advance deposits and other credit balances	204,137	5,743,379	-	-	-	5,947,516
Notes payable to related parties	-	-	-	7,000,000		7,000,000
Line of credit	-	-	-	15,000,000	-	15,000,000
Total current liabilities	**1,684,457**	**15,923,186**	**-**	**22,295,265**	**-**	**39,902,908**
Due to related parties	15,504,607	77,364,253	-	9,010,656	(101,879,516)	-
Total liabilities	**17,189,064**	**93,287,439**	**-**	**31,305,921**	**(101,879,516)**	**39,902,908**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

Consolidated balance sheets	IHMS (SF) LLC	IHMS LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated
	As at March 31, 2020					
Stockholder's equity (deficit)						
Common stock, par value $1 per share, 100 shares authorised, issued and outstanding	-	-	-	100	-	100
Additional paid-in-capital	50,941,939	219,103,509	-	184,723,743	(270,045,450)	184,723,741
Accumulated surplus (deficit)	(20,750,159)	(234,355,556)	8,336,909	(29,359,575)	179,627,064	(96,501,317)
Total stockholder's equity (deficit)	**30,191,780**	**(15,252,047)**	**8,336,909**	**155,364,268**	**(90,418,386)**	**88,222,524**
Total liabilities and stockholder's equity (deficit)	**47,380,843**	**78,035,392**	**8,336,909**	**186,670,190**	**(192,297,902)**	**128,125,432**

Consolidated balance sheets	IHMS (SF) LLC	IHMS LLC	IHMS (USA) LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated
	As at March 31, 2019					
ASSETS						
Current assets						
Cash	756,222	1,011,499	16,590	375,982	-	2,160,293
Accounts receivable						
Guest ledger	131,427	376,874	-	-	-	508,301
City ledger	280,332	2,268,864	8,000	-	-	2,557,196
Inventories	247,469	465,303	-	-	-	712,772
Prepaid expenses	298,924	1,161,644	-	7,280	-	1,467,848
Total current assets	**1,714,374**	**5,284,184**	**24,590**	**383,262**	**-**	**7,406,410**
Property and equipment						
Investment in cooperative apartments	-	1,500,000	-	-	-	1,500,000
Land	14,000,000	-	-	-	-	14,000,000
Building and improvements	45,771,617	97,573,876	-	-	-	143,345,493
Furniture, fixtures, and equipment	3,528,678	28,925,691	-	78,064	-	32,532,433
Construction in progress	130,149	624,807	-	-	-	754,956
	63,430,444	**128,624,374**	**-**	**78,064**	**-**	**192,132,882**
Less: accumulated depreciation	(15,984,396)	(52,031,261)	-	(65,625)	-	(68,081,282)
Property and equipment, net	**47,446,048**	**76,593,113**	**-**	**12,439**	**-**	**124,051,600**
Other assets						
Deferred costs, net	60,000	211,388	-	-	-	271,388
Security deposits	37,484	87,316	-	-	-	124,800
Investment in subsidiaries	-	-	-	90,418,386	(90,418,386)	-
Due from related parties	-	-	8,238,520	74,771,914	(82,956,705)	53,729
Total assets	**49,257,906**	**82,176,001**	**8,263,110**	**165,586,001**	**(173,375,091)**	**131,907,927**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

	As at March 31, 2019					
Consolidated balance sheets	**IHMS (SF) LLC**	**IHMS LLC**	**IHMS (USA) LLC**	**United Overseas Holdings, Inc.**	**Eliminations**	**Consolidated**
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)						
Current liabilities						
Accounts payable						
Trade	178,876	4,480,978	-	-	-	4,659,854
Other	-	4,969	-	-	-	4,969
Other tax payable	187,930	177,928	-	-	-	365,858
Accrued expenses						
Payroll and related	328,171	836,977	-	-	-	1,165,148
Vacation, gratuities, and incentives	728,655	3,321,697	-	131,912	-	4,182,264
Interest	-	-	-	6,656	-	6,656
Utilities	43,352	243,513	-	-	-	286,865
Other	535,946	626,568	-	1,228	-	1,163,742
Tenants' security deposits	-	147,000	-	-	-	147,000
Advance deposits and other credit balances	242,529	7,438,460	-	-	-	7,680,989
Notes payable to related parties	-	-	-	7,000,000	-	7,000,000
Line of credit	-	-	-	2,500,000	-	2,500,000
Total current liabilities	**2,245,459**	**17,278,090**	**-**	**9,639,796**	**-**	**29,163,345**
Due to related parties	17,401,686	65,555,017	-		(82,956,703)	-
Total liabilities	**19,647,145**	**82,833,107**	**-**	**9,639,796**	**(82,956,703)**	**29,163,345**
Stockholder's equity (deficit)						
Common stock, par value $1 per share, 100 shares authorised, issued and outstanding	-	-	-	100	-	100
Additional paid-in-capital	50,941,941	219,103,509	-	184,723,741	(270,045,450)	184,723,741
Accumulated surplus (deficit)	(21,331,180)	(219,760,615)	8,263,110	(28,777,636)	179,627,062	(81,979,259)
Total stockholder's equity (deficit)	29,610,761	(657,106)	8,263,110	155,946,205	(90,418,388)	102,744,582
Total liabilities and stockholder's equity (deficit)	**49,257,906**	**82,176,001**	**8,263,110**	**165,586,001**	**(173,375,091)**	**131,907,927**

	For the year ended March 31, 2020					
Consolidated statements of income(loss)	**IHMS (SF)LLC**	**IHMS LLC**	**IHMS (USA)LLC**	**United Overseas Holdings, Inc.**	**Eliminations**	**Consolidated**
REVENUE						
Rooms	11,277,524	32,269,514	-	-	-	43,547,038
Food and beverage	5,204,401	35,042,640	-	-	-	40,247,041
Other	1,033,188	9,145,765	-	-	-	10,178,953
Total revenue	**17,515,113**	**76,457,919**	**-**	**-**	**-**	**93,973,032**
DEPARTMENTAL EXPENSES						
Room	4,170,608	20,269,638	-	-	-	24,440,246
Food and beverages	5,112,968	35,781,519	-	-	-	40,894,487
Others	333,305	1,706,443	-	-	-	2,039,748
Total departmental expenses	**9,616,881**	**57,757,600**	**-**	**-**	**-**	**67,374,481**
Income before unallocated operating expenses & fixed charges	**7,898,232**	**18,700,319**	**-**	**-**	**-**	**26,598,551**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

Consolidated statements of income(loss)	For the year ended March 31, 2020					
	IHMS (SF)LLC	IHMS LLC	IHMS (USA)LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated
UNALLOCATED OPERATING EXPENSES						
Administrative and general	2,219,433	9,213,267	869	412,225	-	11,845,794
Sales and marketing	846,210	2,730,200	-	1,780,631	-	5,357,041
Repairs and maintenance	962,795	5,611,574	-	-	-	6,574,369
Utilities expense	607,654	2,833,564	-	-	-	3,441,218
Total unallocated operating expenses	**4,636,092**	**20,388,605**	**869**	**2,192,856**	**-**	**27,218,422**
Income (loss) before fixed charges	**3,262,140**	**(1,688,286)**	**(869)**	**(2,192,856)**	**-**	**(619,871)**
FIXED CHARGES						
Real estate and other taxes	828,718	-	-	-		828,718
Insurance	322,527	364,597	-	-	-	687,124
Rent and license fees	39,660	7,848,928	-	65,198	-	7,953,786
Depreciation	1,486,550	4,187,253	-	3,511	-	5,677,314
Amortisation	-	169,111	-	-	-	169,111
Interest and finance costs	-	378,829	-	-	-	378,829
Total fixed charges	**2,677,455**	**12,948,718**	**-**	**68,709**	**-**	**15,694,882**
Income (loss) before other income	**584,685**	**(14,637,004)**	**(869)**	**(2,261,565)**	**-**	**(16,314,753)**
Other income						
Sales and marketing, and management fees	-	-	74,668	1,679,629	-	1,754,297
Total other income	**-**	**-**	**74,668**	**1,679,629**	**-**	**1,754,297**
Income (loss) before tax	584,685	(14,637,004)	73,799	(581,936)	-	(14,560,456)
Income tax expense (benefit)	3,666	(42,064)	-	-	-	(38,398)
Net income (loss)	**581,019**	**(14,594,940)**	**73,799**	**(581,936)**	**-**	**(14,522,058)**

Consolidated statements of income(loss)	For the year ended March 31, 2019					
	IHMS (SF)LLC	IHMS LLC	IHMS (USA)LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated
REVENUE						
Rooms	12,248,741	34,200,132	-	-	-	46,448,873
Food and beverage	5,177,098	36,781,084	-	-	-	41,958,182
Other	1,033,838	8,557,851	-	445	-	9,592,134
Total revenue	**18,459,677**	**79,539,067**	**-**	**445**	**-**	**97,999,189**
DEPARTMENTAL EXPENSES						
Room	4,202,846	20,084,788	-	-	-	24,287,634
Food and beverages	5,115,982	37,671,370	-	-	-	42,787,352
Others	417,675	1,653,237	-	-	-	2,070,912
Total departmental expenses	**9,736,503**	**59,409,395**	**-**	**-**	**-**	**69,145,898**
Income before unallocated operating expenses & fixed charges	**8,723,174**	**20,129,672**	**-**	**445**	**-**	**28,853,291**
UNALLOCATED OPERATING EXPENSES						
Administrative and general	2,431,975	9,272,939	865	258,101	-	11,963,880
Sales and marketing	974,589	2,749,606	-	2,120,961	-	5,845,156
Repairs and maintenance	1,073,292	5,625,553	-	-	-	6,698,845
Utilities expense	613,886	3,168,426	-	-	-	3,782,312
Total unallocated operating expenses	**5,093,742**	**20,816,524**	**865**	**2,379,062**	**-**	**28,290,193**
Income (loss) before fixed charges	**3,629,432**	**(686,852)**	**(865)**	**(2,378,617)**	**-**	**563,098**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2019					
Consolidated statements of income(loss)	**IHMS (SF)LLC**	**IHMS LLC**	**IHMS (USA)LLC**	**United Overseas Holdings, Inc.**	**Eliminations**	**Consolidated**
FIXED CHARGES						
Real estate and other taxes	818,105	-	-	-	-	818,105
Insurance	297,878	244,028	-	-	-	541,906
Rent and license fees	36,804	7,715,085	-	-	-	7,751,889
Depreciation	1,464,911	4,765,612	-	8,876	-	6,239,399
Amortisation	-	301,043	-	-	-	301,043
Interest and finance costs	258,252	653,561	-	184,083	-	1,095,896
Total fixed charges	**2,875,950**	**13,679,329**	**-**	**192,959**	**-**	**16,748,238**
Income (loss) before other income	**753,482**	**(14,366,181)**	**(865)**	**(2,571,576)**	**-**	**(16,185,140)**
Other income						
Sales and marketing, and management fees	-	-	479,741	1,795,636	-	2,275,377
Other income	-	-	6,915,100	-	-	6,915,100
Total other income	**-**	**-**	**7,394,841**	**1,795,636**	**-**	**9,190,477**
Income (loss) before tax	**753,482**	**(14,366,181)**	**7,393,976**	**(775,940)**	**-**	**(6,994,663)**
Income tax expense	-	38,302	-	-	-	38,302
Net income (loss)	**753,482**	**(14,404,483)**	**7,393,976**	**(775,940)**	**-**	**(7,032,965)**

