

ANNUAL REPORT  
2020-2021



BHARAT HOTELS LIMITED



Lalit Suri

(November 19, 1946 - October 10, 2006)

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# ***Bharat Hotels Limited***

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## **CHAIRPERSON AND MANAGING DIRECTOR**

Dr. Jyotsna Suri

## **EXECUTIVE DIRECTORS**

Ms. Divya Suri Singh

Ms. Deeksha Suri

Mr. Keshav Suri

## **DIRECTORS**

Dr. M.Y. Khan (Non-Executive)

Mr. Dhruv Prakash (Independent)

Mr. Vivek Mehra (Independent)

Ms. Shovana Narayan (Independent)

## **CHIEF FINANCIAL OFFICER**

Mr. Gopal Jagwan

## **COMPANY SECRETARY AND HEAD LEGAL**

Mr. Himanshu Pandey

## **REGISTERED OFFICE**

Barakhamba Lane, New Delhi – 110001, India

## **STATUTORY AUDITORS**

Walker Chandiok & Co LLP

Chartered Accountants

L-41, Connaught Circus, Outer Circle

New Delhi 110001, India

## **BANKERS**

Yes Bank Limited

ICICI Bank Limited

Axis Bank Limited

The Jammu & Kashmir Bank Limited

Standard Chartered Bank

Tamilnad Mercantile Bank Limited



## BOARD'S REPORT

### TO THE MEMBERS,

The Directors have pleasure in presenting the 40<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021.

### FINANCIAL HIGHLIGHTS

The key financial highlights of the Company for the financial year ended 31<sup>st</sup> March, 2021 on standalone and consolidated basis are as under:

(Amount Rs. in Lacs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20*	2020-21	2019-20*
Revenue from Operations	12,461.83	46,847.22	14,992.54	56,856.04
Other Income	1,948.40	684.92	2,198.18	1,070.11
<b>Total Income</b>	<b>14,410.23</b>	<b>47,532.14</b>	<b>17,190.72</b>	<b>57,926.15</b>
<b>Earnings before Interest, Tax, Depreciation, and Amortization (EBITDA)</b>	<b>2,568.62</b>	<b>13,641.05</b>	<b>2,948.28</b>	<b>16,943.00</b>
Add: Finance Income	5,210.68	2,369.86	3,834.16	882.63
Less: Finance Costs	13,890.41	14,590.86	15,632.11	16,611.80
Less: Depreciation & Amortization expenses	3,414.05	4,205.30	7,473.63	8,294.58
<b>Loss before Tax &amp; Exceptional Items</b>	<b>(9,525.16)</b>	<b>(2,785.25)</b>	<b>(16,323.30)</b>	<b>(7,080.75)</b>
Less: Exceptional Items	6,050.00	6,370.25	-	2,470.24
<b>Loss after Exceptional Items for continuing operation</b>	<b>(15,575.16)</b>	<b>(9,155.50)</b>	<b>(16,323.30)</b>	<b>(9,550.99)</b>
<b>(Loss)/Profit from discontinued operation after Exceptional Items</b>	<b>(230.65)</b>	<b>3,565.26</b>	<b>(230.65)</b>	<b>3,565.26</b>
Less: Tax Expenses	(5,254.34)	1,045.75	(7,500.70)	1,394.14
<b>Loss for the Year</b>	<b>(10,551.47)</b>	<b>(6,635.99)</b>	<b>(9,053.25)</b>	<b>(7,379.87)</b>
Less: Share of non-controlling Interest	-	-	(1,369.19)	(1,039.67)
Other Comprehensive Income/ (Loss)	30.68	43.04	43.90	47.14
<b>Total Comprehensive Loss for the year</b>	<b>(10,520.79)</b>	<b>(6,592.95)</b>	<b>(7,640.16)</b>	<b>(6,293.06)</b>
Less: Adjustment due to IND AS 116	-	(4,621.46)	-	(4,824.85)
Tax on above	-	1,691.61	-	1,691.61
Add: Retained Earnings brought forward from the previous year	44,441.86	54,880.76	35,805.24	46,147.64
Less: Cash Dividend	-	759.90	-	759.90
Less: Tax on distribution of Equity Dividend	-	156.20	-	156.20
<b>Retained Earnings</b>	<b>33,921.07</b>	<b>44,441.86</b>	<b>28,165.08</b>	<b>35,805.24</b>

\* Previous year figures have been regrouped and reclassified wherever necessary to make them comparable with current year figures.

## **OPERATIONAL PERFORMANCE & STATE OF COMPANY'S AFFAIRS**

The Company has recorded unprecedented decline in revenue and losses on both standalone and consolidated basis during the last financial year amid the COVID-19 crisis. The business operations of the Company were severely disrupted during the first-half of last year due to lockdown, travel restrictions and other control measures implemented by the Government to contain the spread of the pandemic. During this period some of the hotels were accommodating doctors on COVID-19 duty at fixed rates paid by the Government.

The hotels pan-India could not fully operationalise even by the end of year 2020 and witnessed huge reduction in their operating cashflows that has put abrupt pressure on liquidity levels of the Company. With a strong impetus on cost optimization by reviewing all expenses to ensure only the very critical expenses were incurred; the Company has been able to generate a positive EBITDA despite substantial reduction in the revenue.

Several strategic initiatives have been taken to reinstate the business including consolidation of various units of the Company and discontinuation of unprofitable or onerous operations. To better manage its liquidity position, the Company has restructured its existing borrowings from various banks under the RBI guidelines on "Resolution Framework for COVID-19 related Stress".

## **MANAGEMENT ANALYSIS**

The domestic travel, weddings, social and leisure sector as expected has started to pick up. It remains to be seen how the corporate segment responds amid constant lock downs and a culture of work from home. COVID-19 pandemic has impacted and continues to impact business operations of the Company due to lockdown, travel bans, and other emergency measures. The Company's business has been impacted by way of reduction in occupancy rate of hotels and average realization rate per room. Management is undertaking various cost saving initiatives to conserve cash. It is expected that hotel industry in the Asia Pacific region will rebound faster than any other region. The economic impact of the pandemic is highly dependent on variables that are difficult to predict. The Company is keeping a close watch on the developments and is constantly evolving its strategy based on the situation.

The Company has carried out a risk assessment and it does not foresee any disruption in raw material supplies or any incremental risk on recoverability of assets. The internal audit, based on the audits of operating units and corporate functions, by in house internal audit provides positive assurance.

## **DIVIDEND**

In view of business losses and necessity to conserve cash to maintain liquidity for future business requirements, the Board of Directors has decided not to recommend any dividend to the shareholders for the financial year 2020-21.

## **TRANSFER TO RESERVES**

During the financial year 2020-21, no amount has been transferred to General Reserve.

## **TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND AND SHARES TO IEPF AUTHORITY**

The Unclaimed Dividends up to the financial year ended on 31st March 2013, have been transferred to the Investor Education and Protection Fund Authority ("IEPF") as mandated under law. Shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be statutorily transferred to IEPF.

The Company sends reminders to the shareholders to claim their dividends to avoid transfer of dividends/ shares to IEPF Authority. The details of unclaimed dividends and the shareholders, whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website at <https://www.thelalit.com/investors-relations/>. In the



year 2020-21, the Company has transferred the unclaimed dividend of Rs. 280,001/- for the financial year 2012-13 and 24,032 equity shares to IEPF.

In the present financial year 2021-22, the unclaimed dividend for the financial year 2013-14 and the equity shares for which the dividend has not been claimed for 7 (seven) consecutive financial years from 2013-14 onwards (with reference to dividend actually declared for six years from 2013-14 to 2018-19) is being transferred to IEPF.

### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS**

The onset of second wave of COVID-19 in mid-April, 2021 has inconceivably affected the profitability, fund flow and liquidity of the Company. The hotels continued to be partially closed even after the financial year 2020-21. Measures are in progress to optimize costs and improve operational performance. The Company is recovering ground, though in view of the ongoing pandemic the pace of business revival is expected to be slow.

The Company had filed revised income tax returns for last 7 years preceding the financial year 2019-20 pursuant to income tax proceedings. Assessment orders have been received for 6 years, whereby the Income Tax Department has accepted the revised returns of income except for the financial year 2013-14 where depreciation unclaimed by the Company for the financial years 2011-12 & 2012-13 has been added back in the income but simultaneously set-off as carried forward unabsorbed depreciation losses against the income assessed for 2013-14. Hence the tax effect is neutral. Assessment order for the financial year 2012-13 is pending.

### **CHANGE IN NATURE OF BUSINESS**

During the year, there has been no change in the nature of business of the Company.

### **SUBSIDIARIES/ ASSOCIATES**

The consolidated accounts of the Company and its following subsidiaries/ entity controlled by the Company, also forms part of the Annual Report:

1. Jyoti Limited
2. PCL Hotels Limited
3. Lalit Great Eastern Kolkata Hotel Limited
4. Prima Hospitality Private Limited
5. Kujjal Hotels Private Limited
6. The Lalit Suri Educational and Charitable Trust (an entity controlled by the Company)

A statement containing the salient features of the financial statements of all subsidiaries/ associate companies pursuant to Section 129(3) of the Companies Act, 2013 in AOC- 1 forms part of the Annual Report. The statement provides the details of performance and financial position of each of the subsidiaries/ associate companies.

### **BOARD OF DIRECTORS**

The Board of Directors comprises of nine directors as on 31<sup>st</sup> March, 2021 namely:

- Chairperson & Managing Director
- Three Executive Directors
- One Non-Executive Director and
- Four Independent Directors

During the period under review, Mr. Ranjan Mathai has resigned as Independent Director of the Company w.e.f. 31<sup>st</sup> October, 2020. The Board records its appreciation and gratitude to the outgoing Director for his valuable guidance and contribution to the Company.

The Members at the 39<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> November, 2020 have re-appointed Dr. Jyotsna Suri as Chairperson & Managing Director w.e.f. 16<sup>th</sup> October, 2020 and Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri respectively as Executive Directors w.e.f 26<sup>th</sup> August, 2020.

Further, in the same meeting Mr. Ramesh Suri and Ms. Divya Suri Singh, Executive Directors of the Company liable to retire by rotation have been re-appointed as Executive Directors.

After the closure of financial year 2020-21, Late Shri Ramesh Suri has ceased to be Director of the Company with effect from 12<sup>th</sup> May, 2021 due to his unfortunate sudden demise. The Directors place on record appreciation towards the contributions of Late Shri Ramesh Suri during his tenure.

The tenure of Dr. M.Y. Khan as Independent Director of the Company for second consecutive term has expired on 26<sup>th</sup> September, 2021. As per the provisions of Section 161 and 152 of the Companies Act, 2013 the Board has appointed Dr. Khan as Additional Director w.e.f 27<sup>th</sup> September, 2021 and recommended his appointment as Non-Executive Non-Independent Director of the Company for Members' approval in the forthcoming Annual General Meeting.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Ms. Deeksha Suri, Executive Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment subject to the approval of Members of the Company.

## **INDEPENDENT DIRECTORS**

The Independent Directors in Board of the Company as on 31<sup>st</sup> March, 2021 are:

- Dr. M.Y. Khan,
- Mr. Dhruv Prakash,
- Mr. Vivek Mehra and
- Ms. Shovana Narayan

All the above Independent Directors have given the declaration confirming that they meet the criteria of independence in accordance with the provisions of Section 149(6) and 149(7) of the Companies Act, 2013. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

All the Independent Directors have confirmed that their names have been included in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs as required under Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

After the closure of financial year 2020-21, Dr. M.Y. Khan has ceased to be Independent Director of the Company on the expiry of his second consecutive term on 26<sup>th</sup> September, 2021.

## **KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel ("KMP") of your Company are:

- |                        |   |                                    |
|------------------------|---|------------------------------------|
| • Dr. Jyotsna Suri     | - | Chairperson and Managing Director, |
| • Ms. Divya Suri Singh | - | Executive Director,                |
| • Ms. Deeksha Suri     | - | Executive Director,                |





- Mr. Keshav Suri - Executive Director,
- Mr. Himanshu Pandey - Company Secretary and Head Legal,
- Mr. Gopal Jagwan - Chief Financial Officer.

During the year under review, Mr. Gopal Jagwan has been appointed as Chief Financial Officer of the Company with effect from 1<sup>st</sup> May, 2020.

## MEETINGS OF THE BOARD

The Board of Directors of the Company met four (4) times during the financial year 2020-21, ensuring that the intervening gap between the meetings did not exceed the period prescribed under the Act as extended in view of COVID-19 pandemic by Ministry of Corporate Affairs vide Circular No. 11/2020 dated 24<sup>th</sup> March 2020 increasing the time gap between two meetings held during quarter ended June 2020 and September 2020 to 180 days, against the requirement of 120 days.

The number and dates of meetings of the Board and the various Committees of the Company during the financial year 2020-21 and the number of meetings attended by each Director of the Company is given in 'Annexure I', which forms part of this report.

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the Annual Accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## BOARD EVALUATION

The evaluation of the individual Directors, Committees, and Board's effectiveness was conducted in accordance with the provisions of the Companies Act, 2013.

Performance of the Board and Board's Committees was evaluated on various parameters such as Board composition & structure, frequency, flow and functioning of meetings, quality, diversity, experience, quality of decision making and effectiveness of processes.

The Nomination and Remuneration Committee ("NRC") supervises the process of performance evaluation. The Chairman of the NRC conducted discussions with the Board's Chairperson on the performance evaluation and effective functioning of the Board.

## **COMMITTEES OF THE BOARD**

The mandatory Committees constituted by the Board are as under:

### **1. Audit Committee**

During the financial year under review, the Company's Audit Committee comprises of three Independent Directors and one Executive Director. The members of the Committee are:

- Dr. M Y Khan - Chairman (Independent Director)
- Mr. Vivek Mehra (Independent Director)
- Mr. Dhruv Prakash (Independent Director)
- Mr. Keshav Suri (Executive Director)

All the members of the Committee have the relevant experience in the field of finance, banking and accounting. The Committee met three times during the period under review. The details of meetings and the number of meetings attended by each member of the Committee are given in **Annexure I**. The Committee invited executives of the Company as it may consider appropriate. Audit Committee meetings are attended by CFO, Internal Auditor and the Statutory Auditors.

The Auditors of the Company discuss their audit findings and updates with the Committee. The Committee reviews the effectiveness of audit process, internal controls and related party transactions in the Company. The recommendations of the Audit Committee were accepted by the Board in the financial year 2020-21.

After the closure of financial year 2020-21, on 25<sup>th</sup> September, 2021 the Audit Committee has been re-constituted comprising majority as Independent Directors and one Non-Executive Director. The members of the Committee are:

- Dr. M Y Khan - Chairman (Additional Director- Non-Executive)
- Mr. Vivek Mehra (Independent Director)
- Mr. Dhruv Prakash (Independent Director)

### **2. Nomination and Remuneration Committee**

The Company's Nomination and Remuneration Committee comprises entirely of Independent Directors. The members of the Committee are:

- Mr. Dhruv Prakash - Chairman (Independent Director)
- Dr. M.Y Khan (Independent Director)
- Ms. Shovana Narayan (Independent Director)

The Committee met two times during the period under review. The details of meetings and the number of meetings attended by each member of the Committee are given in **Annexure I**. The Committee invites executives of the Company as it may consider appropriate. Nomination and Remuneration Committee meetings are attended by CFO, Head HR and other executives.

During the period under review, the Committee reviewed the Employee Stock Option Plan, performance evaluation of the Board, Committees and Directors, recommended appointments and remuneration of Key Managerial and Senior Managerial Personnel.

### **3. Stakeholders Relationship Committee**

During the financial year 2020-21, the Company's Stakeholders Relationship Committee comprised of:

- Mr. Ramesh Suri - Chairman (Non-Executive Director)
- Dr. Jyotsna Suri (Chairman & Managing Director)
- Ms. Divya Suri Singh (Executive Director)



Due to the death of Mr. Ramesh Suri, the Stakeholders Relationship Committee was reconstituted w.e.f. 30<sup>th</sup> June, 2021 and comprises of the following members:

- Mr. Dhruv Prakash - Chairman (Independent Director)
- Dr. Jyotsna Suri (Chairman & Managing Director)
- Ms. Divya Suri Singh (Executive Director)

The Committee met three times during the period under review. The details of meetings and the number of meetings attended by each member of the Committee are given in **Annexure I**.

The brief terms of reference of the Committee is resolving grievances of shareholders' complaints related to transfer/transmission of shares, issue of duplicate share certificates, non-receipt of dividend, etc.

#### **4. Corporate Social Responsibility Committee ("CSR")**

The Company's CSR Committee comprises of:

- Dr. Jyotsna Suri – Chairman (Chairman & Managing Director)
- Ms. Divya Suri Singh (Executive Director)
- Ms. Shovana Narayan (Independent Director)

The Committee met once during the period under review on 20<sup>th</sup> March, 2021.

Pursuant to the Section 135 of the Companies Act, 2013, the Board of Directors had approved the Corporate Social Responsibility Policy of the Company which interalia includes the corporate social responsibility activities to be taken by the Company. The said policy may be referred at the Company's website <https://www.thelalit.com/wp-content/uploads/2018/06/CSR-Policy.pdf>.

As part of its CSR initiatives, the Company has undertaken various CSR activities under its Corporate Social Responsibility policy. During the period under review, the Company also contributed towards the Covid-19 pandemic related causes through food/ration distribution and preventive health care including distribution of masks and sanitizers to the needy community.

The Annual Report on CSR activities in accordance with the provisions of Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, is given in 'Annexure- II' which forms part of this report.

#### **AWARDS & RECOGNITIONS**

The hotels and management of the Company won the following awards and recognitions during the financial year 2020-21:

##### **The Lalit New Delhi**

- # 1 Favourite LGBTQ-Friendly Hotel in India" by Condast Traveller Readers' Travel Awards 2020
- Certificate of Excellence by Trip Advisor

##### **The Lalit Mumbai**

- Traveller's Choice Award by Trip Advisor

##### **The Lalit Suri Hospitality Group**

- "Best Frontline Support/CSR" by Travel & Leisure Awards 2020

## **Awards and Recognition to the Management**

### **Mr. Keshav Suri-Executive Director**

- LGBT+ Executive Role Model 2020 by Outstanding & Yahoo Finance

## **VIGIL MECHANISM POLICY**

Pursuant to the Section 177 of the Companies Act, 2013, the Company has adopted the Whistle Blower Policy under which employees or any other stakeholders can raise their concerns relating to fraud, malpractice or any such activity which is against the Company's interest.

The Whistle Blower can directly approach the Vigilance and Ethics Officer or Chairman of the Audit Committee. The Company has provided adequate safeguards against victimization of employees or other Whistle Blower who express their concerns.

The policy is available on the website of the Company under the link: <https://www.thelalit.com/wp-content/uploads/2021/07/Vigil-Mechanism-Policy-2021.pdf>.

## **RISK MANAGEMENT POLICY**

The Company has in place a Risk Management Policy, pursuant to the provisions of Section 134 of the Act to identify, evaluate and monitor business risks and opportunities for mitigation of the same on a continual basis. This framework seeks to create transparency, minimize adverse impact on business objective and enhance your Company's competitive advantage.

The Risk Management framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

Your Company is faced with risks of different types, each of which need varying approaches for mitigation. Risk Management Policy lays down the process for identification and mitigation of risks.

The policy is available on the website of the Company under the link: <https://www.thelalit.com/wp-content/uploads/2018/06/Risk-management-policy.pdf>.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

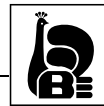
Pursuant to the Section 178 of the Companies Act, 2013, the Company has adopted policy regulating appointment and remuneration of Directors, Key Managerial Personnel and Senior Managerial Personnel. The policy lays down the criteria for determining qualifications, positive attributes, independence of a director and other matters.

The Policy is available on the website of the Company under the link: <https://www.thelalit.com/wp-content/uploads/2018/06/Appointment-and-Remuneration-Policy.pdf>.

## **INTERNAL FINANCIAL CONTROLS**

The Company has Internal Control Systems, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organisation. The Internal Auditor reports to the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures, and policies at all locations of your Company. Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested



are presented to the Audit Committee of the Board. The internal financial controls as laid down are adequate and were operating effectively during the year.

For the financial year 2020-21, as required under Section 143 of the Act, the Statutory Auditors have evaluated and expressed an opinion on the internal financial controls based on audit. In their opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2021.

### **EMPLOYEE STOCK OPTION PLAN, 2017**

The Company has implemented “Bharat Hotels Employees Stock Option Scheme 2017” to reward and retain key employees of the organization. Disclosures with respect to Stock Options are given in the Notes to the Financial Statements and can also be accessed on the Company’s website under the link: <https://www.thelalit.com/wp-content/uploads/2018/07/ESOP-Disclosure.pdf>.

A total of 100,800 stock options have expired and 56,673 stock options are vested during the year. Accordingly, as on 31<sup>st</sup> March, 2021 a total 226,692 stock options are outstanding. The Auditor of the Company has certified that the Employee Stock Option Schemes of the Company have been implemented in accordance with the regulations and the resolutions passed by the members in this regard.

### **STATUTORY AUDITORS**

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the members at the Annual General Meeting held on 23<sup>rd</sup> August, 2017 had appointed M/s. Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration No.001076N/N500013) as Statutory Auditors of the Company for a term of five years.

### **AUDITORS’ REPORT**

The Auditors’ Report read together with Annexure referred to in the Auditors’ Report does not contain any qualification, reservation, adverse remark or disclaimers, hence no explanations or comments of the Board is required. The Auditor has drawn attention to the following items in their report stating that their opinion is not modified in respect to these matters:

- The Company has received a termination letter dated 13<sup>th</sup> February, 2020 from New Delhi Municipal Corporation (‘NDMC’) terminating the license deed of The Lalit New Delhi. The Company has filed a writ petition with Hon’ble High Court of Delhi against the said notice. The Hon’ble High Court of Delhi vide order dated 4<sup>th</sup> March, 2020 has directed NDMC not to take any coercive action against the Company. Based on the legal analysis, the Management believes that no liability would devolve over the company.
- During the year under review, COVID 19 pandemic has impacted and continues to impact the business operations of the Company due to lockdown, travel bans, quarantines and other emergency measures. Various measures have been taken by the Company to improve its business performance and financial condition. The Company will continue to monitor any material changes to future economic conditions and any significant impact would be recognized in the financial statements.