	For the year ended March 31, 2020					
Consolidated statements of cash flows	**IHMS (SF) LLC**	**IHMS LLC**	**IHMS (USA) LLC**	**United Overseas Holdings, Inc.**	**Eliminations**	**Consolidated**
Cash flows from operating activities						
Net income (loss)	581,019	(14,594,940)	73,799	(581,936)	-	(14,522,058)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities						
Depreciation and amortisation	1,486,550	4,356,364	-	3,511	-	5,846,425
Changes in certain other accounts						
Accounts receivable	306,807	1,992,911	8,000	-	-	2,307,717
Inventories	19,017	72,772	-	-	-	91,789
Prepaid expenses	(16,866)	366,846	-	(3,920)	-	346,062
Security deposits	6,754	-	-	-	-	6,754
Restoration obligations, net	-	86,250	-	-	-	86,250
Accounts payable	33,593	(986,587)	-	-	-	(952,994)
Taxes payable, other than income	(122,707)	14,540	-	-	-	(108,167)
Accrued expenses	(433,496)	277,222	-	155,471	-	(803)
Advance deposits and other credit balances	(38,392)	(1,695,081)	-	-	-	(1,733,473)
Due to related parties, net	(1,886,931)	11,889,409	(97,000)	(9,872,016)	-	33,462
Net cash (used in) provided by operating activities	**(64,652)**	**1,779,706**	**(15,201)**	**(10,298,890)**	**-**	**(8,599,037)**
Cash flows from investing activities						
Purchase of property and equipment	(334,534)	(1,992,480)	-	-	-	(2,327,014)
Net cash used in investing activities	**(334,534)**	**(1,992,480)**	**-**	**-**	**-**	**(2,327,014)**
Cash flows from financing activities						
Withdrawals from line of credit	-	-	-	15,000,000	-	15,000,000
Repayment of line of credit	-	-	-	(2,500,000)	-	(2,500,000)
Net cash provided by financing activities	**-**	**-**	**-**	**12,500,000**	**-**	**12,500,000**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2020					
Consolidated statements of cash flows	**IHMS (SF) LLC**	**IHMS LLC**	**IHMS (USA) LLC**	**United Overseas Holdings, Inc.**	**Eliminations**	**Consolidated**
Net (decrease) increase in cash	(399,186)	(212,774)	(15,201)	2,201,110	-	1,573,949
Cash at the beginning of year	756,222	1,011,499	16,590	375,982	-	2,160,293
Cash at the end of year	**357,037**	**798,725**	**1,389**	**2,577,092**	**-**	**3,734,242**
Supplemental cash flow information						
Income tax paid	-	9,930	-	-	-	9,930
Interest paid	-	238,940	-	-	-	238,940
Cash flows from operating activities						
Net income (loss)	753,482	(14,404,483)	7,393,976	(7,758,940)	-	(7,032,965)
Adjustments to reconcile net income (loss) to net cash provided by operating activities						
Depreciation and amortisation	1,464,911	5,066,655	-	192,959	-	6,724,525
Gain on sale of equipment	-	(4,133)	-	-	-	(4,133)
Changes in certain other accounts						
Accounts receivable	(46,175)	351,742	28,500	-	-	334,066
Inventories	27,681	36,408	-	-	-	64,089
Prepaid expenses	(30,018)	(39,233)	-	11,423	-	(57,828)
Security deposits	35,508	(38,405)	-	-	-	(2,897)
Accounts payable	(100,925)	1,208,127	-	-	-	1,107,202
Other taxes payable	1,280	(69,464)	-	-	-	(68,184)
Accrued expenses	252,178	96,019	-	26,731	-	374,932
Advance deposits and other credit balances	(40,937)	724,761	-	-	-	683,824
Due from related parties, net	(1,938,054)	8,190,249	(7,407,000)	1,211,985	-	57,181
Net cash provided by operating activities	**378,931**	**1,118,243**	**15,746**	**667,158**	**-**	**2,179,808**
Cash flows from investing activities						
Change in cash in escrow	-	-	-	1,069,714	-	1,069,714
Capital expenditures	(282,555)	(1,091,091)	-	(1,918)	-	(1,375,564)
Proceeds from sale of equipment	-	4,133	-	-	-	4,133
Net cash (used in) provided by investing activities	**(282,555)**	**(1,086,958)**	**-**	**1,067,796**	**-**	**(301,717)**
Cash flows from financing activities						
Contributions/advances from shareholder	-	-	-	21,000,000	-	21,000,000
Repayment of notes payable to related parties	-	-	-	(4,000,000)	-	(4,000,000)
Withdrawals from line of credit	-	-	-	2,500,000	-	2,500,000
Repayment of term loan	-	-	-	(20,900,000)	-	(20,900,000)
Net cash used in financing activities	**-**	**-**	**-**	**(1,400,000)**	**-**	**(1,400,000)**
Net increase in cash	96,376	31,285	15,476	334,954	-	478,091
Cash at the beginning of year	659,846	980,214	1,114	41,028	-	1,682,202
Cash at the end of year	**756,222**	**1,011,499**	**16,590**	**375,982**	**-**	**2,160,293**
Supplemental cash flow information						
Income tax paid	-	38,302	-	-	-	38,302
Interest paid	258,252	653,561	-	-	-	911,813

INDEPENDENT AUDITOR'S REPORT

To the Members of **PIEM International (H.K.) Limited**
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of PIEM International (H.K.) Limited (the "Company") set out on pages 6 to 23, which comprise the statement of financial position as at March 31, 2020, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2020, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the directors' report and the detailed income statement.

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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 the directors 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.

Mazars CPA Limited
Certified Public Accountants
Hong Kong, June 1, 2020

The engagement director on the audit resulting in this independent auditor's report is:
Chan Wai Man
Practising Certificate number: P02487

STATEMENT OF COMPREHENSIVE INCOME

Year ended March 31, 2020

	Note	2020 US$	2019 US$
Revenue	2	3,653	17,262
Exchange (loss) gain, net		(94)	70
Operating expenses		(15,842)	(19,277)
Share of result of an associate		1,490,430	1,919,516
Profit before tax	3	**1,478,147**	**1,917,571**
Income tax expense	4	-	-
Profit for the year		**1,478,147**	**1,917,571**
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Exchange loss arising from translation of interest in an associate		(1,495,551)	(2,270,784)
Other comprehensive loss for the year, net of tax		**(1,495,551)**	**(2,270,784)**
Total comprehensive loss for the year		**(17,404)**	**(353,213)**

STATEMENT OF FINANCIAL POSITION

At March 31, 2020

	Note	2020 US$	2019 US$
Non-current assets			
Interest in an associate	5	30,878,657	30,883,778
Designated FVOCI	6	541,375	541,375
		31,420,032	**31,425,153**
Assets classified as held for sale	7	1	1
Current assets			
Bank balances		299,566	310,544
Current liabilities			
Accrued charges		9,969	8,664
Net current assets		**289,597**	**301,880**
NET ASSETS		**31,709,630**	**31,727,034**
Capital and reserves			
Share capital	8	8,000,000	8,000,000
Exchange reserve		(5,016,303)	(3,520,752)
Accumulated profits		28,725,933	27,247,786
TOTAL EQUITY		**31,709,630**	**31,727,034**

These financial statements on pages 6 to 23 were approved and authorised for issue by the board of directors on June 1, 2020 and signed on behalf by

Director
Rajeshkumar Harshadrai Parekh

Director
Chandrasekhar Nagarajan

STATEMENT OF CHANGES IN EQUITY

Year ended March 31, 2020

	Share capital	Exchange reserve	Accumulated profits	Total
	US$	US$	US$	US$
		(Note i)		
At April 1, 2018	8,000,000	(1,249,968)	29,330,215	36,080,247
Profit for the year	-	-	**1,917,571**	**1,917,571**
Other comprehensive loss				
Exchange loss arising from translation of interest in an associate	-	(2,270,784)	-	(2,270,784)
Total comprehensive (loss) income for the year	**-**	**(2,270,784)**	**1,917,571**	**(353,213)**
Transaction with owners				
Interim dividend (Note 9)	-	-	**(4,000,000)**	**(4,000,000)**
At March 31,2019	**8,000,000**	**(3,520,752)**	**27,247,786**	**31,727,034**
At April 1, 2019	**8,000,000**	**(3,520,752)**	**27,247,786**	**31,727,034**
Profit for the year	**-**	**-**	**1,478,147**	**1,478,147**
Other comprehensive loss				
Exchange loss arising from translation of interest in an associate	-	(1,495,551)	-	(1,495,551)
Total comprehensive (loss) income for the year	**-**	**(1,495,551)**	**1,478,147**	**(17,404)**
At March 31, 2020	**8,000,000**	**(5,016,303)**	**28,725,933**	**31,709,630**

Note:

The exchange reserve comprises exchange differences arising from translation of financial statements of the Company's foreign associate. The reserve is dealt with in accordance with the accounting policy on foreign currency translation as stated in note 1 to the financial statements.

STATEMENT OF CASH FLOWS

Year ended March 31, 2020

	Note	2020 US$	2019 US$
OPERATING ACTIVITIES			
Cash used in operations	10	(14,631)	(19,185)
Net cash used in operating activities		**(14,631)**	**(19,185)**
INVESTING ACTIVITIES			
Interest received		240	17,262
Dividend received		3,413	-
Refund of loan to a fellow subsidiary		-	4,000,000
Net cash generated from investing activities		**3,653**	**4,017,262**
FINANCING ACTIVITY			
Interim dividend paid		-	(4,000,000)
Net cash used in financing activity		**-**	**(4,000,000)**
Net decrease in cash and cash equivalents		**(10,978)**	**(1,923)**
Cash and cash equivalents at beginning of year		310,544	312,467
Cash and cash equivalents at end of year, represented by bank balances		**299,566**	**310,544**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2020

CORPORATE INFORMATION

PIEM International (H.K.) Limited (the "Company") is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The immediate holding company of the Company is Piem Hotels Limited, which is incorporated in India. In the opinion of the directors, the ultimate holding company of the Company is The Indian Hotels Company Limited which is incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange in India. The principal activity of the Company is investment holding.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2019 financial statements. The new/revised HKFRSs that are relevant to the Company and effective from the current year do not have impact on the financial statements. A summary of the principal accounting policies adopted by the Company is set out below.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost, except for equity investment measured at fair value through other comprehensive income ("Designated FVOCI") which is measured at fair value as explained in the respective principal accounting policies set out below.

Associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but no control or joint control of those policies.

The Company's investment in an associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Company's share of the investee's net assets and any impairment loss relating to the investment.

Except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the investee, the Company discontinues recognising its share of further losses when the Company's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Company's net investment in the investee.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) the Company transfers substantially

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

all the risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

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.

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 the financial asset to the extent of its continuing involvement and an associated liability for the amounts it may have to pay.

Classification and measurement
Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income; (iii) Designated FVOCI; or (iv) measured at fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the Company's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Financial assets measured at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Company's financial asset at amortised cost includes bank balances.

Designated FVOCI
Upon initial recognition, the Company may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies in other comprehensive income. The classification is determined on an instrument-by-instrument basis.

These equity investments are subsequently measured at fair value and are not subject to impairment. Dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains or losses are recognised in other comprehensive income and shall not be subsequently reclassified to profit or loss. Upon derecognition, the cumulative gain or loss is transferred directly to accumulated profits or losses.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

The Company's financial assets at Designated FVOCI include a listed equity security.

Financial liabilities

Recognition and derecognition
Financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement
Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Company's financial liabilities include accrued charges. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. At each reporting date, the Company measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL
ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on one or more shared credit risk characteristics, such as past due information and nature of instrument.

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default
The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Company may not receive the outstanding contractual amounts in full if the financial instrument meets any of the following criteria.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company); or

(ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

As detailed in note 13 to the financial statements, financial instrument including bank balances is determined to have low credit risk.

Credit-impaired financial asset
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Write-off

The Company writes off a financial asset when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Company has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Company's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Dividend income

Dividend income from financial assets is recognised when the Company's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credited-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Foreign currency translation

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in the currency of United States dollars ("US$"), which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Exchange differences arising from the translation of the net investment in foreign operations are recognised in a separate component of equity and recognised in profit or loss on disposal of the foreign operations.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews internal and external sources of information to assess whether there is any indication that interest in an associate may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:

   (i) has control or joint control over the Company;

   (ii) has significant influence over the Company; or

   (iii) is a member of the key management personnel of the Company or of the parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   (iii) Both entities are joint ventures of the same third party.

   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted. The directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results of the Company.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

2 : REVENUE

	2020 US$	2019 US$
Interest income from deposits	240	385
Interest income from loan to a fellow subsidiary	-	16,877
Dividends received	3,413	-
	3,653	**17,262**

3 : PROFIT BEFORE TAX

	2020 US$	2019 US$
This is stated after charging:		
Auditor's remuneration	**8,722**	**8,663**

4 : INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided for the years ended March 31, 2020 and 2019 as the Company's profits neither arose in, nor derived from, Hong Kong and therefore was not subject to Hong Kong Profits Tax. In the opinion of the directors, the Company is not subject to taxation in any other jurisdictions in which the Company operates.

Reconciliation of tax expense

	2020 US$	2019 US$
Profit before tax	**1,478,147**	**1,917,571**
Income tax at applicable tax rate of 16.5% (2019: 16.5%)	243,894	316,399
Result of an associate	(245,921)	(316,720)
Non-deductible expenses	2,027	321
Income tax expense	**-**	**-**

5 : INTEREST IN AN ASSOCIATE

	2020 US$	2019 US$
Share of net assets	**30,878,657**	**30,883,778**

Interest in an associate represents 35.38075% (2019: 35.38075%) of the issued ordinary share capital of St. James Court Hotel Limited, a company engaged in hotel operations and incorporated in the United Kingdom. The associate is accounted for using the equity method in the financial statements.

Summary of financial information of the associate is as follows:

	As at March 31, 2020 US$	As at March 31, 2019 US$
Gross amount		
Current assets	13,636,885	15,739,035
Non-current assets	133,351,291	141,415,672
Current liabilities	(12,480,486)	(18,735,006)
Non-current liabilities	(47,232,390)	(51,129,926)
Equity	**87,275,300**	**87,289,775**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

	As at March 31, 2020 US$	As at March 31, 2019 US$
Reconciliation		
Total equity of the associate	87,275,300	87,289,775
Company's ownership interests	35.38075%	35.38075%
Company's share of equity and carrying amount of interest	30,878,657	30,883,778

	As at March 31, 2020 US$	As at March 31, 2019 US$
Gross amount		
Revenue	49,806,199	47,569,978
Profit for the year and total comprehensive income for the year	4,212,545	5,425,312

6 : DESIGNATED FVOCI

	2020 US$	2019 US$
Equity security listed outside Hong Kong, at fair value	541,375	541,375

At the end of the reporting period, the Company held 0.27% (2019: 0.27%) interest representing 487,500 (2019: 487,500) global deposit receipts of Oriental Hotels Limited, which is listed on Luxembourg Stock Exchange and a related company in which the holding company of the Company has significant influence.

7 : ASSETS CLASSIFIED AS HELD FOR SALE

	2020 US$	2019 US$
Investments in unlisted shares, at cost	1	1

Name of subsidiary	Country of incorporation	Percentage of ordinary shares directly held	Principal activities
BAHC 5 Pte Limited ("BAHC5")	Singapore	100%	Aircraft owning

In accordance with the written board resolution initially passed on April 15, 2009, the Company intended to dispose of the above investment and a disposal plan has been established. In accordance with the latest written board resolution passed on April 26, 2018, the Company confirmed its intention to proceed the disposal and the said plan is now under implementation as concrete initial steps in this regard have been taken. In the opinion of the directors, the disposal is highly probable to be completed before the end of the financial year 2020 - 2021. As a result, the interest in the subsidiary is still classified as "Assets classified as held for sale" at the end of the reporting period.

8 : SHARE CAPITAL

	2020		2019	
	No. of shares	US$	No. of shares	US$
Issued and fully paid:				
At beginning of the year and end of the reporting period	800,000	8,000,000	800,000	8,000,000

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

9 : DIVIDEND

	2020 US$	2019 US$
Dividend declared and paid during the year:		
Interim dividend in respect of 2020 of US$Nil per share (2019: US$0.5 per share)	-	4,000,000

10 : CASH USED IN OPERATIONS

	2020 US$	2019 US$
Profit before tax	1,478,147	1,917,571
Dividend income	(3,413)	-
Interest income	(240)	(17,262)
Share of results of an associate	(1,490,430)	(1,919,516)
Changes in working capital:		
Accrued charges	1,305	22
Cash used in operations	**(14,631)**	**(19,185)**

11 : RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in these financial statements, during the year the Company had the following transactions with related parties.

Related party relationship	Nature of transaction	2020 US$	2019 US$
A fellow subsidiary	Interest income	-	16,877

12 : PLEDGE OF ASSETS

The Company has pledged its investment in BAHC5 with a net book value of US$1.

13 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise mainly bank balances and Designated FVOCI. The main purpose of these financial instruments is to raise and maintain finance for the Company's operations.

The main risks arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors generally adopts conservative strategies on its risk management and limits the Company's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than United States dollars. Related company balances and interest in an associate are denominated in British Pounds ("GBP").

At March 31, 2020, if the US$ had weakened / strengthened by 5% (2019: 7%) against the GBP with all other variables held constant, the Company's net profit for the year would have been US$68,500 (2019: US$137,000) higher / lower while the exchange reserve would increase / decrease by US$1,456,000 (2019: US$2,227,000).

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Company's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period.

Credit risk

The Company's credit risk is primarily attributable to bank balances. Substantially all of the Company's bank balances were deposited in creditworthy financial institutions in Hong Kong. The management of the Company considers the Company has limited credit risk with these financial institutions which have high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recognised on the statement of financial position, which is net of impairment losses, represents the Company's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Liquidity risk

The Company manages its liquidity and cash flow profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled on demand at the end of the reporting period.

14 : FAIR VALUE OF FINANCIAL INSTRUMENTS

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2020 and 2019.

15 : CAPITAL MANAGEMENT

The objectives of the Company's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for shareholders. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholders, return of capital to shareholders or issue new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended March 31, 2020 and 2019.

16 : INFORMATION ABOUT THE BENEFITS OF DIRECTORS

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

(a) Directors' remuneration

There is no director remuneration for the year (2019: Nil).

(b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company that were entered into or subsisted during the year (2019: Nil).

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(c) Directors' material interests in transactions, arrangements or contracts

The directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2019: Nil).

Detailed Income Statement for year ended March 31, 2020

	Schedule	2020 US$	2019 US$
Revenue	A	3,653	17,262
Exchange (loss) gain, net		(94)	70
Operating expenses	B	(15,842)	(19,277)
Share of result of an associate		1,490,430	1,919,516
Profit before tax		**1,478,147**	**1,917,571**

A. Revenue

	2020 US$	2019 US$
Interest income from deposits	240	385
Interest income from a fellow subsidiary	-	16,877
Dividend received	3,413	-
	3,653	**17,262**

B. Operating Expenses

	2020 US$	2019 US$
Auditor's remuneration	8,722	8,663
Bank charges	2,739	2,486
Legal and professional fees	4,194	1,230
Sundry expenses	187	1,835
Withholding tax	-	5,063
	15,842	**19,277**

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended March 31, 2020 and 2019 does not constitute the Company's specified financial statements for those years as defined in section 436 of the HKCO but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

Auditor's reports have been prepared on the specified financial statements for both years.

The auditor's reports the years ended March 31, 2020 and 2019:

- were not qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the reports; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

INDEPENDENT AUDITOR'S REPORT

To the members of **St James Court Hotel Limited**

Opinion

We have audited the financial statements of St James Court Hotel Limited ("the company") for the year ended March 31, 2020 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at March 31,2020and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards,including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act, 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note2.3 to the financial statements which describes forecast breaches of certain covenants and uncertainty regarding the continued availability of the related facilities. These events and conditions, as explained in note 2.3, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work,the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements;and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;or
- the financial statements are not in agreement with the accounting records and returns;or

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- certain disclosures of directors' remuneration specified by law are not made;or
- we have not received all the information and explanations we require for our audit. We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Chrissy Douka (Senior Statutory Auditor)
for and on behalf of **KPMG LLP, Statutory Auditor**
Chartered Accountants

15 Canada Square
London
E14 5GL

Date: June 17, 2020

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

for the Year Ended March 31, 2020

	Note	2020 £	2019 £
Turnover	4	39,177,808	36,256,942
Cost of sales		(19,675,744)	(18,193,793)
Gross profit		**19,502,064**	**18,063,149**
Administrative expenses		(14,406,292)	(13,683,241)
Operating profit	5	**5,095,772**	**4,379,908**
Interest receivable and similar income		10,502	4,641
Interest payable and similar expenses	9	(1,350,236)	(1,446,293)
Profit before tax		**3,756,038**	**2,938,256**
Tax on profit	10	(442,429)	1,196,815
Profit for the financial year		**3,313,609**	**4,135,071**

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations. No other comprehensive income was recognised during the year.

The notes on pages 14 to 32 form part of these financial statements.

BALANCE SHEET
as at March 31, 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	11		107,708,138		108,834,531
Current assets					
Stocks	12	387,960		404,666	
Debtors	13	8,120,766		9,809,986	
Cash and cash equivalents	14	2,266,183		1,898,224	
		10,774,909		12,112,876	
Creditors: amounts falling due within one year	15	(9,710,796)		(14,418,597)	
Net current assets/(liabilities)			1,064,113		(2,305,721)
Total assets less current liabilities			**108,772,251**		**106,528,810**
Creditors: amounts falling due after more than one year	16		(38,279,795)		(39,349,963)
Net assets			**70,492,456**		**67,178,847**
Capital and reserves					
Share capital	20		56,527,912		56,527,912
Share premium	21		1,191,976		1,191,976
Profit and loss account	21		12,772,568		9,458,959
			70,492,456		**67,178,847**

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

N Chandrasekhar
Director
Date : June 17, 2020
The notes on pages 14 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

	Share capital	Share premium	Profit and loss account	Total equity
At April 1, 2019	£ 56,527,912	£ 1,191,976	£ 9,458,959	£ 67,178,847
Comprehensive income for the year				
Profit for the year and total comprehensive income	-	-	3,313,609	3,313,609
At March 31, 2020	**56,527,912**	**1,191,976**	**12,772,568**	**70,492,456**

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

	Share capital	Share premium	Profit and loss account	Total equity
At April 1, 2018	£ 56,527,912	£ 1,191,976	£ 5,323,888	£ 63,043,776
Comprehensive income for the year				
Profit for the year and total comprehensive income	-	-	4,135,071	4,135,071
At March 31, 2019	**56,527,912**	**1,191,976**	**9,458,959**	**67,178,847**

The notes on pages 14 to 32 form part of these financial statements.