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee or the Board under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

## **COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## **SECRETARIAL AUDITORS**

During the year M/s. RSM & Co., Company Secretaries were appointed as the Secretarial Auditors of the Company for the financial year 2020-21, as required under Section 204 of the Companies Act, 2013. The Secretarial Audit Report for the financial year 2020-21 forms part of this report as '**Annexure III**'.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark, hence no explanation or comments of the Board is required on the same. The Secretarial Auditor has observed that in view of COVID-19 pandemic and relaxations announced by Ministry of Corporate Affairs vide Circular No. 11/2020 dated 24<sup>th</sup> March 2020 increasing the time gap between two meetings held during quarter ended June 2020 and September 2020 to 180 days, against the requirement of 120 days and provisions of Secretarial Standard-1 on Meeting of Directors, the Company held three meetings during the calendar year 2020 and four meetings during the financial year 2020-21.

## **ANNUAL RETURN**

In terms of provisions of Section 92, 134(3)(a) of the Act read with Rule 12 of Companies (Management and Administration) Rules, 2014 and amendments thereto, the Annual Return of the Company is available at the website of the Company at [www.thelalit.in/BHL/Annual\\_Return\\_2020-21.pdf](http://www.thelalit.in/BHL/Annual_Return_2020-21.pdf).

## **DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an anti sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). Internal Complaints Committees have been set up in accordance with the provisions of POSH Act at each unit / hotel of the Company to redress any sexual harassment complaints received. All employees (permanent or contractual or trainees) are covered under the policy.

During the year the committee did not receive any complaint. There is no complaint outstanding as on 31<sup>st</sup> March, 2021 for redressal.

## **FIXED DEPOSITS**

The Company has not accepted deposits from public as envisaged under Sections 73 to 76 of Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 from the public during the year. There are no unpaid or unclaimed deposits lying with the Company.

## **LOANS, GUARANTEES OR INVESTMENTS**

Particulars of loans given, investments made, guarantees and securities provided by the Company are given in the note no. 4 and 5 forming part of the standalone financial statements of the Company for the financial year 2020-21.

## **RELATED PARTY TRANSACTIONS**

Pursuant to the provisions of Section 188 of the Companies Act, 2013, all transactions entered by the Company with related parties were in the ordinary course of business and on arm's length basis for the financial year 2020-21.



No details are required to be given pursuant Section 134 of the Companies Act, 2013 in Form AOC-2. Particulars of all related parties transactions entered during the financial year 2020-21, are given in note 51 forming part of the standalone financial statements 2020-21.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are planned / repetitive in nature.

The Policy on materiality of related party transactions is available on the website of the Company at <https://www.thelalit.com/wp-content/uploads/2018/06/Policy-on-Materiality-of-Related-Party-Transactions.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

### **INFORMATION REGARDING PARTICULARS OF EMPLOYEES**

The information required under Section 194(12) of the Act read with Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided as '**Annexure IV**', forms part of this report.

### **INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGES EARNINGS AND OUTGO**

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, pertaining to conservation of energy, technology absorption and foreign exchanges earnings and outgo, as required to be disclosed under the Act, are provided in '**Annexure V**', forms part of this report.

### **OTHER DISCLOSURES**

No disclosure or reporting is required in respect of the following items as there were no transactions or instances on these items during the financial year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013 as required pursuant to the Rule 8(5) of the Companies (Accounts) Rules, 2014.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of Sweat Equity Shares in terms of Section 54 of the Companies Act, 2013 and Rules there under.
4. The Company has not provided any financial assistance to any person for the purpose of purchase or subscription of the shares in the Company in terms of Section 67 of the Companies Act, 2013.
5. Neither the Chairperson & Managing Director nor any Executive Directors of the Company received any remuneration or commission from any of its subsidiaries.
6. The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. No significant or material orders were passed by the Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future.
8. During the period under review, the company has neither made any application nor is any proceeding pending under the Insolvency and Bankruptcy Code, 2016.



## **ACKNOWLEDGEMENT**

The Directors acknowledge with gratitude the whole-hearted support and the co-operation extended by all associated with the operations hotels of the Company as well as the hotels under construction and renovation. They also express their appreciation to the employees at all levels for their dedication and sincerity. The employee-management relations were cordial throughout the year.

The Directors deeply regret the losses suffered due to the Covid-19 pandemic and place on record their sincere appreciation to all the front-line workers and those who have gone beyond their duties in battling against the pandemic.

Your Directors also place on record their sincere appreciation for the wholehearted support extended by the Government and other Statutory Authorities, Company's Bankers and lenders, Business Associates, Auditors, all the stakeholders and members of public for their continued support and confidence reposed in the management of the Company.

**For and on behalf of the Board**

Sd/-

**(Dr. Jyotsna Suri)**

Chairperson and Managing Director

DIN: 00004603

Dated: 8<sup>th</sup> October, 2021

Place: New Delhi



**ANNEXURE-I****MEETINGS OF THE BOARD AND COMMITTEES HELD DURING THE  
FINANCIAL YEAR 2020-21****A) Meeting of Board of Directors:**

Meetings	Date of Meeting
1.	August 29, 2020
2.	December 19, 2020
3.	February 25, 2021
4.	March 24, 2021

**Total number of Board Meetings: 4 (Four)**

Sr. No.	Particulars of Directors	No. of Meeting(s) attended
1.	Dr. Jyotsna Suri, Chairperson & Managing Director	4
2.	Ms. Divya Suri Singh, Executive Director	4
3.	Ms. Deeksha Suri, Executive Director	4
4.	Mr. Keshav Suri, Executive Director	4
5.	Mr. Ramesh Suri, Director	4
6.	Dr. M.Y. Khan, Independent Director	4
7.	Mr. Dhruv Prakash, Independent Director	4
8.	Mr. Vivek Mehra, Independent Director	4
9.	Mr. Ranjan Mathai, Independent Director*	1
10.	Ms. Shovana Narayan, Independent Director	2

\* Mr. Ranjan Mathai resigned from the office of Independent Director of the Company w.e.f. October 31, 2020

**B) Committees of Board of Directors:****i) Audit Committee**

Meetings	Date of Meeting
1.	August 29, 2020
2.	December 19, 2020
3.	February 25, 2021

**Total number of Audit Committee Meetings : 3 (Three)**

Sr. No.	Audit Committee Members	No. of meeting(s) attended
1.	Dr. M.Y. Khan, Chairman	3
2.	Mr. Vivek Mehra	3

Sr. No.	Audit Committee Members	No. of meeting(s) attended
3.	Mr. Keshav Suri	0
4.	Mr. Dhruv Prakash	3

## ii) Stakeholders Relationship Committee ("SRC")

Meetings	Date of Meeting
1.	October 14, 2020
2.	November 28, 2020
3.	March 18, 2021

**Total number of Stakeholders Relationship Committee Meetings : 3 (Three)**

Sr. No.	SRC Members	No. of meeting(s) attended
1.	Mr. Ramesh Suri, Chairman	0
2.	Dr. Jyotsna Suri	3
3.	Ms. Divya Suri Singh	3

## iii) Nomination and Remuneration Committee ("NRC")

Meetings	Date of Meeting
1.	August 29, 2020
2.	December 19, 2020

**Total number of NRC Meetings : 2 (Two)**

Sr. No.	NRC Members	No. of meeting(s) attended
1.	Mr. Dhruv Prakash, Chairman	2
2.	Dr. M.Y Khan	2
3.	Ms. Shovana Narayan	0
4.	Mr. Ranjan Mathai	1

## iv) Corporate Social Responsibility Committee ("CSR")

Meetings	Date of Meeting
1.	March 20, 2021

**Total number of CSR Committee Meetings : 1 (One)**

Sr. No.	CSR Committee Members	No. of meeting(s) attended
1.	Dr. Jyotsna Suri, Chairperson	1
2.	Ms. Divya Suri Singh	1
3.	Ms. Shovana Narayan	1

v) **Management Committee**

<b>Meetings</b>	<b>Date of Meeting</b>
1.	June 12, 2020
2.	October 16, 2020
3.	January 28, 2021
4.	March 19, 2021

**Total number of Management Committee Meetings : 4 (Four)**

<b>Sr. No.</b>	<b>Management Committee Members</b>	<b>No. of meeting(s) attended</b>
1.	Dr. Jyotsna Suri, Chairperson	4
2.	Ms. Divya Suri Singh	4
3.	Ms. Deeksha Suri	4
4.	Mr. Keshav Suri	4

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 and  
Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

#### 1. Brief outline on CSR Policy of the Company.

Our Company believes that it is the people that account for the success of our hotels. Therefore, our initiative is to involve the local population, give them training & employment, thereby giving a boost to the economic environment of the place. Accordingly, Corporate Social Responsibility has always been on the company agenda.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Jyotsna Suri	Chairperson, Non-Independent, Executive Director	1	1
2.	Ms. Divya Suri Singh	Member, Non-Independent, Executive Director	1	1
3.	Ms. Shovana Narayan	Member, Independent, Non-Executive Director	1	1

#### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board is disclosed.

<https://www.thelalit.com/wp-content/uploads/2018/06/CSR-Policy.pdf>

#### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of Companies (CSR Policy) Rules, 2014)

**Not Applicable**

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year.

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be setoff for the financial year, if any (in Rs.)
Not Applicable			

#### 6. Average net profit of the Company as per section 135(5) : Rs. 83.47 Lacs

#### 7.

(a) Two percent of Average net profit of the Company as per section 135(5) : Rs. 1.67 Lacs

(b) Surplus arising out of the CSR projects/ programmes or activities of the previous financial year : Nil

(c) Amount required to be set on/ set off for the financial year, if any : Rs. 8.46 Lacs

Total CSR obligation for the financial year (7a + 7b + 7c) : Rs. 10.13 Lacs

#### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 17.79 Lacs	Not Applicable				

(b) Details of CSR amount spent against **ongoing projects for the financial year:**

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (Rs. In Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency		
				State	District						Name	CSR Registration Number	
NIL													

(c) Details of CSR amount spent against other than **ongoing projects** for the financial year:

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount Spent for the project (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR registration number
1	Horticulture & housekeeping services at structures of National Importance	Protection of Natural Heritage, Art & Culture	Yes	Rajasthan	Jaipur	1,508,710.95	Yes	N.A.	N.A.
2	Ration Distribution	Eradicating hunger, poverty and malnutrition	Yes	Maharashtra and Delhi	Mumbai and Delhi	245,412.27	Yes	N.A.	N.A.
3	Mask and Sanitizer Distribution	promoting health care including preventive health care	Yes	Maharashtra and Delhi	Mumbai and Delhi	15,804.00	Yes	N.A.	N.A.
4	Food distribution to LGBTQ Community	Eradicating hunger, poverty and malnutrition	Yes	Chandigarh	Chandigarh	9,455.00	Yes	N.A.	N.A.
<b>TOTAL</b>						<b>1,779,382.22</b>			

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Not Applicable
- (f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e) : Rs. 17.79 Lacs
- (g) Excess amount for set off, if any : Rs. 7.66 Lacs

S. No.	Particular	Amount (in ₹)
i.	Two percent of average net profit of the Company as per section 135(5)	Rs. 1.67 Lacs
ii.	Total amount spent for the Financial Year	Rs. 10.13 Lacs
iii.	Excess amount spent for the financial year [(ii)-(i)]	Rs. 7.66 Lacs
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 7.66 Lacs

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount Spent in the Current Financial Year(in ₹)	Amount transferred to any CSR Fund as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years
				Amount (in ₹)	Date of Transfer	
Nil						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

S. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative Amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset (s). : Nil
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Nil
- (d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset). : Nil

11. Specify the reason (s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). : Not Applicable

For On behalf of the Board of Directors  
**Bharat Hotels Limited**

Sd/-  
**(Dr. Jyotsna Suri)**  
 Chairperson & Managing Director  
 Chairperson of CSR Committee



## ANNEXURE-III

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021

#### FORM NO. MR-3

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

The Members  
Bharat Hotels Limited  
(CIN: U74899DL1981PLC011274)  
Barakhamba Lane,  
New Delhi -110 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BHARAT HOTELS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

1. The Companies Act, 2013("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;
5. The Securities of the Company are not listed with any Stock Exchange, therefore, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) are not applicable.