CASH FLOW STATEMENT

for the year ended March 31, 2020

	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	3,313,609	4,135,071
Adjustments for:		
Depreciation of tangible assets	3,923,200	3,695,528
Loss on disposal of tangible assets	8,583	-
Interest payable	1,305,614	1,840,005
Loss/(gain) on derivative	44,622	(393,711)
Interest received	(10,502)	(4,641)
Taxation charge	442,429	(1,196,815)
Decrease in stocks	16,706	83,368
Decrease/(increase) in debtors	1,246,792	(128,721)
(Decrease)/increase in creditors	(1,936,184)	285,751
Net cash generated from operating activities	**8,354,869**	**8,315,835**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(3,236,345)	(11,446,704)
Interest received	10,502	4,641
Interest paid on lease	(7,903)	(2,235)
Net cash from investing activities	**(3,233,746)**	**(11,444,298)**
CASH FLOWS FROM FINANCING ACTIVITIES		
New secured loans	4,000,000	6,000,000
Repayment of loans	(7,500,000)	(1,500,000)
Repayment of finance leases	(50,741)	(25,844)
Interest paid	(1,187,423)	(1,754,775)
Loan arrangement costs	(15,000)	(40,240)
Net cash generated from/(used in) financing activities	**(4,753,164)**	**2,679,141**
Net increase/(decrease) in cash and cash equivalents	**367,959**	**(449,322)**
Cash and cash equivalents at beginning of year	1,898,224	2,347,546
Cash and cash equivalents at the end of year	**2,266,183**	**1,898,224**

The notes on pages 14 to 32 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

1. GENERAL IN FORMATION

St James Court Hotel Limited is a private company,limited by shares,incorporated in England and Wales under the Companies Act 2006. The company registration number and address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the strategic report.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at March 31, 2020 and these financial statements may be obtained from Mandlik House, Mandlik Road, Mumbai 400 001, India.

Change in accounting policy

In these financial statements the Company has changed its accounting policies in the following area:

Triennial Review 2017 Amendments: Section 7 Statement of Cash Flows. As a result a net debt reconciliation has been disclosed – see note 18.

2.3 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors report on pages 4 - 5 of these financial statements.

The company meets its day-to-day working capital requirements through use of its cash, operating earnings and lines of credit provided by its Financiers Standard Chartered Bank.

As at March 31, 2020, the Company reported net assets of £70.49 million (2019: £67.18 million including net current assets £1.06 million (2019: net current liabilities of £2.30 million).

The Directors note that the fair value of the Company's properties as valued by CBRE in February 2020 was more than £190 million. As against this, the Company's external long term debt as at the Balance Sheet date amounted to £38.28 million.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2020 (Contd.)

In accordance with UK government requirements, St. James Court Hotel Limited temporarily closed its hotels to the public from March 24, 2020 and both hotels will remain closed until permitted otherwise by the UK government. At the time of approval of the financial statements, it is not yet known how long the enforced closures resulting from social distancing measures will be in place, although it is known that it will not be open before July 1, 2020. The board currently anticipates that changes to social distancing restrictions will enable the company to return to limited trading around September 2020 with potential for a phased reintroduction prior to this date. However, the directors acknowledge that the environment is continuously changing and, as such, projecting when the impacts of Coronavirus may ease and when and how the containment restrictions will be lifted is challenging.

In order to mitigate the associated impacts on revenue during this time, and in order to protect the longer term interests of the Company and its employees, the Company has taken measures to reduce its cost base and is utilising various government schemes available including taxation 'time to pay' arrangements and the Coronavirus Job Retention Scheme. The Coronavirus Business Interruption Loan Scheme (CBILS), although available to the Company and offered by its Bankers is not considered either necessary or appropriate to avail now, given the independent arrangements that the Company already has in place (detailed below). The Directors however have the ability to take recourse to this Scheme, should such a needarise.

In assessing the appropriateness of the going concern assumption, the directors have prepared detailed cash flow forecasts for the company extending beyond 12 months from the date of approval of these financial statements. Management have modelled various cash flow scenarios based on alternative periods of enforced closure of its hotels. The scenario one base forecasts include zero revenue for six months, whereas the scenario two forecasts include zero revenue until the end of 2020 which are considered severe yet plausible given the current possible impact of Coronavirus on the Company's performance. Both these scenarios assume a gradual recovery after 2020.

The Company's current external financing arrangement includes three tranches, comprising a term loan of £44.50 million (£38.875 million outstanding as at the date of approval of these financial statements), a Letter of Credit to secure an overdraft facility of £1 million and a revolving credit facility of £15 million. As at the date of approval of these financial statements, the Company has not utilised any overdraft facility and an amount of £9 million remains undrawn under the revolving credit facility. The main purpose of the revolving credit facility is:

a. To fund Capital Expenditure

b. To reimburse the Company for capital expend itureincurred

c. General corporate purposes restricted to £5million.

As the Company has incurred Capital expenditure of approximately £12 million since entering into the facility agreement, the directors are confident that the full undrawn amount of the facility is available to it as reimbursement for these amounts and for general corporate purposes.

The base and downside forecasts indicate that the company will be able to meet its obligations from the amounts available under these facilities if those facilities remain available.

However, there are financial covenants attached to the external financing which are required to be reported on an annual basis. The company was in full compliance with these covenants as at March 31, 2020. Covenants for the fiscal year ending March 2021 will need to be tested after this date based on the audited financial statements for the year ending March 31, 2021. The base case cash flow forecasts indicate that interest cover, being one of the related covenants, is expected to be breached for the year ending March 31, 2021, the result of which would be that all of the facilities become repayable on demand and thus the Company would need to discuss a waiver with its lenders. The directors have informed its lenders of this likely scenario and are confident that a waiver or relaxation of the covenant test for the

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2020 (Contd.)

year ended March 31, 2021 will be received. The Company's external debt is due to be refinanced in August 2021. Given the circumstances of enforced closure, the value of the Company's hotel properties and the low Loan to Value Ratios, the Directors are confident in obtaining refinancing at the relevant time, regardless of whether or not the Company is in any breach of financial covenants in the year ahead. If refinancing the full amount of the facilities proves more difficult than they expect, the directors are confident that the Company could successfully obtain alternative funding, for example through:

a. CBILS Scheme

b. Financial Support from its ultimate holding company

Based on the above, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the directors consider that the uncertain downside scenario impact of Coronavirus and the continued availability of existing facilities under base and sensitised scenarios represents a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2.4 Turnover

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long term lease hold property	-	Over term of lease
Fixtures, fittings and equipment	-	5% to 20% straight line
Lease hold building surfaces	-	30 years straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2020 (Contd.)

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

2.6 Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Financial leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivables as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.11 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable,are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2020 (Contd.)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforce able right to set of there cognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non- monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

2.14 Hedge accounting

The company uses variable to fixed interest rate swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2020 (Contd.)

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in the statement of comprehensive income for the year.

2.15 Finance costs

Finance cost sarecharged to the profit and lossac count over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2.17 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals asaliability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020 (Contd.)

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine the likelihood of future taxable profits are probable to utilise against the deferred tax asset.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Room revenue	32,223,813	29,820,704
Food and beverage	5,840,370	5,246,218
Other	1,113,625	1,190,020
	39,177,808	**36,256,942**

All turnover arose within the United Kingdom.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets		
Other operating lease rentals	3,923,200	3,695,529
Exchange gains	879,750	892,486
Defined contribution pension cost	(18,044)	(10,717)
	231,537	171,242

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2020 (Contd.)

6. AUDITOR'S REMUNERATION

	2020 £	2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	42,800	57,000
Audit-related assurance services	97,100	73,750
Other services relating to taxation	-	9,100
All other services	-	3,750

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	7,721,646	7,015,493
Social security costs	693,887	645,926
Cost of defined contribution scheme	231,537	171,242
	8,647,070	**7,832,661**

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No	2019 No.
Operations	247	235
Administration	35	34
	282	**269**

8 DIRECTORS' REMUNERATION

	2020 £	2019 £
Directors' emoluments	**174,373**	**167,278**

The highest paid director received remuneration of £174,373 (2019 - £167,278).

Directors remuneration for the current year includes amounts paid to Manchan Limited, a company controlled by a director.

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £	2019 £
Bank interest payable	1,157,623	1,693,200
Other loan interest payable	140,088	144,569
Finance leases and hire purchase contracts	7,903	2,235
Derivative fair value changes	44,622	(393,711)
	1,350,236	**1,446,293**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020 (Contd.)

10. TAXATION

	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	1,324,407	(1,196,815)
Changes to tax rates	(881,978)	-
Taxation on profit on ordinary activities	**442,429**	**(1,196,815)**

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	3,756,038	2,938,255
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	713,647	558,268
Effects of:		
Expenses not deductible for tax purposes	58,696	46,086
Fixed asset differences	557,469	524,633
Additional deduction for land remediation expenditure	(822)	-
Effect of tax rate change on opening balance	(882,461)	(118,841)
Deferred tax not recognised - prior year adjustment	(4,100)	(2,206,961)
Total tax charge/(credit) for the year	**442,429**	**(1,196,815)**

Factors that may affect future tax charges

As at March 31, 2020 the company had unrelieved trading losses of approximately £35.2m (2019 - £40.2m) available to set off against future profits. See further details in note 19.

A UK corporation rate of 19% (effective April 1, 2020) was substantively enacted on March 17, 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. The deferred tax asset at March 31, 2020 has been calculated at 19% (2019 - 17%).

11. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Furniture, fittings and equipment £	Assets under course of construction £	Total £
Cost				
At April 1, 2019	132,451,400	19,732,070	30,231	152,213,701
Additions	-	1,223,595	1,581,795	2,805,390
Disposals	-	(760,536)	-	(760,536)
At March 31, 2020	**132,451,400**	**20,195,129**	**1,612,026**	**154,258,555**
Depreciation				
At April 1, 2019	31,992,060	11,387,110	-	43,379,170
Charge for the year	2,527,447	1,395,753	-	3,923,200
Disposals	-	(751,953)	-	(751,953)
At March 31, 2020	**34,519,507**	**12,030,910**	**-**	**46,550,417**
Net book value				
At March 31, 2020	**97,931,893**	**8,164,219**	**1,612,026**	**107,708,138**
At March 31, 2019	100,459,340	8,344,960	30,231	108,834,531

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2020 (Contd.)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Furniture, fittings and equipment	**389,331**	**61,530**

Depreciation on assets held under finance leases or hire purchase contracts amounts to £53,528 (2019 - £24,726).

The recoverable amounts of the properties are determined from value in use calculations or fair value less costs to sell. Management makes use of an external valuation performed by a RICS qualified valuer in assessing the recoverable amount of the properties. The key assumptions used are in relation to discount and growth rates. Growth rates incorporate occupancy, room rate, volume and direct cost changes. Management used a pre-tax discount factor of 7.50% (2019: 7.25%) over the forecast period. Consideration of impairment to the carrying value of assets has been made and the directors concluded that the individual carrying values of the operating assets are supportable by the value in use or fair value less costs to sell. The impact of the current economic conditions on the assessment of going concern has also been considered in arriving at this conclusion.

12. STOCKS

	2020 £	2019 £
Stocks	**387,960**	**404,666**

The stocks consist of food and beverage, merchandise for sale, housekeeping and maintenance materials. The directors are of the opinion that the replacement cost of these stocks is not significantly different to their carrying value.

13. DEBTORS

	2020 £	2019 £
Trade debtors	189,116	1,761,827
Amounts owed by group undertakings	135,305	1,897
Other debtors	184,850	119,348
Prepayments and accrued income	557,109	430,099
Deferred taxation (see note 19)	7,054,386	7,496,815
	8,120,766	**9,809,986**

Deferred taxation asset due after one year amounts to £7,054,386 (2019 - £6,663,836) All other amounts shown under debtors fall due for payment within one year.

14. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	**2,266,183**	**1,898,224**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020 (Contd.)