We further report that:

6. We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under the other applicable Act, Laws and Regulations to the Company. Therefore, we are of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry are:

- i) Food Safety & Standard Act 2006
- ii) Food Safety and Standard Rules 2011

Beside above, the Company has complied with the applicable central and state laws, including those related to Environment, Legal Metrology Act laws pertaining to the hotels of the Company. The Company has also obtained the necessary licenses/registrations/approvals from respective authorities which are mandatory to run activities related to hotel(s).

7. We have also examined compliance with the applicable clauses of Secretarial Standard with regard to meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

8. We further report that:-

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

Adequate notice was given to all Directors to schedule the Board Meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In view of COVID-19 pandemic and relaxations announced by Ministry of Corporate Affairs vide Circular No.11/2020 dated 24th March 2020 increasing the time gap between two meetings held during quarter ended at June 2020 and September 2020 to 180 days, against the requirement of 120 days and provisions of Secretarial Standard 1 on Meeting of Directors, the Company held three meetings during the calendar year 2020 and four meetings during the financial year under report.

Majority of decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or committee of the Board, as the case may be.

There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

9. We further report that during the audit period, there were no specific events/ actions having a major bearing on Company's affairs in the pursuance to the above-referred laws, rules, regulations, guidelines, standards, etc. The writ petition filed by the Company with Hon'ble High Court of Delhi against the notice issued by NDMC for termination of license arrangement, as reported in our previous report, remains pending.

This report is to be read with our letter of even date which is annexed as **"Annexure-1"** and form an integral part of this report.

**For RSM & Co.**  
**Company Secretaries**

Sd/-

**CS RAVI SHARMA**

Partner

FCS: 4468 | COP No.: 3666

UDIN: F004468C001368468

Date : 8<sup>th</sup> October, 2021

Place : New Delhi





## ANNEXURE-1

The Members  
Bharat Hotels Limited  
(CIN: U74899DL1981PLC011274)  
Barakhamba Lane,  
New Delhi -110 001

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, rule and regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company

**For RSM & Co.**  
Company Secretaries

Sd/-  
**CS RAVI SHARMA**  
**Partner**  
FCS: 4468 | COP No.: 3666  
UDIN F004468C001368468

Date : 8<sup>th</sup> October, 2021  
Place : New Delhi

### Information as per Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Employee Name	Designation	Remuneration (in Rs.)	Nature of Employment	Qualification	Experience	Date of Commencement of Employment	Age (In years)	Last Employment	% of shares held in the Company	Whether related to any Director or Manager
A	List of top ten employees in terms of remuneration drawn during the financial year 2020-21*:										
1	Dr. Jyotsna Suri	Chairperson & Managing Director	15,304,000	Contractual	English Honours from Miranda House College, Delhi University	32 years	2-Nov-89	69 yrs.	-	9.54%	Related to Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri.
2	Ms. Divya Suri Singh	Executive - Director	12,054,000	Contractual	Master in Law from Kings College, London.	24 years	26-Aug-09	47 yrs.	Practicing Lawyer	0.00%	Related to Dr. Jyotsna Suri, Ms. Deeksha Suri and Mr. Keshav Suri. Late Mr. Ramesh Suri is also related being Paternal Uncle.
3	Ms. Deeksha Suri	Executive - Director	12,054,000	Contractual	Post Graduation in Business Management from the London School of Economics.	18 years	1-Sep-02	42 yrs.	-	0.00%	Related to Dr. Jyotsna Suri, Ms. Divya Suri Singh and Mr. Keshav Suri. Late Mr. Ramesh Suri is also related being Paternal Uncle.
4	Mr. Keshav Suri	Executive - Director	12,054,000	Contractual	Graduation in Law and Business from University of Warwick, UK, Master's Degree in International Management from Kings College, London, Training in Management & Entrepreneurship at the London School of Economics, LLM Degree from School of African & Oriental Studies (SAOS), London	13 years	1-Jul-07	36 yrs.	-	5.11%	Related to Dr. Jyotsna Suri, Ms. Divya Suri Singh and Mr. Deeksha. Late Mr. Ramesh Suri is also related being Paternal Uncle.
5	Mr. Vivek Shukla	General Manager - Corporate Affairs & The LaLit, New Delhi	5,182,140	Service	Diploma in Hotel Management from IHM, Mumbai	28 years	13-Apr-05	50 yrs.	Hyatt International, Mumbai	-	-
6	Mr. Gopal Jagwan	Chief Financial Officer	5,000,004	Service	Chartered Accountant	23 years	1-May-20	48 yrs.	Epac Durables	-	-
7	Mr. Rakesh Mitra	Group General Manager - Sales & Revenue	4,526,376	Service	Master of Business Administration, Diploma in Hotel & Restaurant Management	23 years	17-May-02	44 yrs.	Solution Pvt. Ltd Royal Orchid Park Plaza	-	-
8	Ms. Nita Baluni	General Manager - Corporate Human Resources	4,000,000	Service	Post Graduation in HR	31 years	3-Feb-2020	50 yrs.	Sterling Holidays	-	-
9	Mr. Rocky Kalra	General Manager- Corporate Operations, Development and Security	3,952,608	Service	B.Com, Diploma in Restaurant & CounterService.	31 years	16-Mar-09	55 yrs.	Costa Coffee	-	-
10	Mr. Vinay Kumar Vasudev	General Manager - Technical Services	3,500,004	Service	Diploma in Mechanical Engineering	35 years	21-Dec-16	62 yrs.	Commonwealth Games Village Complex Project	-	-
B	Personnel who are in receipt of remuneration aggregating not less than Rs. 1,02,00,000 per annum and employed throughout the financial year: None										
C	Personnel who are in receipt of remuneration aggregating not less than Rs. 8,50,000 per month and employed for part of the financial year: None										
D	Personnel who are in receipt of remuneration is in excess of MD or WTD and holds 2% or more shares of the Company himself or along with spouse or dependent Children: None										

#### Note\*:

1. Remuneration comprises of Salary, Allowances and Company's contribution to Provident Fund.
2. Actual remuneration received by the above employees for FY 2020-21 is lesser as they have voluntarily waived a part thereof having regard to the grave situation caused by the outbreak of the COVID-19 pandemic, closure of hotel units/suspension of business activities due to the lockdown/ travel restrictions imposed by the Government of India and the likely impact of the same on the Company's performance.



## ANNEXURE - V

### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Rule 8 (3) the Companies (Accounts) Rules, 2014

#### (A) CONSERVATION OF ENERGY

- (a) The energy conservation measures adopted by the Company in respect of its various hotels are as follows:
- To optimize operational efficiency of air conditioning plant, energy efficient pumps, chillers were maintained as per OEM direction, to contain operational cost.
  - Conventional halogen bulbs, CFL are being replaced by energy efficient LED's fixtures.
  - Replacement of analog thermostats with digital type for fan coil units for air conditioning.
  - Installed low flow rate water fixtures in hotels, were maintained as per direction of OEM to contain water consumption.
  - Overhauling/ Refurbishment, replacement of cooling towers on need base were carried out in different units. To improve input water parameters for Chillers, as per recommendations of OEM to maintain operational efficiency of Chillers.
- (b) The implementation of Energy Conservation programme is as follows:
- Tight control on electricity consumption, regular check up, upkeep of lightning systems and other equipments, control in temperature of air conditioning to adhere to Govt. Guidelines for Covid 19, optimization of laundry operation and boiler operating hour etc. are carried out regularly to conserve energy.
  - Energy targets are set out to conserve energy and compared with last year's / last month consumption.
  - Hotel associates are made aware of the initiatives taken by company to save energy and all members are encouraged to switch off electricity and air conditioner if any of the office is not in use.
  - As a result of the aforesaid measures, considerable saving in Electrical units, PNG and Water has been achieved. The Company continues to make all efforts to keep consumption at optimum level.

#### (B) TECHNOLOGY ABSORPTION

- i) As a continual product up-gradation, the Company is upgrading installed electrical installations with state of the art technology switchgear etc on need base requirement across group, also to improve quality of power by maintaining higher power factor above 0.95 and on need base upgrading Automatic Power factor correction system.
- ii) The Company is planning to upgrade existing Building Management System with State of the art technology Integrated Building Management System and exploring use of IOT for System integration.

#### (C) FOREIGN EXCHANGE EARNING AND OUTGO:

(Rs. in Lacs)

Particulars	Financial Year	
	2020-21	2019-20
CIF Value of Imports	-	13.64
Expenditure in Foreign Currency	23.07	1,501.45
Earnings in Foreign Exchange	313.33	9,656.40

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Bharat Hotels Limited**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

1. We have audited the accompanying standalone financial statements of Bharat Hotels Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing 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 ethical requirements that are relevant to our audit of the financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant 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 Matters**

4. We draw attention to the following matters:
  - (a) Note 57 to the accompanying standalone financial statements, which describes that the Company had received termination letter from New Delhi Municipal Corporation ('NDMC') dated 13 February 2020 terminating the land license of the commercial establishment (including hotel and commercial towers) of the Company situated at New Delhi. The Company had filed a writ petition with Hon'ble High Court of Delhi and vide order dated 4 March 2020, Hon'ble High Court of Delhi had directed NDMC not to take any coercive action against the Company. Based on the legal assessment of the outcome of the aforesaid matter, the management is of the view that no adjustment is required to the standalone financial statements.
  - (b) Note 61 of the accompanying standalone financial statements, which describes the uncertainties relating to COVID-19 pandemic and management's evaluation of its impact on the Company's operations and the accompanying standalone financial statements of the Company, the extent of which is significantly dependant on future developments.

Our opinion is not modified in respect of these matters.

### **Information other than the Standalone Financial Statements and Auditor's Report thereon**

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual 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 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 Standalone Financial Statements**

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 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.
7. In preparing the financial statements, 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those 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**

9. 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 Standards on Auditing 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.
10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgements 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 standalone 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.

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

12. Based on our audit, we report that 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.

13. 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, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
- 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 financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) the matters described in paragraph 4 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company;
- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 8 October 2021 as per Annexure II expressed unmodified opinion; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



- i. the Company, as detailed in note 56 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021; and
- 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 31 March 2021.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rohit Arora**

Partner

Membership No.:504774

UDIN: 21504774AAAAIW6970

Place: New Delhi

Date: 8 October 2021



## **Annexure I to the Independent Auditor's Report of even date to the members of Bharat Hotels Limited, on the standalone financial statements for the year ended 31 March 2021**

### **ANNEXURE I**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (in the nature of Property, plant and equipment and other intangible assets).
- (b) The fixed assets have been physically verified by the management during the year and discrepancies noticed on such verification have been properly dealt with in the books of account. The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted interest free unsecured loans to three companies and an entity and unsecured interest-bearing loan to two companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest;
  - (b) the schedule of repayment of principal and payment of interest has been stipulated and the principal amount along with interest amount is not due for repayment currently; and
  - (c) there is no overdue amount in respect of loans granted to such companies or other parties.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:





### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (Rs. In lacs)	Amount paid under Protest (Rs. In lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	215.50	104.97	FY 2008-09 to FY 2013-14	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	30.03	15.01	FY 2008-09	Hon'ble Supreme Court
Finance Act, 1994	Service Tax	25.11	-	FY 2012-13 to FY 2014-15	Commissioner Appeals
Finance Act, 1994	Service Tax	345.16	-	FY 2014-15 to FY 2016-17	Hon'ble High Court
Finance Act, 1994	Service Tax	17.25	-	FY 2014-15 to FY 2016-17	Commissioner Appeals
Finance Act, 1994	Service Tax	5.36	-	FY 2013-14	Hon'ble High Court of Kerala
Maharashtra Value Added Tax, 2002	Value Added Tax	113.32	15.58	FY 2006-07 to FY 2010-11	Maharashtra Sales Tax Tribunal, Mumbai bench
Custom Act, 1962	Custom Act	968.05	-	2006-07	Customs, Excise and Service Tax Appellate Tribunal
Urban Development Act	Urban Development Tax	180.20	40.00	2007-08 to 2015-16	Hon'ble High Court of Rajasthan, Jodhpur
Central Excise Act, 1994	Excise Duty	7.81	7.81	2006-08	The Commissioner of Central Excise (Appeals)
Income Tax Act, 1961	Income Tax	714.91	20.35	FY 1996-97 to FY 2007-08	Hon'ble High Court of Delhi
Income Tax Act, 1961	Income Tax	377.25	377.25	FY 2013-14 to FY 2016-17	Income Tax Appellate Tribunal

(viii) There are no loans or borrowings to financial institutions or government and no dues payable to debenture holders. The Company has defaulted in repayment of loans /borrowings to the following banks:

Particulars	Amount of default (Rs.in lacs)	Period of default	Remarks
Axis Bank	133.19 129.05 134.38	7 Nov 2020-28 Jan 2021 7 Dec 2020-20 Feb 2021 7 Jan 2021- 31 Mar 2021	The Company has availed the 'Resolution framework for Covid-19 related stress' as provided by Reserve Bank of India wide circular no RBI/2020-21/16/DOR.NO.BP.BC/3/21.04.048/2020-21 dated 6 August 2020. Accordingly, the interest on Interest from Mar 2020 to Aug 20 has been converted into the Term Loan which will be payable as per their respective repayment schedule after a moratorium of 2 years.
Tamil Nadu	18.48	7 Nov 2020-28 Jan 2021	
Mercantile Bank	18.02	7 Dec 2020-20 Feb 2021	
	18.83	7 Jan 2021- 31 Mar 2021	

# Bharat Hotels Limited

Particulars	Amount of default (Rs.in lacs)	Period of default	Remarks
Jammu & Kashmir Bank	159.62 148.09 154.22	7 Nov 2020-28 Jan 2021 7 Dec 2020-28 Jan 2021 7 Jan 2021- 31 Mar 2021	
Standard Chartered	139.45 137.41 140.05	7 Nov 2020-28 Jan 2021 7 Dec 2020-28 Jan 2021 7 Jan 2021- 31 Mar 2021	
Yes Bank	524.45 495.38 513.53	7 Nov 2020-28 Jan 2021 7 Dec 2020-28 Jan 2021 7 Jan 2021- 31 Mar 2021	
ICICI Bank	78.19 64.44 79.49	7 Nov 2020-28 Jan 2021 7 Dec 2020-28 Jan 2021 7 Jan 2021-31 Mar 2021	

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rohit Arora**

Partner

Membership No.: 504774

UDIN: 21504774AAAAIW6970

Place: New Delhi

Date: 8 October 2021



**Annexure II to the Independent Auditor's Report of even date to the members of Bharat Hotels Limited on the standalone financial statements for the year ended 31 March 2021**

**ANNEXURE II**

**Annexure II to the Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of Bharat Hotels Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and those charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is 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 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. 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 includes 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.
5. 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**

6. 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**

7. 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.

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, 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.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rohit Arora**

Partner

Membership No.: 504774

UDIN: 21504774AAAAIW6970

Place: New Delhi

Date: 8 October 2021



## STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

(All amounts Rs. in Lacs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	2(i)	66,387.57	107,628.22
b) Right-of-use assets	2(ii)	7,658.73	7,980.93
c) Capital work-in-progress		18,918.98	19,080.62
d) Other intangible assets	3	35.45	76.71
e) Financial assets			
(i) Investments	4	76,973.35	81,533.33
(ii) Loans	5	15,844.34	14,493.55
(iii) Other financial assets	6	1,728.17	1,390.68
f) Non-current tax assets (net)	7	2,268.04	4,143.67
g) Other non-current assets	8	842.33	836.94
<b>Total non current assets</b>		<b>190,656.96</b>	<b>237,164.65</b>
<b>Current assets</b>			
a) Inventories	9	1,507.50	1,873.97
b) Financial assets			
(i) Trade receivables	10	2,341.11	4,117.48
(ii) Cash and cash equivalents	11	1,919.29	3,216.74
(iii) Other bank balances	12	1,630.86	1,836.17
(iv) Loans	13	124.82	116.55
(v) Other financial assets	14	328.27	717.60
c) Other current assets	15	907.85	1,188.08
<b>Total current assets</b>		<b>8,759.70</b>	<b>13,066.59</b>
Assets held for sale	16	43,875.98	5,899.14
<b>Total assets</b>		<b>243,292.64</b>	<b>256,130.38</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	17	7,599.12	7,599.12
b) Other equity	18	83,206.75	93,376.79
<b>Total equity</b>		<b>90,805.87</b>	<b>100,975.91</b>
<b>Non-current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	19	119,407.76	103,715.16
(ii) Lease liabilities	53 (ii)	8,006.87	8,229.29
(iii) Other financial liabilities	20	1,600.20	449.18
b) Provisions	21	860.16	894.92
c) Deferred tax liabilities (net)	22	5,974.87	11,212.72
d) Other non-current liabilities	23	2,990.36	3,057.27
<b>Total non-current liabilities</b>		<b>138,840.22</b>	<b>127,558.54</b>

# Bharat Hotels Limited

(All amounts Rs. in Lacs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>Current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	24	726.32	8,414.58
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	25	616.48	183.14
- total outstanding dues of creditors other than micro enterprises and small enterprises	25	7,291.76	6,887.27
(iii) Lease liabilities	53 (ii)	261.11	873.26
(iv) Other financial liabilities	26	1,122.39	7,130.20
b) Provisions	27	729.76	895.95
c) Other current liabilities	28	1,764.56	2,957.90
<b>Total current liabilities</b>		<b>12,512.38</b>	<b>27,342.30</b>
Liabilities directly associated with the assets held for sale	16	1,134.17	253.63
<b>Total equity and liabilities</b>		<b>243,292.64</b>	<b>256,130.38</b>

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

Sd/-  
**Rohit Arora**  
Partner  
Membership No. 504774

For and on behalf of the Board of Directors of  
**Bharat Hotels Limited**

Sd/-  
**Dr. Jyotsna Suri**  
Chairperson and  
Managing Director  
DIN - 00004603

Sd/-  
**Divya Suri Singh**  
Executive Director  
DIN-00004559

Sd/-  
**Gopal Jagwan**  
Chief Financial Officer

Sd/-  
**Himanshu Pandey**  
Company Secretary  
and Head - Legal

Place : New Delhi  
Date: 8 October 2021

Place : New Delhi  
Date: 8 October 2021



## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(All amounts Rs. in Lacs)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	29	12,461.83	46,847.22
Other income	30	1,948.40	684.92
<b>Total income</b>		<b>14,410.23</b>	<b>47,532.14</b>
<b>Expenses</b>			
Cost of food and beverages consumed	31	1,417.63	5,426.99
Purchase of traded goods		3.96	37.07
Change in inventories of traded goods	32	5.13	(3.48)
Employee benefits expense	33	3,629.77	8,715.91
Other expenses	34	6,785.12	19,714.60
<b>Total expenses</b>		<b>11,841.61</b>	<b>33,891.09</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>2,568.62</b>	<b>13,641.05</b>
Finance income	35	5,210.68	2,369.86
Finance costs	36	13,890.41	14,590.86
Depreciation and amortisation expense	37	3,414.05	4,205.30
<b>Loss before exceptional items and tax</b>		<b>(9,525.16)</b>	<b>(2,785.25)</b>
Exceptional items	45(i)	6,050.00	6,370.25
<b>Loss after exceptional items</b>		<b>(15,575.16)</b>	<b>(9,155.50)</b>
<b>Loss before tax</b>		<b>(15,575.16)</b>	<b>(9,155.50)</b>
<b>Tax expense:</b>	40		
Current tax		-	150.87
Deferred tax credit		(3,894.91)	(1,886.49)
Minimum alternate tax (MAT) credit		(1,285.60)	1,525.11
<b>Total tax expense</b>		<b>(5,180.51)</b>	<b>(210.51)</b>
<b>Loss for the year from continuing operation</b>	A	<b>(10,394.65)</b>	<b>(8,944.99)</b>
<b>(Loss)/profit before tax from discontinued operation</b>		<b>(230.65)</b>	<b>3,565.26</b>
Tax expense of discontinued operation	40	(73.83)	1,256.26
<b>(Loss)/profit for the year from discontinued operation</b>	B	<b>(156.82)</b>	<b>2,309.00</b>
<b>Loss for the year</b>	A + B	<b>(10,551.47)</b>	<b>(6,635.99)</b>

# Bharat Hotels Limited

(All amounts Rs. in Lacs)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss in subsequent years</b>			
Remeasurement gains on defined benefit plans		47.16	66.16
Income tax effect on above		(16.48)	(23.12)
<b>Other comprehensive income</b>		<b>30.68</b>	<b>43.04</b>
<b>Total comprehensive loss for the year</b>		<b>(10,520.79)</b>	<b>(6,592.95)</b>

## Loss per equity share

1) Loss per equity share from continuing operations (fair value of Rs. 10 each) Basic & Diluted (in Rs.)	41	(13.68)	(11.77)
2) Loss per equity share from discontinued operations (fair value of Rs. 10 each) Basic & Diluted (in Rs.)	41	(0.21)	3.04
3) Loss per equity share from continuing & discontinued operations (fair value of Rs. 10 each) Basic & Diluted (in Rs.)	41	(13.89)	(8.73)

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors of  
**Bharat Hotels Limited**

Sd/-  
**Rohit Arora**  
Partner  
Membership No. 504774

Sd/-  
**Dr. Jyotsna Suri**  
Chairperson and  
Managing Director  
DIN - 00004603