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans	5,369,912	7,369,912
Trade creditors	1,061,567	1,374,009
Amounts owed to group undertakings	259,077	657,151
Other taxation and social security	350,298	720,806
Obligations under finance lease and hire purchase contracts	84,904	14,708
Other creditors	412,169	519,230
Accruals and deferred income	2,172,869	3,762,781
	9,710,796	**14,418,597**

Accruals and deferred income above includes interest payable of £111,805 (2019 - £141,604) and accruals in relation to purchase of tangible fixed assets of £206,489 (2019 - £1,018,503).

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Bank loans	37,708,362	39,083,275
Net obligations under finance leases and hire purchase contracts	307,742	47,619
Financial instruments	263,691	219,069
	38,279,795	**39,349,963**

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Within one year	5,500,000	7,500,000
Between two and five years	37,750,000	39,250,000
Less: issue costs	(171,725)	(296,813)
	43,078,274	**46,453,187**

In 2017 a loan of £44,500,000 was undertaken at a floating rate of 3 month Sterling LIBOR + 1.65%. Repayments on the loan are £1.5m per annum (payable quarterly) with the balance repayable in August 2021. The bank loan is secured by a first mortgage charge on the assets of the company.

In the prior year, a revolving loan facility was taken out for £15,000,000 at a floating rate of 3 month Sterling LIBOR + 1.85%. As at March 31, 2020, £4,000,000 is outstanding and is shown within balance due within one year.

17. FINANCIAL INSTRUMENTS

	2020 £	2019 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,775,454	3,781,296
Financial liabilities		
Derivative financial instruments designed as hedges of variable interest rate risk	(263,691)	(219,069)
Financial liabilities measured at amortised cost	(46,511,036)	(51,545,492)
	(46,774,727)	**(51,764,561)**

Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio comprise an interest rate swap.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2020 (Contd.)

18. NET DEBT RECONCILIATION

	At April 1, 2019	Cash flows	New finance leases	At March 31, 2020
	£	£	£	£
Cash at bank and in hand	2,147,661	353,882	-	2,501,343
Bank overdrafts	(249,437)	14,077	-	(235,360)
Debt due after 1 year	(39,083,275)	1,374,913	-	(37,708,362)
Debt due within 1 year	(7,369,912)	2,000,000	-	(5,369,912)
Finance leases	(62,327)	50,741	(381,059)	(392,645)
	(44,617,290)	**3,793,613**	**(381,059)**	**(41,204,736)**

19. DEFERRED TAXATION

	2020	2019
	£	£
At beginning of year	7,496,815	6,300,000
Charged to the profit or loss	(442,429)	1,196,815
At end of year	**7,054,386**	**7,496,815**

The deferred tax asset is made up as follows:

	2020	2019
	£	£
Accelerated capital allowances	287,343	128,227
Short term timing differences	72,771	40,369
Tax losses carried forward	6,694,272	7,328,219
	7,054,386	**7,496,815**

A deferred tax asset has been recognised for the anticipated utilisation of tax losses in the future financial years, as the directors believe it is more likely than not that sufficient taxable profits will be generated, once the COVID-19 pandemic is over.

20. SHARE CAPITAL

	2020	2019
	£	£
Authorised, allotted, called up and fully paid		
56,527,912 Ordinary shares of£1each	**56,527,912**	**56,527,912**

21. RESERVES

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2020 (Contd.)

22. CAPITAL COMMITMENTS

At March 31, 2020 the company had capital commitments as follows:

	2020	2019
	£	£
Contracted for but not provided in these financial statements	**4,190,000**	**590,664**

23. COMMITMENTS UNDER OPERATINGLEASES

At March 31,2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	879,750	852,600
Later than 1 year and not later than 5 years	3,469,825	3,404,550
Later than 5 years	77,491,666	78,341,666
	81,841,241	**82,598,816**

24. RELATED PARTY TRANSACTIONS

The following entities are related parties of the company by virtue of being under the control of The Indian Hotels Company Limited.

The company also charged £116,042 (2019 - £122,417) in respect of rent and £40,237 (2019 - £36,993) in respect of utilities to Taj International Hotels Limited. Taj International Hotels Limited recharged salary and related costs of £87,908 (2019 - £368,535) and sold goods of £278,520 (2019 - £284,841) to the company.

The Indian Hotels Company Limited charged the company £626,222 (2019 - £393,657) for expenses it incurred on behalf of the company, £1,175,334 (2019 - £1,087,726) in management fees and £740,077 (2019 - £654,764) in incentive fees. The company during the year recovered costs of £473,002 (2019- £509,444) which it incurred on behalf of The Indian Hotels Company Limited.

The company had the following balances with other related parties:

	2020	2019
	£	£
Amount due from Taj International Hotels Limited	39,635	-
Amount due to Taj International Hotels Limited	-	(470,819)
Amount due from Taj Trade and Transport Limited	1,897	1,897
Amount due from The Indian Hotels Company Limited	-	-
Amount due to The Indian Hotels Company Limited	(165,179)	(154,830)

25. CONTROLLING PARTY

The ultimate parent undertaking and the ultimate controlling party is the Indian Hotels Company Limited, incorporated in India. The financial statements of The Indian Hotels Company Limited are available from Mandlik House, Mandlik Road, Mumbai 400001, India.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF TAJ INTERNATIONAL HOTELS LIMITED

Opinion

We have audited the financial statements of Taj International Hotels Limited (“the company“) for the year ended March 31, 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:

- give a true and fair view of the state of the company’s affairs as at March 31, 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors’ report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 lSAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members. as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Ian Clayden (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date:
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended March 31, 2020

	Note	2020 £	2019 £
Turnover	4	5,441,869	9,711,506
Cost of sales		(4,762,410)	(7,837,115)
Gross profit		**679,459**	**1,874,391**
Administrative expenses (includes exceptional item as per note 6)		(890,272)	(2,472,147)
Other operating income	5	87,908	349,765
Operating loss	6	**(122,905)**	**(247,991)**
Interest receivable and similar income		767	5,447
Interest payable and similar charges		-	(517)
Loss before tax		**(122,138)**	**(243,061)**
Tax on loss	9	(3,202)	31,825
Loss for the financial year and total comprehensive income		**(125,340)**	**(211,236)**

All amounts relate to continuing operations.

The notes on pages 10 to 23 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at March 31, 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	11		1,290,346		1,524,373
Current assets					
Stocks	12	621,948		504,580	
Debtors	13	453,537		1,373,855	
Cash and cash equivalents	14	62,564		298,464	
		1,138,049		**2,176,899**	
Creditors: amounts falling due within one year	15	(1,331,897)		(2,069,012)	
Net current (liabilities)/assets			(193,848)		107,887
Total assets less current liabilities			**1,096,498**		**1,632,260**
Provisions for liabilities					
Deferred tax	17		(93,029)		(103,451)
Net assets			**1,003,469**		**1,528,809**
Capital and reserves					
Called up share capital	18		2		2
Profit and loss account	19		1,003,467		1,528,807
			1,003,469		**1,528,809**

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr N Chandrasekhar
Director

Date:
The notes on pages 10 to 23 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the Year Ended March 31, 2020

	Shre capital £	Profit and loss account £	Total equity £
April 1, 2019	2	1,528,807	1,528,809
Comprehensive income for the year			
Loss for the year and total comprehensive income	-	(125,340)	(125,340)
Distributions to owners			
Dividends paid	-	(400,000)	(400,000)
At March 31, 2020	**2**	**1,003,467**	**1,003,469**

STATEMENT OF CHANGES IN EQUITY
for the Year Ended March 31, 2019

	Shre capital £	Profit and loss account £	Total equity £
April 1, 2018	2	2,740,043	2,740,045
Comprehensive income for the year			
Loss for the year and total comprehensive income	-	(211,236)	(211,236)
Distributions to owners			
Dividends paid	-	(1,000,000)	(1,000,000)
At March 31, 2019	**2**	**1,528,807**	**1,528,809**

The notes on pages 10 to 23 form part of these financial statements.

CASH FLOW STATEMENT
for the year ended March 31, 2020

	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial year	(125,340)	(211,236)
Adjustments for:		
Depreciation of tangible assets	255,418	256,052
Interest paid	-	517
Interest received	(767)	(5,447)
Taxation charge	3,202	(31,825)
(Increase) in stocks	(117,369)	(92,234)
Decrease in debtors	827,121	427,863
(Decrease)/increase in creditors	(737,114)	297,448
Corporation tax received/(paid)	79,573	(192,919)
Net cash generated from operating activities	**184,724**	**448,219**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(21,391)	(21,461)
Interest received	767	5,447
Net cash from investing activities	**(20,624)**	**(16,014)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(400,000)	(1,000,000)
Interest paid	-	(517)
Net cash used in financing activities	**(400,000)**	**(1,000,517)**
Net (decrease) in cash and cash equivalents	(235,900)	(568,312)
Cash and cash equivalents at beginning of year	298,464	866,776
Cash and cash equivalents at the end of year	**62,564**	**298,464**
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	62,564	298,464
	62,564	**298,464**

The notes on pages 10 to 23 form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2020

1. General Information

Taj International Hotels Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the directors' report.

2. Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors report on pages 1 and 2 of these financial statements.

The company meets its day-to-day working capital requirements through use of its cash, overdraft and facilities provided by its wider group headed by Indian Hotels Company Limited, for which the board has requested and received confirmation of intended ongoing parent company support.

As at March 31, 2020, the company reported net assets of £1,003,469 (2019 - £1,528,809) including unencumbered current assets £1,138,049 (2019 – £2,176,899). The company had no external non-related party borrowings and the overdraft facility was undrawn. This position has been maintained up to the date of approval of these financial statements.

In assessing the appropriateness of the going concern assumption, the directors have prepared detailed cash flow forecasts for the company extending beyond 12 months from the date of approval of these financial statements. However, it is acknowledged that the global and UK outbreak of COVID-19 has had a profound impact on these forecasts.

In accordance with UK government requirements, Taj International Hotels Limited temporarily closed their restaurants (Bombay Brasserie and Quilon) to the public on March 21, 2020 and they will remain closed until permitted otherwise by the UK government. At the time of signing the financial statements, it is not yet known how long the enforced closures and resulting phased reintroduction from social distancing measures will be in place. Accordingly, management have modelled various cash flow scenarios based on alternative periods of enforced closure of its restaurants.

In order to mitigate the associated impacts on revenue during this time, and in order to protect the longer term interests of the company and its employees, the company has taken measures to reduce its cost base and is utilising various government schemes available including the Coronavirus Job Retention Scheme and the Coronavirus Business Interruption Loan Scheme. At present the company continues to honour its current operating liabilities within previously accepted terms.

The directors acknowledge however that the environment is continuously changing and, as such, projecting when the impacts of COVID-19 may ease and when and how the containment restrictions will be lifted is challenging.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

The board currently anticipates that changes to social distancing restrictions will enable the company to return to full trading no later than Q1 2021 with potential for a phased reintroduction prior to this date.

Based on revised forecasts, and with the significant financial and operational adjustments outlined above, the directors have concluded that the company will remain solvent in the meantime and therefore a going concern for 12 months following the date of approval of the financial statements.

However, if the period of social distancing, and as a result the closure of the company's restaurants, exceed management's current expectations additional external or group funding, which the group parent has offered, may be required.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at March 31, 2020 and these financial statements may be obtained from Mandlik House, Mandlik Road, Mumbai 400 001, India.

2.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:
Leasehold Improvements - Over the period of the lease
Fixtures, fittings and equipment - 10-20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

2.6 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

Functional and presentation currency
The company's functional and presentational currency is GBP.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.14 Pensions

Defined contribution pension plan
The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.15 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Restaurants	5,416,642	5,423,450
Airline catering	-	4,240,869
Other	25,227	47,187
	5,441,869	**9,711,506**

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	5,441,869	7,145,048
Rest of Europe	-	2,566,458
	5,441,869	**9,711,506**

5. Other Operating Income

	2020 £	2019 £
Other operating income	**87,908**	**349,765**

Other operating income comprises salary recharges to related parties (see note 22).

6. Operating Loss

The operating loss is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	255,418	256,052
Exchange differences	15,123	(48,929)
Other operating lease rentals	413,253	407,157
Exceptional item	(620,317)	912,608

Jet Airways (India) Limited, the airline for which the company was a nominated supplier for in-flight Indian meals on the European outbound flights, shuttered its operations in mid-April 2019. In the prior year, the directors considered it appropriate to provide for a sum of £912,608 as bad debt. In July 2019, the company was able to recover an amount of £620,317 in full and final settlement of the aforementioned debt which has been credited to the statement of comprehensive income in the current year.

During the year, no director received any emoluments (2019 - £Nil).

7. Auditor's Remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**22,500**	**19,500**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

8. Employees

	2020 £	2019 £
Wages and salaries	2,395,050	2,775,176
Social security costs	239,585	266,847
Cost of defined contribution scheme	88,207	139,427
	2,722,842	**3,181,450**

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Admin, kitchen and waiting staff	**80**	**80**

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	12,788	-
Adjustments in respect of previous periods	836	(17,652)
Total current tax	**13,624**	**(17,652)**
Deferred tax		
Origination and reversal of timing differences	(22,593)	(14,173)
Effect of tax rate change on opening balance	12,171	-
Total deferred tax	**(10,422)**	**(14,173)**
Taxation on loss on ordinary activities		
	3,202	**(31,825)**

Factors affecting tax credit for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
Loss on ordinary activities before tax	(122,138)	(243,061)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(23,206)	(46,182)
Effects of:		
Fixed asset differences	13,401	13,623
Losses carried back	-	15,848
Adjustments to tax charge in respect of prior periods	836	(17,652)
Adjustment to deferred tax due to change in tax rates	12,171	1,759
Deferred tax not recognised	-	779
Total tax credit/(charge) for the year	**3,202**	**(31,825)**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

10. Dividends

	2020 £	2019 £
Ordinary shares of £1 each		
Interim dividend paid of £200,000 (2019 - £500,000) per share	**400,000**	**1,000,000**

11. Tangible Fixed Assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Total
Cost or valuation			
At 1 April 2019	1,730,216	1,907,037	3,637,253
Additions	-	21,391	21,391
At March 31, 2020	**1,730,216**	**1,928,428**	**3,658,644**
Depreciation			
At 1 April 2019	799,843	1,313,037	2,112,880
Charge for the year	108,065	147,353	255,418
At March 31, 2020	**907,908**	**1,460,390**	**2,368,298**
Net book value			
At March 31, 2020	**822,308**	**468,038**	**1,290,346**
At March 31, 2019	930,373	594,000	1,524,373

12. Stocks

	2020 £	2019 £
Food and beverage stock	**621,948**	**504,580**

13. Debtors

	2020 £	2019 £
Trade debtors	293,143	620,550
Amounts owed by group undertakings (see note 22)	13,770	530,807
Other debtors	111,509	143,169
Prepayments and accrued income	35,115	79,329
	453,537	**1,373,855**

All amounts shown under debtors fall due for payment within one year.

14. Cash and Cash Equivalents

	2020 £	2019 £
Cash at bank and in hand	**62,564**	**298,464**

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

15. Creditors: Amounts Falling due within one year

	2020 £	2019 £
Trade creditors	154,449	735,953
Amounts owed to group undertakings (see note 22)	110,651	173,356
Other taxation and social security	86,204	132,156
Other creditors	40,787	23,293
Accruals and deferred income	939,806	1,004,254
	1,331,897	**2,069,012**

16. Financial Instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at amortised costs	**474,029**	**1,592,990**
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	**(1,245,694)**	**(1,917,745)**

Financial assets that are debt instruments measured at amortised cost comprise cash, trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade and other payables, amounts owed to group undertakings and accrued expenses.

17. Deferred Taxation

	2020 £	2019 £
At beginning of year	(103,451)	(117,624)
Charged to the profit or loss	10,422	14,173
At end of year	**(93,029)**	**(103,451)**

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(95,163)	(103,473)
Short term timing differences	2,134	22
	(93,029)	**(103,451)**

18. Share Capital

	2020 £	2019 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	**2**	**2**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

19. Reserves

Profit & loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

20. Pension Commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £88,206 (2019 - £139,427). Contributions payable to the fund at the year end included in creditors totalled £11,239 (2019 - £129).

21. Commitments under Operating Leases

At March 31, 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	299,000	337,400
Later than 1 year and not later than 5 years	1,196,000	1,196,000
Later than 5 years	797,333	1,096,333

In addition to the above, the company has an annual commitment to pay an additional rent being the excess of 5% of sales above £76,800 in relation to The Quilon Restaurant. The total rental amount payable for the year was £116,042 (2019 - £122,417).

22. Related Party Transactions

During the year The Indian Hotels Company Limited invoiced Ta] International Hotels Limited £253,177 (2019 - £485,574) for the provision of management services.

St James Court Hotel Limited is a fellow subsidiary of Ihoco BV. During the year, St James Court Hotel Limited invoiced Ta] International Hotels Limited £116,042 (2019 - £122,417) towards rent in respect of the premises let out and £40,237 (2019 - £36,993) in respect of recharge of utilities. Ta] International Hotels Limited recharged payroll costs of £87,908 (2019 - £349,765) to St James Court Hotel Limited and made sales of goods to St James Court Hotel Limited totalling £278,520 (2019 - £284,841).

At the balance sheet date Ta] International Hotels Limited had the following balances with other group companies. Amounts were due to The Indian Hotel Company Limited of £54,515 (2019 - £113,368). Amounts were due from St James Court Hotel Limited of £16,501 (2019 - £530,807) and due to St James Court Hotel Limited of £56,136 (2019 - £59,988).

23. Controlling Party

The immediate parent undertaking and controlling party is Ihoco BV, a company registered in the Netherlands.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is The Indian Hotels Company Limited. Consolidated accounts are available from Mandlik House, Mandlik Road, Mumbai 400 001, India. in the opinion of the directors this is the company’s ultimate parent company and ultimate controlling party.

INDEPENDENT AUDITORS’ REPORT

To the Members of **Taj International Hotel (H.K.) Limited**

Opinion

We have audited the financial statements of Taj International Hotel (H.K.) Limited (the “Company”) set out on pages 6 to 21, which comprise the statement of financial position as at March 31, 2020, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2020, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. 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 HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors of the Company are responsible for the other information. The other information comprises the directors’ report and the detailed income statement.

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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 the directors 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.

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 20 April 2020

The engagement director on the audit resulting in this independent auditor's report is:
Chan Wai Man
Practising Certificate number: P02487

STATEMENT OF COMPREHENSIVE INCOME

year ended March 31, 2020

	Note	2020 US$	2019 US$
REVENUE	2	144,211	246,115
Other operating expenses	3	(449,148)	(490,732)
Loss before tax	4	**(304,937)**	**(244,617)**
Income tax expense	5	-	-
Loss for the year		**(304,937)**	**(244,617)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		**(304,937)**	**(244,617)**

STATEMENT OF FINANCIAL POSITION

as at March 31, 2020

	Note	2020 US$	2019 US$
CURRENT ASSETS			
Loan advanced to a fellow subsidiary	6	7,000,000	7,000,000
Loan advanced to related companies	7	10,017,705	9,582,970
Due from the ultimate holding company	8	609,235	608,922
Bank balances		96,992	835,967
		17,723,932	**18,027,859**
Current liabilities			
Accrued charges		11,201	10,191
Net current assets		**17,712,731**	**18,017,668**
NET ASSETS		**17,712,731**	**18,017,668**
Capital and reserves			
Share capital	9	230,000,000	230,000,000
Accumulated losses		(212,287,269)	(211,982,332)
TOTAL EQUITY		**17,712,731**	**18,017,668**

These financial statements on pages 6 to 21 were approved and authorised for issue by the board of directors on 20 April 2020 and signed on behalf by

Director
Rajeshkumar Harshadrai Parekh

Director
Chandrasekhar Nagarajan

STATEMENT OF CHANGE IN EQUITY

year ended March 31, 2020

	Share capital US$	Accumulated losses US$	Total US$
At 1 April 2018	230,000,000	(211,737,715)	18,262,285
Loss for the year and total comprehensive loss for the year	-	(244,617)	(244,617)
At March 31, 2019	**230,000,000**	**(211,982,332)**	**18,017,668**
At 1 April 2019	230,000,000	(211,982,332)	18,017,668
Loss for the year and total comprehensive loss for the year	-	(304,937)	(304,937)
At March 31, 2020	**230,000,000**	**(212,287,269)**	**17,712,731**

STATEMENT OF CASH FLOW

year ended March 31, 2020

	Note	2020 US$	2019 US$
OPERATING ACTIVITIES			
Cash used in operations	10	(109,126)	(248,314)
Net cash used in operating activities		**(109,126)**	**(248,314)**
INVESTING ACTIVITIES			
Interest received		144,211	246,115
Loan to related parties		(774,060)	(752,797)
Repayment from a related party		-	525,719
Net cash (used in) generated from investing activities		**(629,849)**	**19,037**
Net decrease in cash and cash equivalents		**(738,975)**	**(229,277)**
Cash and cash equivalents at beginning of year		835,967	1,065,244
Cash and cash equivalents at end of year, represented by bank balances		**96,992**	**835,967**

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2020

CORPORATE INFORMATION

Taj International Hotels (H.K.) Limited (the "Company") is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 42nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is The Indian Hotels Company Limited which is incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange in India. The principal activity of the Company is investment holding.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2019 financial statements. The new/revised HKFRSs that are relevant to the Company and effective from the current year do not have impact on the financial statements. A summary of the principal accounting policies adopted by the Company is set out below.

Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) the Company transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

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.

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 the financial asset to the extent of its continuing involvement and an associated liability for the amounts it may have to pay.

Classification and measurement

Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income; (iii) equity investment measured at fair value through other comprehensive income; or (iv) measured at fair value through profit or loss ("FVPL").

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

The classification of financial assets at initial recognition depends on the Company's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Company's financial assets at amortised cost include bank balances, loan advanced to a fellow subsidiary, loan advanced to related companies and due from the ultimate holding company.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Company's financial liabilities include accrued charges. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. At each reporting date, the Company measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on one or more shared credit risk characteristics, such as past due information and nature of instrument.

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Company may not receive the outstanding contractual amounts in full if the financial instrument meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company); or

(ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

As detailed in note 13 to the financial statements, financial instruments including bank balances, loan advanced to a fellow subsidiary, loan advanced to related companies and due from the ultimate holding company are determined to have low credit risk.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Company writes off a financial asset when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Company has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Company's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents

For the purpose of the statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credited-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Foreign currency translation

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in the currency of United States dollars ("US$"), which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of the parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to parent of the Company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current year, which the Company has not early adopted. The directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results of the Company.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

2 : REVENUE

	2020 US$	2019 US$
Interest Income	**144,211**	**246,115**

3 : OTHER OPERATING EXPENSES

	2020 US$	2019 US$
Auditor's remuneration	10,261	10,192
Exchange loss, net	315,372	265,508
Impairment loss on loan advanced to a related company	24,000	90,000
Other expenses	99,515	125,032
	449,148	**490,732**

4 : LOSS BEFORE TAX

This is stated after charging:	2020 US$	2019 US$
Auditor's remuneration	**10,261**	**10,192**

5 : INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided for the years ended March 31, 2020 and 2019 as the Company's profits neither arose in, nor derived from, Hong Kong and therefore was not subject to Hong Kong Profits Tax. In the opinion of the directors, the Company is not subject to taxation in any other jurisdictions in which the Company operates.