Sd/-  
**Divya Suri Singh**  
Executive Director  
DIN-00004559

Sd/-  
**Gopal Jagwan**  
Chief Financial Officer

Sd/-  
**Himanshu Pandey**  
Company Secretary  
and Head - Legal

Place : New Delhi  
Date: 8 October 2021

Place : New Delhi  
Date: 8 October 2021





## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

(All amounts Rs. in Lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash flow from operating activities</b>		
Loss before tax from continuing operations	(15,575.16)	(9,155.50)
Loss before tax from discontinuing operations	(230.65)	3,565.26
<b>Loss before tax</b>	<b>(15,805.81)</b>	<b>(5,590.24)</b>
<b>Exceptional items:</b>		
Initial public offer expense written off	-	969.02
Impairment loss on investment and aircraft	6,065.13	767.85
Provision for investment	84.00	3,900.00
Balance written back	-	(442.82)
Impairment Loss on lease hold building	-	1,340.97
Depreciation and amortisation expenses	3,885.82	5,029.91
Employee stock option expense	3.86	31.10
Bad debts and other balances written off	40.08	126.51
Provision for doubtful debts	306.96	513.51
Excess provision/ credit balances written back	(1,137.92)	(110.37)
(Loss)/Gain on sale of property, plant and equipment (net)	(11.00)	39.41
Advances written off	-	283.84
Unwinding of discount on security deposits	(49.30)	(44.01)
Amortisation of deferred lease rent	(37.93)	(36.68)
Interest income	(5,162.03)	(2,326.55)
Interest expense	13,930.04	14,624.87
Government grant income	-	(42.26)
Unrealised foreign exchange loss	58.62	620.81
<b>Operating profit before working capital changes:</b>	<b>2,170.52</b>	<b>19,654.87</b>
Changes in :		
Other financial and other assets	404.76	803.79
Trade receivable	1,375.34	314.31
Inventories	366.47	(222.28)
Trade payable	1,926.42	(147.07)
Other current and non-current liabilities	2,851.10	36.94
<b>Cash generated from operations</b>	<b>9,094.61</b>	<b>20,440.56</b>
<b>Tax refund (net)</b>	<b>1,875.63</b>	<b>808.51</b>
<b>Net cash from operating activities (a)</b>	<b>10,970.24</b>	<b>21,249.07</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(152.74)	(1,186.78)
Proceeds from sale of property, plant and equipment	37.59	13.65
Investment in subsidiaries	(1,417.92)	(517.21)
Interest received and finance lease income	840.34	726.25
Investment in bank deposits (net)	99.15	(905.57)
<b>Net cash (used in) investing activities (b)</b>	<b>(593.58)</b>	<b>(1,869.64)</b>
<b>C Cash flow from financing activities</b>		
Repayment of long term borrowings	(3,062.23)	(20,220.96)
Proceeds from long term borrowings	14,493.52	18,821.05
Repayment of short term borrowings (net)	(7,746.88)	(2,270.03)
Payment of lease liability	(1,807.07)	(812.06)

# Bharat Hotels Limited

Particulars	(All amounts Rs. in Lacs)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest paid	(13,504.24)	(12,718.05)
Deferred payment liabilities	(47.35)	(97.90)
Dividend paid	-	(759.97)
Dividend distribution tax	-	(156.20)
<b>Net cash (used in) financing activities (c)</b>	<b>(11,674.25)</b>	<b>(18,214.13)</b>
<b>Net (decrease)/increase in cash and cash equivalents from continuing operation</b>	<b>(935.51)</b>	<b>2,330.22</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,216.74</b>	<b>2,056.02</b>
<b>Effect of change differences on translation of foreign currency cash and cash equivalents</b>	<b>0.14</b>	<b>(4.58)</b>
<b>Net (decrease)/increase in cash and cash equivalents from discontinued operation</b>	<b>(362.08)</b>	<b>(1,164.92)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,919.29</b>	<b>3,216.74</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks:-		
On current accounts	1,868.63	3,076.45
On EEFC accounts	5.43	55.54
Deposits with original maturity of less than three months	-	23.00
Cheques/drafts on hand	-	0.49
Cash on hand	45.23	61.26
	<b>1,919.29</b>	<b>3,216.74</b>

Notes:

1. The figures in bracket indicates outflows.
2. The cash flow has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors of  
**Bharat Hotels Limited**

Sd/-  
**Rohit Arora**  
Partner  
Membership No. 504774

Sd/-  
**Dr. Jyotsna Suri**  
Chairperson and  
Managing Director  
DIN - 00004603

Sd/-  
**Divya Suri Singh**  
Executive Director  
DIN-00004559

Sd/-  
**Gopal Jagwan**  
Chief Financial Officer

Sd/-  
**Himanshu Pandey**  
Company Secretary  
and Head - Legal

Place : New Delhi  
Date: 8 October 2021

Place : New Delhi  
Date: 8 October 2021

# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

## A. Equity Share Capital

(All amounts Rs. in Lacs)

	Notes	Amount
As at 1 April 2019	17	7,599.12
Changes in equity share capital		-
As at 31 March 2020	17	7,599.12
Changes in equity share capital		-
As at 31 March 2021	17	7,599.12

## B. Other Equity

(All amounts Rs. in Lacs)

Particulars	Other equity (refer note 18)					Total other equity	
	Securities premium	Retained earnings	General reserve	Equity component of Financial instruments	Share based payment reserve	Capital reserve	
<b>Balance as at 01 April 2019</b>	<b>29,034.73</b>	<b>51,950.92</b>	<b>8,503.61</b>	-	<b>80.44</b>	<b>11,285.05</b>	<b>100,854.74</b>
Compensation options granted during the year (refer note 55)	-	-	-	-	31.10	-	31.10
Loss for the year	-	(6,635.99)	-	-	-	-	(6,635.99)
Other comprehensive income (net of tax)	-	43.04	-	-	-	-	43.04
<b>Total Comprehensive loss for the year</b>	-	<b>(6,592.95)</b>	-	-	<b>31.10</b>	-	<b>(6,561.85)</b>
<b>Transactions with owners in their capacity as owners :</b>							
Dividends	-	(759.91)	-	-	-	-	(759.91)
Dividend tax	-	(156.20)	-	-	-	-	(156.20)
<b>Balance as at 31 March 2020</b>	<b>29,034.73</b>	<b>44,441.86</b>	<b>8,503.61</b>	-	<b>111.54</b>	<b>11,285.05</b>	<b>93,376.79</b>
Compensation options granted during the year (refer note 55)	-	-	-	-	3.86	-	3.86
Changes during the year (refer note 24)	-	-	-	346.88	-	-	346.88
Loss for the year	-	(10,551.47)	-	-	-	-	(10,551.47)
Other comprehensive income (net of tax)	-	30.68	-	-	-	-	30.68
<b>Total Comprehensive loss for the year</b>	-	<b>(10,520.79)</b>	-	-	<b>3.86</b>	-	<b>(10,170.05)</b>
<b>Transactions with owners in their capacity as owners :</b>							
Dividends	-	-	-	-	-	-	-
Dividend tax	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>29,034.73</b>	<b>33,921.07</b>	<b>8,503.61</b>	<b>346.88</b>	<b>115.41</b>	<b>11,285.05</b>	<b>83,206.75</b>

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

Sd/-  
**Rohit Arora**  
Partner  
Membership No. 504774

For and on behalf of the Board of Directors of  
**Bharat Hotels Limited**

Sd/-  
**Dr. Jyotsna Suri**  
Chairperson and Managing Director  
DIN - 00004603

Sd/-  
**Divya Suri Singh**  
Executive Director  
DIN-00004559

Sd/-  
**Gopal Jagwan**  
Chief Financial Officer

Sd/-  
**Himanshu Pandey**  
Company Secretary and Head - Legal

Place : New Delhi  
Date: 8 October 2021

Place : New Delhi  
Date: 8 October 2021



## **Notes to the Standalone Financial Statements for the year ended 31 March 2021**

### **1. i) Corporate Information**

Bharat Hotels Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of hospitality services. The Company has its principal place of business located at Barakhamba Lane, New Delhi -110001.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on 8 October 2021.

### **ii) Basis of Preparation**

The standalone financial statements have been prepared by the management in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These standalone financial statements have been prepared for the Company as a going concern basis using historical cost convention and on an accrual method of accounting, except for the following assets and liabilities which have been measured at fair value / amortised cost:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Property, plant and equipment and intangible assets have been carried at deemed cost (which includes revalued amount of land and building at certain locations) on the date of transition using the optional exemption allowed under Ind AS 101.

The standalone financial statements are presented in Indian National Rupees (Rs.), which is the Company's presentation currency as well as the functional currency for all its operations and all financial information are presented in Rs. in lacs, unless stated otherwise.

### **iii) Significant Accounting Policies**

#### **a) Current versus non-current classification**

The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle\*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

\* The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## b) Property, plant and equipment

### *Recognition and initial measurement*

Property plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method using the rates arrived on the basis of the useful life which coincides with the useful life prescribed under Schedule II of the Companies Act, 2013, except for furniture and fixtures and some items of plant and machinery in which useful lives are different from those prescribed under Schedule II of the Companies Act, 2013. In respect of these furniture and fixtures and some items of plant and machinery, 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 identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. Leasehold buildings are amortised on a straight-line basis over the unexpired period of lease or useful life, whichever is lower.

Tangible assets	Useful life as per the Schedule II (years)	Useful economic lives estimated by the management (years)
Freehold building	60	60
Plant and machinery	15	5-15
Furniture & fixtures	10	8
Vehicles	8	8
Office equipment's	5	5
Computers	5	3

Non RCC structures for conference halls are depreciated over the period of eight years or their estimated useful life, whichever is lower.

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

### *De-recognition*

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

## **c) Intangible Assets**

### *Recognition and initial measurement*

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

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 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 unless such expenditure forms part of carrying value of another asset.

### *Subsequent measurement*

The Company has capitalised computer software in the nature of software licenses as intangible assets and the cost of software is amortised over the license period or three years, being their expected useful economic life, whichever is lower.

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 and loss when the asset is derecognised.

## **d) Impairment of non-financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or cash-generating unit (CGU) at fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of profit and loss, except for properties previously revalued with the revaluation surplus

taken to other comprehensive income ('OCI'). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

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

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of profit and loss.

**e) Foreign Currencies**

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**f) 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

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments

### **g) 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.

#### **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:**

Rental 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 (Minor Operating Departments):**

In relation to 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.

- **Management and Operating fees:**

Management fees earned from hotel 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.

- **Membership fees:**

Membership fee income majorly consists of membership fees received from the loyalty programme and chamber membership fees. Income is earned when the customer enrolls 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.

- **Loyalty programme:**

The Company operates loyalty programme, which provides a material right to customers that they would not exercise without entering into a contract and the eligible customers earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and a contract liability is created and on redemption/ expiry of such award points, revenue is recognised at pre-determined rates. Membership fees received from the loyalty programme is recognised as revenue on time-proportion basis.

- **Sale of traded goods**

For transfer of goods, the Company recognizes revenue when the customers obtain the control of goods. This usually happens when the customer gains right to direct the use of and obtained substantially all benefits from the goods. For the goods sold, the Company receives amount majorly in advance from the customers and therefore, there are not any significant financing components involved.

#### Contract balances

- **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.

- **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.

## **h) Borrowing Costs**

Borrowing cost includes interest expense as per effective interest rate (EIR) method.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## **i) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Financial assets**

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.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments at fair value through profit or loss (FVTPL)

### **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 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 Statement of profit and loss. This category generally applies to trade, security deposits and other receivables.

### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the interest income, impairment losses & reversals and foreign exchange gain or loss are recognised in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized 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 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 and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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 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 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. borrowings, debt securities, deposits, trade receivables and bank balance.
- b) Lease receivables under Ind AS 116.
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.
- d) Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

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 ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL 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 entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument; or
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date, except to the individual cases where recoverability is certain:

	Less than or equal to 365 days	More than 365 days
Default rate	0%	100%

ECL impairment loss allowance or reversal recognised during the period is recognised as income/ expense in the Statement of profit and loss. This amount is reflected under the head 'other expenses' in the Statement of profit and loss. The balance sheet presentation for financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## **Financial liabilities**

### **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 and financial guarantee contracts.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 borrowings.