Reconciliation of tax expense

	2020 US$	2019 US$
Loss before tax	**(304,937)**	**(244,617)**
Income tax at applicable tax rate of 16.5% (2019:16.5%)	(50,315)	(40,361)
Non-deductible losses	50,315	40,361
Income tax expense	-	-

6 : LOAN ADVANCED TO A FELLOW SUBSIDIARY

The amount is unsecured, interest free from 1 November 2019 (2019: interest bearing at 3.5% per annum) and repayable with a call option of 3 days' notice. The total carrying amount approximates its fair value at the end of the reporting period.

7 : LOAN ADVANCED TO RELATED COMPANIES

	Note	2020 US$	2019 US$
Loan advanced to a company in which the ultimate holding company has significant influence	7(a)	-	21,246,995
Loan advanced to a company in which the ultimate holding company has joint control	7(b)	10,017,705	9,582,970
		10,017,705	**30,829,965**
Impairment loss	7(c)	-	(21,246,995)
		10,017,705	**9,582,970**

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

7(a) At March 31, 2019, the amount was unsecured, bore interest at LIBOR + 5% per annum and had no fixed repayment term, the amount was fully written-off during the year.

7(b) The amount is unsecured, interest-free and repayable on March 31, 2022 (2019: repayable on March 31, 2020) while the Company has the right to call back the loan with 3 days' notice.

7(c) The total carrying amount approximates its fair value at the end of the reporting period.

8 : DUE FROM THE ULTIMATE HOLDING COMPANY

	2020 US$	2019 US$
Accounts receivable, loans and advance	620,000	620,000
Professional fees and charges payables	(10,765)	(11,078)
	609,235	**608,922**

The amount is unsecured, interest-free and has no fixed repayment term. The carrying amount approximates its fair value at the end of the reporting period.

9 : SHARE CAPITAL

	2020		2019	
	No. of shares	**US$**	**No. of shares**	**US$**
Issued and fully paid:				
At beginning of the year and **end of the reporting period**	**230,000,000**	**230,000,000**	**230,000,000**	**230,000,000**

10 : CASH USED IN OPERATIONS

	2020 US$	2019 US$
Loss before tax	(304,937)	(244,617)
Exchange loss, net	315,325	153,996
Impairment loss on loan advanced to a related company	24,000	90,000
Interest income	(144,211)	(246,115)
Changes in working capital:		
Due from the ultimate holding company	(313)	55
Accrued charges	1,010	(1,633)
Cash used in operations	**(109,126)**	**(248,314)**

11 : CONTINGENT LIABILITIES

St. James Court Hotel Limited ("SJCHL"), a fellow subsidiary of the Company, owns the leasehold interest in a property in London, such interest having been assigned to it in an earlier period by an erstwhile subsidiary company on the basis of a license granted by the landlord of the property, Scottish Widows' Fund and Life Assurance Society. The license was granted for such assignment upon the guarantee from the Company for the due performance and observance by SJCHL of the

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

covenants and conditions contained in the license. The obligations of the Company in favour of the landlord shall remain in force throughout the full term of the lease, including any renewals.

12 : RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year the Company had the following transactions with related parties:

(a)	Related party relationship	Nature of transaction	2020 US$	2019 US$
	The ultimate holding company	Business support service fee	(50,521)	(48,713)
	Fellow subsidiaries	Loan interest income	143,644	245,000

(b) The ultimate holding company has indemnified the Company against any possible losses arising from the loan advanced to a company in which the ultimate holding company has joint control, amounting to US$10,017,705 (2019: US$9,582,970).

13 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise mainly bank balances, loan advanced to a fellow subsidiary, loan advanced to related companies and due from the ultimate holding company. The main purpose of these financial instruments is to raise and maintain finance for the Company's operations.

The main risks arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors generally adopts conservative strategies on its risk management and limit the Company's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than United States dollars. Related company balances are mainly denominated in Great British Pound, Sri Lanka Rupee and South African Rand ("ZAR"). The management considers the risk relating to foreign currencies other than ZAR to be insignificant in view of the outstanding balances and current market condition.

At March 31, 2020, if the United States dollars had weakened / strengthened by 24% (2019: 22%) against ZAR with all other variables held constant, the Company's net loss for the year would have been US$282,000 lower / higher (2019: US$193,000 lower / higher).

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to Company's exposure to currency risk for all financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes in foreign currency represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period.

Credit risk

The Company's credit risk is primarily attributable to bank balances, due from the ultimate holding company, loan advanced to a fellow subsidiary and loan advanced to related companies. Substantially all of the Company's bank balances were deposited in a creditworthy financial institution in Hong Kong. The management of the Company considers the Company has limited credit risk with this financial institution which has high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recognised on the statement of financial position, which is net of impairment losses, represents the Company's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

Loan advanced to a fellow subsidiary / loan advanced to related companies / due from the ultimate holding company

The Company considers that the loan advanced to a fellow subsidiary, loan advanced to related companies and due from the ultimate holding company have low credit risk based on the borrowers' strong capacity to meet their contractual cash flow obligations in the near term and low risk of default. Impairment is measured on 12-month ECL and reflects the short maturities of the exposures.

In estimating the ECL, the Company has taken into account the historical actual credit loss experience over the past 2 years (2019: 2 years) and the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The management of the Company considers the ECL of these financial assets to be insignificant after taking into account the financial position and credit quality of the counterparties.

There was no change in the estimation techniques or significant assumptions made during the year.

Liquidity risk

The Company manages its liquidity and cash flows profiles to ensure the business operations maintain optimum level of liquidity at all times sufficient to meet contractual obligations as and when they fall due. All financial liabilities are expected to be settled on demand at the end of the reporting period.

14 : FAIR VALUE MEASUREMENTS

All financial instruments are carried at amounts not materially different from their fair values as at March 31, 2020 and 2019.

15 : CAPITAL MANAGEMENT

The objectives of the Company's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for its shareholder. The Company manages its capital structure and makes adjustments, including payment of dividend to shareholder, return of capital to shareholder or issue new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended March 31, 2020 and 2019.

16 : INFORMATION ABOUT THE BENEFITS OF DIRECTORS

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

(a) Directors' remuneration

There is no director remuneration for the year (2019: Nil).

(b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company that were entered into or subsisted during the year (2019: Nil).

(c) Directors' material interests in transactions, arrangements or contracts

The directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2019: Nil).

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2020

SCHEDULES TO DETAILED INCOME STATEMENT
for year ended March 31,2020

	Schedule	2020 US$	2019 US$
Revenue	A	144,211	246,115
Other operating expenses	B	(449,148)	(490,732)
Loss before tax		**(304,937)**	**(244,617)**

A. REVENUE	2020 US$	2019 US$
Interest income	**144,211**	**246,115**

B. OTHER OPERATING EXPENSES	2020 US$	2019 US$
Auditor's remuneration	10,261	10,192
Bank charges	838	954
Exchange loss, net	315,372	265,508
General administrative expenses	930	639
Impairment loss on loan advanced to a related company	24,000	90,000
Legal and professional fees	54,654	49,939
Withholding taxes	43,093	73,500
	449,148	**490,732**

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")
The above financial information relating to the years ended March 31, 2020 and 2019 does not constitute the Company's specified financial statements for those years as defined in section 436 of the HKCO but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

Auditor's reports have been prepared on the specified financial statements for both years.

The auditor's reports for the years ended March 31, 2020 and 2019:

- were not qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAHC 5 PTE. LIMITED

(Incorporated in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of BAHC 5 Pte. Limited (the Company), which comprise the statement of financial position as at March 31, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at March 31, 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.2 of the financial statements with respect to the Company's ability to continue as a going concern. The Company incurred a net loss during the year ended March 31, 2020 and, as of that date, the Company's net current liabilities exceeded the current assets, and the accumulated losses exceeded the share capital, respectively as at March 31, 2020. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The validity of the going concern basis on which the financial statements are prepared depends on management's assessment of the Company's ability to operate as a going concern as set forth in Note 2.2 to the financial statements. In the event that the Company is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities. Our opinion is not modified in respect of this matter.

The material uncertainty identified above does not indicate that the going concern basis of accounting is inappropriate. The Company's financial statements have been prepared using the going concern basis of accounting. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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 directors' responsibilities include 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 the directors 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

ROHAN • MAH & PARTNERS LLP
Public Accountants and
Chartered Accountants

Singapore
April 14, 2020

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020

	Note	2020 US$	2019 US$
ASSETS LESS LIABILITIES			
Non-Current Asset			
Property, plant and equipment	4	**54,818,223**	**72,728,364**
Current Assets			
Cash and cash equivalents	5	**1,382,776**	**1,532,458**
CURRENT LIABILITIES			
Other payables	6	81,204	3,685
Loans	7	91,874,462	105,881,472
		91,955,666	105,885,157
NET CURRENT LIABILITIES		**(90,572,890)**	**(104,352,699)**
NET LIABILITIES		**(35,754,667)**	**(31,624,335)**
Capital and reserves attributable to equity holders of the Company			
Share capital	8	1	1
Accumulated losses		(35,754,668)	(31,624,336)
		(35,754,667)	**(31,624,335)**

The accompanying notes form an integral part of these audited financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2020

Continuing operations	Note	2020 US$	2019 US$
Other income	9	2,715,667	1,851
Administrative expenses		(470,885)	(48,692)
Other operating expenses	10	(3,668,946)	(3,536,367)
Finance costs	11	(2,706,168)	(3,269,765)
Loss before taxation		(4,130,332)	(6,852,973)
Taxation	12	-	-
Loss from continuing operations		(4,130,332)	(6,852,973)
Loss for the year		**(4,130,332)**	**(6,852,973)**
Total comprehensive loss		**(4,130,332)**	**(6,852,973)**
Loss attributable to:			
Equity holders of the Company		**(4,130,332)**	**(6,852,973)**
Total comprehensive loss attributable to:			
Equity holders of the Company		(4,130,332)	(31,624,336)

The accompanying notes form an integral part of these audited financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

	Share Capital	Accumulated Losses	Total
	US$	US$	US$
As at April 1, 2018	1	(24,771,363)	(24,771,362)
Total comprehensive loss for the year	-	(6,852,973)	(6,852,973)
As at March 31, 2019	1	(31,624,336)	(31,624,335)
Total comprehensive loss for the year	-	(4,130,332)	(4,130,332)
As at March 31, 2020	**1**	**(35,754,668)**	**(35,754,667)**

The accompanying notes form an integral part of these audited financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(4,130,332)	(6,852,973)
Adjustments for:		
Depreciation of property, plant and equipment	3,334,774	3,536,367
Interest expense	2,706,168	3,269,765
Interest income	(1,941)	(1,851)
Loss on disposal of property, plant and equipment	334,172	-
Reversal of loan written back	(2,713,177)	-
Operating loss before working capital changes	**(470,336)**	**(48,692)**
Working capital changes, excluding related to cash:		
Other payables	77,519	1,248
Cash used in operations activities	(392,817)	(47,444)
Interest paid	(12,357)	(1,703,359)
Interest received	1,941	1,851
Net cash generated from/(used in) operating activities	(403,233)	(1,748,952)
CASH FLOWS FROM INVESTING ACTIVITY		
Proceeds from disposal of property, plant and equipment	14,241,195	-
Net cash generated from investing activity	14,241,195	-
CASH FLOWS FROM FINANCING ACTIVITY		
Loan prepayment	(13,987,644)	-
Net cash used in investing activity	(13,987,644)	-
Net decrease cash and cash equivalents	(149,682)	(1,748,952)
Cash and cash equivalents at the beginning of year	1,532,458	3,281,410
Cash and cash equivalents at the end of year (Note 5)	**1,382,776**	**1,532,458**

The accompanying notes form an integral part of these audited financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1 CORPORATE INFORMATION

BAHC 5 Pte. Limited is a private company limited by shares incorporated in Singapore with its registered address at 8 Shenton Way #21-07, AXA Tower, Singapore 068811.

The immediate holding company is Piem International (HK) Limited, incorporated in Hong Kong. The Company's penultimate holding company and ultimate holding company are Piem Hotels Limited and The Indian Hotels Co Ltd respectively, both incorporated in India.

Tata Sons Pvt Ltd, incorporated in India, is the promoter company of The Indian Hotels Co. Ltd.

On August 21, 2009, the Company was acquired by Piem International (HK) Limited on the basis that the latter's shareholding will only be temporary. The Directors of Piem International (HK) Limited have reiterated, from time to time, its intention to hold the Company's shares on a temporary basis. The Directors of Piem Hotels Limited had also, in the past, issued resolution declaring the temporary nature of its shareholding in the Company. On April 24, 2017, the Directors of Piem International (HK) Limited issued yet another resolution reiterating the temporary nature of its shareholding in the Company.

The principal activity of the Company is to retain ownership of aircraft. There have been no significant changes in the nature of these activities during the year.

The financial statements of the Company for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the Directors on April 14, 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS). The financial statements, expressed in United States Dollar (USD or US$) which is also the functional currency of the Company, are prepared based on the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity except as disclosed in Note 3.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after April 1, 2019. The adoption of these standards did not have any material effect on the financial statements.

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning on or after April 1, 2020, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 Apr 2020
Amendments to FRS 1 and FRS 8 Definition of Material	1 Apr 2020
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to FRS 103 Definition of a Business	1 Apr 2020
Amendments to FRS 109, FRS 39 and FRS 107 Interest Rate Benchmark Reform	1 Apr 2020
FRS 117 Insurance Contracts	1 Apr 2021

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

2.2 Going Concern

The Company's current liabilities exceeded its current assets and the accumulated losses exceeded its share capital as at March 31, 2020. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability as a going concern.

The ability of the Company to continue as a going concern depends on the promoter company of the ultimate holding company continuing to provide financial support and the related party of the promoter company not to recall amounts due to them, if any, until all creditors have been paid.

The validity of the going concern basis on which the financial statements are prepared depends on management's assessment of the Company's ability to operate as a going concern as set forth above. In the event that the Company is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities.

2.3 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method to allocate depreciation amounts over their estimated useful lives. The estimated useful lives are as follows:

	Years
Aircraft	15

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.4 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 exits, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

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

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates use to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.5 Financial Instrument

2.5.1 Financial Assets

Initial Recognition and Measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent Measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and thorough the amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in the other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

2.5.1 Financial Assets - Contd.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirely, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2.5.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent Measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.6 Impairment of Financial Assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtor's ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.8 Borrowing cost

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.9 Leases

These accounting policies are applied on and after the initial application date of FRS 116, April 1, 2019:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the rights to control the use of an identified asset for a period of time in exchange for consideration.

2.9.1 As Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-Use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlaying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.4.

Lease Liabilities

At the commencement date of the lease, the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlaying asset.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

2.9.1 As Lessee - Contd.

Short-Term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to its short-term leases of office rental (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

These accounting policies are applied before the initial application date of FRS 116, 1 April 2019:

2.9.2 As Lessee

Finance lease which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.10 Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate, If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks 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.

2.11 Share Capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.12 Related Parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same company (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a company of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) The entity, or any member of a company of which it is a part, provides key management personnel services to the reporting Company or to the parent of the reporting Company.

2.13 Foreign Currency Transactions and Balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.14 Employee Benefits

2.14.1 Defined Contribution Plan

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.14.2 Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.15 Taxes

2.15.1 Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.15.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable tight exist to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements Made in Applying Accounting Policies

Estimated Useful Life of Property, Plant and Equipment

Estimated useful life for property, plant and equipment is based on the Company's assessment of the expected usage of the asset and expect wear and tear of the asset. The depreciation is charged against the fixed assets to show utilisation of the assets. The estimation of depreciation and useful life requires use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of property, plant and equipment and depreciation expenses in the period in which such estimates has been changed.

Property, plant and equipment are depreciated on a straight-line basis less residual value of 25% of cost over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within 15 years. The carrying amount of the Company's property, plant and equipment as at March 31, 2020 is US$54,818,223 (2019: US$72,728,364). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual lives of these assets, therefore future depreciation charges could be revised.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

4. PROPERTY, PLANT AND EQUIPMENT

2020	Aircrafts
	US$
Cost	
At beginning of year	117,465,088
Disposal	(53,000,000)
At end of year	**64,465,088**
Accumulated Depreciation	
At beginning of year	30,066,207
Depreciation	3,334,774
Disposal	(23,754,116)
At end of year	**9,646,865**
Accumulated Impairment	
At beginning of year	14,670,517
Disposal	(14,670,517)
At end of year	-
Carrying Amount	
At end of year	**54,818,223**

2019	Aircrafts
	US$
Cost	
At beginning and end of year	**117,465,088**
ACCUMULATED DEPRECIATION	
At beginning of year	26,529,840
Depreciation	3,536,367
At end of year	**30,066,207**
Accumulated Impairment	
At beginning and end of year	**14,670,517**
Carrying Amount	
At end of year	**72,728,364**

The Aircrafts are held in trust by a bank not in individual capacity, but as owner trustee and registered with the Federal Aviation Administration (FAA) in the United States of America.

Included in property, plant and equipment is an aircraft with carrying amount of US$54,818,223 (2019: US$58,041,447) in which a hypothecation has been agreed to secure a loan (Note 7).

During the year, the Company disposed one of the aircraft to a third party for US$14,241,195.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

5. CASH AND CASH EQUIVALENTS

	2020	2019
	US$	US$
CASH AT BANK	1,382,775	1,532,457
Cash on hand	1	1
	1,382,776	**1,532,458**

6. OTHER PAYABLES

	2020	2019
	US$	US$
ACCRUALS	3,578	3,685
Sundry creditors	77,626	-
	81,204	**3,685**

7. LOANS

	2020	2019
	US$	US$
Principal		
Secured loan - LIBOR plus 3.5%*	14,026,733	30,727,553
Unsecured loan - LIBOR plus 4%	901,935	901,935
Unsecured loan - 2.1%**	65,000,000	65,000,000
	79,928,668	96,629,488
Accrued interest	11,945,794	9,251,984
	91,874,462	**105,881,472**

The loan amounts are repayable within 12 months. However, the lenders have agreed not to recall the loans during that period. These loans are from related parties (Note 13).

* The loan is secured by the pledge of shares of the Company held by the immediate holding company, PIEM International (HK) Limited.

** The Company has agreed on a hypothecation, which include a claim toward the said aircraft to secure the loan. The Company retains ownership of the aircraft, but the Lender has the right to seize ownership if the Company defaults (Note 4).

8. SHARE CAPITAL

	2020		2019	
	No. of shares	US$	No. of shares	US$
Ordinary shares issued and fully paid:				
At beginning and end of the year	**1**	**1**	**1**	**1**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

9. OTHER INCOME

	2020	2019
	US$	US$
Interest income	1,941	1,851
Loan written back*	2,713,177	-
Miscellaneous income	549	-
	2,715,667	1,851

*During the year, the Company wrote back some of the loan due to refund received by the lender of the original foreign withholding tax.

10. OTHER OPERATING EXPENSES

	2020	2019
	US$	US$
Depreciation expense	3,334,774	3,536,367
Loss on disposal property, plant and equipment	334,172	-
	3,668,946	3,536,367

11. FINANCE COSTS

	2020	2019
	US$	US$
Interest on loans	2,706,168	3,269,765

12. TAXATION

	2020	2019
	US$	US$
Current year taxation	-	-

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follow:

	2020	2019
	US$	US$
Loss before taxation	(4,130,332)	(6,852,973)
Current tax expense on loss before tax at 17%	(702,156)	(1,165,005)
Adjustments:		
Non-deductible expenses	1,163,726	1,165,320
Non-taxable income	(461,570)	(315)
	-	-

13. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

	2020	2019
	US$	US$
Related Parties		
Loan repayment to	(16,700,820)	-
Interest repayment to	(12,358)	(1,703,359)
Interest expense on loan from	2,706,168	3,269,765

Balances with related parties at the reporting date are set out in Note 7.

Related parties in the financial statements refer to companies within the group of the promoter company of the ultimate holding company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

14. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The directors review and agree policies and procedures for the management of these risks which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purpose shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

14.1Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Company minimises credit risk by dealing exclusively high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in a financial loss to the Company. As there are no trade receivable, the Company expose to credit risk is minimal.

14.2 Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities. The Company finances its working capital requirements through a combination of funds generated from operations. The directors are satisfied that funds are available to finance the operations of the Company.

To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalent.

No maturity analysis is presented as all financial assets and liabilities are due within 12 months.

14.3 Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

14.3.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their cash and cash equivalents

The Company is not exposed to interest rate risk as it does not have any financial instruments bearing variable interest rate as at the reporting date.

14.3.2 Foreign Currency Risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company's exposure to foreign currency is minimal as all transaction are dealt with in local currency.

15 FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2020	2019
Financial Assets	**US$**	**US$**
Loans and receivables:		
Cash and cash equivalents	**1,382,776**	**1,532,458**
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Other payables	81,204	3,685
Loans	91,874,462	105,881,472
	91,955,666	**105,885,157**

16 FAIR VALUES

Cash and Cash Equivalents and Other Payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

17 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity, as shown in the statement of financial position, plus net debts.

No specific gearing ratio has been determined by management with the overall objective to keep the ratio as low as possible and such policy has not been changed since the previous financial year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

The gearing ratios at March 31, were as follows:

	2020	2019
	US$	US$
Total trade and other payables and bank borrowings	91,955,666	105,885,157
Less: Cash and cash equivalents	(1,382,776)	(1,532,458)
Net debts	**90,572,890**	**104,352,699**
Total equity	**(35,754,667)**	**(31,624,335)**
	81,204	3,685
Gearing ratio	-	-

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from March 31, 2019.

18 EXPLANATION OF ADOPTION OF NEW STANDARDS

The Company applied FRS 116 Leases, which is mandatorily effective for the annual periods beginning on or after April 1, 2019. The application of this standard and interpretation does not have a material effect on the financial statements.

TO THE MEMBERS

The directors are pleased to present their statement to the members together with the audited financial statements of the BAHC 5 Pte. Limited (the Company) for the financial year ended March 31, 2020.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2020 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, the ability of the Company to continue as a going concern depends on the promoter company of the ultimate holding company continuing to provide financial support and the lender not to recall amounts due to them, if any, until all creditors have been paid, there are reasonable grounds to believe that the Company will be able to pay its debt as and when they fall due.

2 DIRECTORS

The directors of the Company in office at the date of this statement are:

Rajeshkumar Harshadrai Parekh

Ivy Ong Lay Kuan

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

4 DIRECTORS' CONTRACTUAL BENEFITS

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the Act), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

5 SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6 AUDITOR

The auditor, Messrs. Rohan • Mah & Partners LLP. has expressed its willingness to accept re-appointment.

THE BOARD OF DIRECTORS

Rajeshkumar Harshadrai Parekh
Director

Ivy Ong Lay Kuan
Director

Singapore,
April 14, 2020

NOTES

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THE INDIAN HOTELS COMPANY LIMITED
MANDLIK HOUSE, MANDLIK ROAD, MUMBAI - 400001
A TATA Enterprise

IHCLTATA.COM