#### **Financial guarantee contracts**

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its

recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts.

## 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 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.

## Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of profit and loss at the reclassification date.

## Offsetting of financial instruments

Financial assets and financial liabilities are off-set and the net amount is reported in the standalone 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.

**j) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the provident fund.

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**Other Employee Benefits**

**Compensated absences**

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains or losses are recognized in the Statement of profit and loss. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**k) Provisions**

**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**l) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



## **m) Leases**

Effective 01 April 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 01 April 2019 using the modified retrospective method, comparative figures are not restated and the cumulative effect of initially applying the standard is recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. The weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 was 10.50 % for all leases.

### **The Company as a lessee**

The Company’s lease asset classes consist of leases for Land. The Company assesses whether a contract contains a lease, at inception of a contract. 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. 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. 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.

### **The Company as a lessor**

The Company’s accounting policy under Ind AS 116 has not been changed from the comparative period. As a lessor, the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.



For finance leases, finance lease receivables are recognised at the commencement of the lease at the inception date at the present value of the minimum lease payments to be received from and consequentially the underlying leased asset is derecognised in the balance sheet with resulting difference is recognised as selling profit or loss in the Statement of profit and loss. Finance Income on unwinding of lease receivables are recognised in Other Income in the Statement of Profit or Loss.

**n) Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI 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.

**Deferred tax**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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 have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**o) Non-current assets held for sale**

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchange of non-current assets for other non-current assets when the exchange has commercial substance. The criteria held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

**p) Discontinued operations**

A discontinued operation is a component of entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Statement of profit and loss from discontinued operations comprise the post-tax Statement of profit and loss from discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale. Any Statement of profit and loss arising from sale or re-measurement of discontinued operations is presented as a part of single line item. Statement of profit and loss from discontinued operations separately in the Statement of profit and loss.

**q) Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:



Stores and spares inventory comprises cutlery, crockery, linen, other store items food and beverage, liquor and wine items in hand: Cost is determined on first in first out basis. Circulating stock of crockery and cutlery issued for more than two months is charged to the profit and loss account as consumption.

#### *Traded goods*

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.

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

Inventory of food and beverage items in hand includes items used for staff cafeteria and is charged to consumption, net of recoveries, when issued.

#### **r) Government grants and subsidies**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

#### **s) Use of estimates**

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed in note 42. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

#### **t) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) [Chairperson and Chief Financial Officer].

## **Identification of segments:**

In accordance with Ind AS 108– Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's CODM to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the CODM [Chairperson and Chief Financial Officer, which has been identified as the CODM], to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

## **Allocation of common costs:**

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

## **Unallocated items:**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

## **Segment accounting policies:**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole.

### **u) Cash and cash equivalents**

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

### **v) Measurement of EBITDA**

The Company has elected to present earnings before interest, tax, depreciation and amortisation ('EBITDA') as a separate line item on the face of the Statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company excludes depreciation and amortisation expense, interest income, finance costs, and tax expense from the profit/(loss) from continuing operations.

### **w) Cash dividend distribution to equity holders**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## Note 2(i) : PROPERTY, PLANT AND EQUIPMENT

Particulars	(All amounts Rs. in Lacs)							
	Freehold land	Freehold building	Leasehold building	Plant and machinery	Office equipments	Furniture and fixtures	Computers	Aircrafts Vehicles
<b>Cost or valuation</b>								
<b>For the year ended 31 March 2020</b>								
<b>Gross carrying amount</b>								
As at 01 April 2019	37,783.52	18,111.26	51,104.65	21,806.95	361.77	2,966.61	632.10	598.11
Additions for the year	-	17.21	87.10	321.52	28.28	68.30	53.62	10.06
Exchange differences	-	-	154.59	-	-	-	-	154.59
Asset included in a disposal group classified as held for sale (refer note 45 (ii))	(2,938.48)	-	-	-	-	-	-	-
Disposals	-	-	(33.23)	(102.87)	(2.59)	(14.54)	(10.41)	(1.85)
<b>Gross carrying amount as at 31 March 2020</b>	<b>34,845.04</b>	<b>18,128.47</b>	<b>51,313.11</b>	<b>22,025.60</b>	<b>387.46</b>	<b>3,020.37</b>	<b>675.31</b>	<b>606.32</b>
<b>Accumulated depreciation</b>								
As at 01 April 2019	-	1,369.29	3,470.95	10,647.85	159.66	1,670.47	413.17	1282.83
Depreciation charge for the year	-	344.90	1,156.14	2,233.06	51.21	326.94	98.01	324.71
Asset included in a disposal group classified as held for sale (refer note 45 (ii))	-	-	-	-	-	-	-	80.05
Impairment charge for the year (Refer note (b))	-	-	1,340.97	-	-	-	-	(2,375.39)
Disposals	-	-	(3.50)	(84.28)	(2.26)	(11.93)	(9.35)	767.85
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>1,714.19</b>	<b>5,964.56</b>	<b>12,796.63</b>	<b>208.61</b>	<b>1,985.48</b>	<b>501.83</b>	<b>202.16</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>34,845.04</b>	<b>16,414.28</b>	<b>45,348.55</b>	<b>9,228.97</b>	<b>178.85</b>	<b>1,034.89</b>	<b>173.48</b>	<b>404.16</b>
<b>For the year ended 31 March 2021</b>								
<b>Gross carrying amount</b>								
As at 01 April 2020	34,845.04	18,128.47	51,313.11	22,025.60	387.46	3,020.37	675.31	606.32
Additions for the year	-	-	156.25	131.68	7.46	0.36	8.51	-
Asset included in a disposal group classified as held for sale (refer note 45 (ii))	(23,382.56)	(15,423.90)	-	(1,526.34)	(59.81)	(388.47)	(102.67)	(45.86)
Disposals	-	-	-	(431.85)	(6.22)	(1.59)	(11.96)	-
<b>Gross carrying amount as at 31 March 2021</b>	<b>11,462.48</b>	<b>2,704.57</b>	<b>51,469.36</b>	<b>20,199.09</b>	<b>328.89</b>	<b>2,630.67</b>	<b>569.19</b>	<b>560.46</b>
<b>Accumulated depreciation</b>								
As at 01 April 2020	-	1,714.19	5,964.56	12,796.63	208.61	1,985.48	501.83	202.16
Depreciation charge for the year	-	344.71	1,141.90	1,647.90	44.54	180.60	71.45	88.46
Impairment charge for the year (Refer note (b))	-	-	-	-	-	-	-	-
Asset included in a disposal group classified as held for sale (refer note 45 (ii))	-	(1,779.03)	-	(759.92)	(25.15)	(239.19)	(88.16)	(39.39)
Disposals	-	-	(406.19)	(406.19)	(5.93)	(1.51)	(11.40)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>279.87</b>	<b>7,106.46</b>	<b>13,278.42</b>	<b>222.06</b>	<b>1,925.38</b>	<b>473.72</b>	<b>251.23</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>11,462.48</b>	<b>2,424.70</b>	<b>44,362.90</b>	<b>6,920.67</b>	<b>106.83</b>	<b>705.29</b>	<b>95.47</b>	<b>309.23</b>
<b>Assets under construction</b>								
Capital work in progress mainly comprises of under constructed hotel situated at Ahmedabad and various other hotels in India . Total amount of CWIP is Rs. 18,918.98 lacs (31 March 2020: Rs. 19,080.62 lacs).								

### Note (a):

1. Certain property plant and equipment are pledged against borrowings, the details related to which have been described in the note 19 and 24 on borrowings.
2. Refer note 37 for the depreciation and amortisation expense.
3. The amount of contractual commitments for the acquisitions of property, plant and equipments are disclosed in note 53(i).

### Note (b) Impairment Allowances:

1. In previous year, the Company in accordance with the requirement of IND AS 36 "Impairment of assets" has estimated the recoverable amount of its hotel situated in Mangar. For the purpose of calculating the value in use of the said hotel, the Company had appointed an independent valuer. As per the valuation, the value in use of the hotel was Rs. 7,953.00 lacs which was lower than the carrying value of Rs 9,293.97 lacs of the hotel as at 31 March 2020. Accordingly, the Company had recognized an impairment loss of Rs. 1,340.97 lacs.
2. The Company has estimated the value in use on the basis of Discounted cash flow technique (DCF) with observable market data. The valuation is backed up by the internal and external information available with the management.
3. The compounding annual growth rate forecasted by the Company is 33.00% with the terminal growth rate of 5.00%. The discount rate used for the valuation is based on the weighted average cost of capital which is 11.59%.

# Bharat Hotels Limited

## Note 2(ii) : RIGHT-OF-USE ASSETS

Particulars	(All amounts Rs. in Lacs)
<b>For the year ended 31 March 2020</b>	
<b>Gross carrying amount</b>	
As at 01 April 2019	-
Reclassified on adoption of Ind AS 116 (refer Note 53(ii))	8,303.92
<b>Gross carrying amount as at 31 March 2020</b>	<b>8,303.92</b>
<b>Accumulated amortisation</b>	
As at 01 April 2019	-
Amortisation for the year	322.99
<b>Closing accumulated amortisation as at 31 March 2020</b>	<b>322.99</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>7,980.93</b>
<b>For the year ended 31 March 2021</b>	
<b>Gross carrying amount</b>	
As at 01 April 2020	8,303.92
Additions for the year	-
<b>Gross carrying amount as at 31 March 2021</b>	<b>8,303.92</b>
<b>Accumulated amortisation</b>	
As at 01 April 2020	322.99
Amortisation for the year	322.20
<b>Closing accumulated amortisation as at 31 March 2021</b>	<b>645.19</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>7,658.73</b>

## Note 3 : OTHER INTANGIBLE ASSETS

Particulars	Software
<b>For the year ended 31 March 2020</b>	
<b>Gross carrying amount</b>	
As at 01 April 2019	628.74
Additions for the year	14.72
<b>Gross carrying amount as at 31 March 2020</b>	<b>643.46</b>
<b>Accumulated amortisation</b>	
As at 01 April 2019	474.85
Amortisation charge for the year	91.90
<b>Closing accumulated amortisation as at 31 March 2020</b>	<b>566.75</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>76.71</b>
<b>For the year ended 31 March 2021</b>	
<b>Gross carrying amount</b>	
As at 01 April 2020	643.46
Additions for the year	8.75
Asset included in a disposal group classified as held for sale (refer note 45 (ii))	(39.63)
<b>Gross carrying amount as at 31 March 2021</b>	<b>612.58</b>
<b>Accumulated amortisation</b>	
As at 01 April 2020	566.75
Amortisation charge for the year	44.11
Asset included in a disposal group classified as held for sale (refer note 45 (ii))	(33.73)
<b>Closing accumulated amortisation as at 31 March 2021</b>	<b>577.13</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>35.45</b>



(All amounts Rs. in Lacs)

**Note 4 : INVESTMENTS**

	As at 31 March 2021	As at 31 March 2020
<b>Investments at cost</b>		
<b>A. Unquoted equity shares of subsidiary companies</b>		
i. 727,832 (31 March 2020: 727,832) equity shares of Rs. 10 each of Lalit Great Eastern Kolkata Hotel Limited (Formerly known as Apollo Zipper India Limited) (refer note 51 and 59(b))	5,213.08	5,213.08
ii. 62,998 (31 March 2020: 62,998) equity shares of Rs. 100 each of Jyoti Limited (refer note 51 and 59(a))	3,107.89	3,107.89
iii. 3,984,000 (31 March 2020: 3,984,000) equity shares of Rs. 100 each of PCL Hotels Limited (Formerly known as Prime Cellular Limited) (refer note 51 and 59(c))	3,984.00	3,984.00
iv. 3,010,000 (31 March 2020: 3,010,000) equity shares of Rs. 10 each of Prima Hospitality Private Limited (Formerly known as Prima Buildwell Private Limited) (refer note 51 and 59(d))	301.00	301.00
	12,605.97	12,605.97
Less: Provision for impairment in value of investment in (iii) and (iv) above	(4,285.00)	(4,201.00)
	<b>8,320.97</b>	<b>8,404.97</b>
<b>B. Deemed investment in subsidiary companies</b>		
Investment in the form of interest free loan to Lalit Great Eastern Kolkata Hotel Limited (Formerly known as Apollo Zipper India Limited) (refer note 51 and 59(b))	33,542.39	32,386.30
Investment in the form of interest free loan to Kujjal Hotels Private Limited (Formerly known as Kujjal Builders Private Limited) (refer note 51 and 59(c))	40,348.54	40,018.16
Investment in the form of interest free loan to Jyoti Limited (refer note 51 and 59(a))	724.63	720.30
	74,615.56	73,124.76
Less: Provision for diminution in the value of Deemed investment in Kujjal Hotels Private Limited (Formerly known as Kujjal Builders Private Limited) (refer note 51 and 59(c))	(5,966.00)	-
	<b>68,649.56</b>	<b>73,124.76</b>
<b>C. Investments at fair value through profit and loss</b>		
<b>Unquoted equity shares</b>		
28,200 (31 March 2020: 36,000) equity shares of Rs. 10 each fully paid up in Green Infra Wind Power Generation Limited	2.82	3.60
<b>Total (A + B + C)</b>	<b>76,973.35</b>	<b>81,533.33</b>
<b>Aggregate amount of unquoted investments</b>	<b>87,224.35</b>	<b>85,734.33</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>10,251.00</b>	<b>4,201.00</b>



# Bharat Hotels Limited

(All amounts Rs. in Lacs)		
<b>Note 5 : LOANS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Unsecured, considered good unless otherwise stated)		
<b>A. Loans to related parties</b>		
<b>Subsidiary companies</b>		
- Loans to subsidiary companies (refer note 51 and 59 (a,b and d))	4,883.84	4,739.36
- Loans to Kujjal Hotels Private Limited (refer note 51 and 59 (c))	4,939.82	4,330.77
- Loan to subsidiary company - impaired	117.06	86.20
	<b>9,940.72</b>	<b>9,156.33</b>
Less: Provision for credit impairment (refer note 59 (d))	(117.06)	(86.20)
	<b>9,823.66</b>	<b>9,070.13</b>
<b>B. Entity controlled by the Company</b>		
- The Lalit Suri Educational and Charitable Trust (refer note 58)	5,284.19	4,753.70
<b>C. Security deposits</b>	736.49	669.72
<b>Total (A + B + C)</b>	<b>15,844.34</b>	<b>14,493.55</b>
<b>Note 6 : OTHER NON CURRENT FINANCIAL ASSETS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Unsecured, considered good unless otherwise stated)		
<b>Balances with banks:</b>		
- Deposits with original maturity of more than 12 months	250.21	-
- Margin money deposited*	481.88	375.72
Interest accrued on deposits with banks	42.53	61.14
Finance lease receivable	953.55	953.82
	<b>1,728.17</b>	<b>1,390.68</b>
*Break up of margin money deposit held as security		
Held as bank guarantee	20.30	18.47
Held as bank guarantee by bank against bank loans	461.58	357.25
<b>Note 7 : NON CURRENT TAX ASSETS (NET)</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Income tax receivable (net)	2,268.04	4,143.67
	<b>2,268.04</b>	<b>4,143.67</b>
<b>Note 8 : OTHER NON CURRENT ASSETS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Unsecured, considered good unless otherwise stated)		
Capital advances	823.32	797.73
Prepaid expenses	19.01	39.21
	<b>842.33</b>	<b>836.94</b>





(All amounts Rs. in Lacs)

<b>Note 9 : INVENTORIES</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Valued at cost or net realisable value which ever is lower)		
Traded goods	112.92	117.93
Food and beverage (excluding liquor and wine)	131.63	278.22
Liquor and wine	722.51	827.81
Stores and operating supplies	540.44	650.01
	<b>1,507.50</b>	<b>1,873.97</b>

- Inventories are pledged against borrowing the detail of which have been described in note 19 and 24.
- The cost of inventories recognised as an expense during the year is disclosed in note 31 and 32.
- Inventory as at 31 March 2020 is after write off amounting to Rs 51.29 lacs owing to lockdown situation arising due to the global pandemic Covid19.
- This amount includes inventory of Rs. 367.68 lacs on account of asset held for sale.

<b>Note 10 : TRADE RECEIVABLES*</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Secured, considered good	-	0.18
Unsecured, considered good	2,602.70	4,291.20
Unsecured, credit impaired	1,916.38	1,627.58
	<b>4,519.08</b>	<b>5,918.96</b>
Less : Impairment allowance	(1,916.38)	(1,627.58)
<b>Total</b>	<b>2,602.70</b>	<b>4,291.38</b>
Less : Reclassified as asset held for sale (refer note 45(ii))	261.59	173.90
	<b>2,341.11</b>	<b>4,117.48</b>

- Trade receivable are pledged against borrowing the detail of which have been described in note 19 and 24.
- All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.
- All of the Company's trade receivables in the comparative periods have been reviewed for indicators of impairment.
- Trade receivable includes dues from directors or other officers of the Company or from private companies and firms in which Company's any director is a partner or director (refer note 51).

\* Refer note 44 and 47

<b>Note 11 : CASH AND CASH EQUIVALENTS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Cash on hand	45.23	61.26
Cheques/drafts on hand	-	0.49
Balances with banks:-		
In current accounts	1,868.63	3,076.45
In EEFC accounts	5.43	55.54
In deposits with original maturity of less than three months*	-	23.00
	<b>1,919.29</b>	<b>3,216.74</b>
Available undrawn committed borrowings facilities	3,873.68	3,016.89

\* The Company has pledged a part of its short-term deposits to fulfil the collateral requirements. Refer note 24 for details.

# Bharat Hotels Limited

(All amounts Rs. in Lacs)

<b>Note 12 : OTHER BANK BALANCES</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Balances with banks:-</b>		
Margin money (held against bank loan)	1,599.45	1,801.95
Deposits with original maturity of more than three months but less than twelve months from the reporting date	7.27	7.27
Unpaid dividend account*	24.14	26.95
	<b>1,630.86</b>	<b>1,836.17</b>

\* These balances are not available for use by the Company and corresponding balance is disclosed as unpaid dividend in note 26.

<b>Note 13 : LOANS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Unsecured, considered good unless otherwise stated)		
Security deposits	124.82	116.55
	<b>124.82</b>	<b>116.55</b>

<b>Note 14 : OTHER CURRENT FINANCIAL ASSETS*</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Unsecured, considered good unless otherwise stated)		
Recoverable from Subsidiary companies (refer note 51)	93.18	58.00
Unbilled revenue	101.22	38.85
Interest accrued on deposits with banks	51.62	62.85
Subsidy receivable	80.09	548.92
Other advances recoverable	2.16	8.98
	<b>328.27</b>	<b>717.60</b>

1. It represents amount incurred on behalf of its subsidiary company in usual course of business.
2. The Company has complied with all the conditions attached to the grant and the receivables have been recognized with a reasonable assurance that the grants will be received.

<b>Note 15 : OTHER CURRENT ASSETS*</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	155.42	366.16
Balances with statutory authorities	182.21	-
Services export incentive (refer note 39)	204.97	113.06
Advance to supplier		
- Considered good	365.25	708.86
- Considered doubtful	28.37	28.37
	<b>936.22</b>	<b>1,216.45</b>
Less: Allowance for expected credit loss	(28.37)	(28.37)
	<b>907.85</b>	<b>1,188.08</b>

\* All amounts are short-term. The net carrying value of other receivables is considered a reasonable approximation of fair value. All of the Company's other receivables in the comparative periods have been reviewed for indicators of impairment.



(All amounts Rs. in Lacs)

<b>Note 16 : ASSETS CLASSIFIED AS HELD FOR SALE</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Discontinued Operations {Refer Note 45 (i) and (ii)}*	40,851.26	2,858.03
Freehold land {Refer Note 45 (iii)}	3,019.72	3,019.72
Others	5.00	21.39
	<b>43,875.98</b>	<b>5,899.14</b>
<b>Liabilities directly associated with the assets held for sale</b>		
Discontinued Operations {Refer Note 45 (i) and (ii)}	1,134.17	53.63
Freehold land {Refer Note 45 (iii)}	-	200.00
	<b>1,134.17</b>	<b>253.63</b>

\* It mainly comprise of property, plant and equipment, intangible assets of hotel situated at Mumbai and aircraft operation and other assets of aircraft operation

<b>Note 17 : SHARE CAPITAL</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Authorised share capital</b>		
100,000,000 (31 March 2020: 100,000,000) equity shares of Rs. 10 each	10,000.00	10,000.00
<b>Issued, Subscribed and Paid up</b>		
75,991,199 (31 March 2020: 75,991,199) equity shares of Rs 10 each fully paid up	7,599.12	7,599.12
	<b>7,599.12</b>	<b>7,599.12</b>

**a Reconciliation of the equity shares outstanding at the beginning and at the the end of the year**

	<b>As at 31 March 2021</b>		<b>As at 31 March 2020</b>	
	<b>No. of Shares</b>	<b>Amounts</b>	<b>No. of Shares</b>	<b>Amounts</b>
Authorised share capital at the beginning of the year	100,000,000	10,000.00	100,000,000	10,000.00
Change during the year	-	-	-	-
<b>Authorised share capital at the end of the year</b>	<b>100,000,000</b>	<b>10,000.00</b>	<b>100,000,000</b>	<b>10,000.00</b>
	<b>As at 31 March 2021</b>		<b>As at 31 March 2020</b>	
	<b>No. of Shares</b>	<b>Amounts</b>	<b>No. of Shares</b>	<b>Amounts</b>
Issued share capital at the beginning of the year	75,991,199	7,599.12	75,991,199	7,599.12
Change during the year	-	-	-	-
<b>Issued share capital at the end of the year</b>	<b>75,991,199</b>	<b>7,599.12</b>	<b>75,991,199</b>	<b>7,599.12</b>

## b Terms/ Rights attached to equity shares.

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been 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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by the shareholders.

## c Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Percentage	No. of Shares	Percentage
<b>Equity share of Rs. 10, fully paid up</b>				
Deeksha Holding Limited	30,717,301	40.42%	30,717,301	40.42%
Mr. Jayant Nanda	19,991,198	26.32%	19,991,198	26.32%
Dr. Jyotsna Suri	7,255,935	9.55%	7,255,935	9.55%
Responsible Holding Private Limited	7,106,400	9.35%	7,106,400	9.35%
Mr. Keshav Suri	3,880,596	5.11%	3,880,596	5.11%

As per the records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownerships of shares.

## d Share reserved for issue under option

The Company has reserved an option for the permanent employees of the Company and its subsidiaries, including directors under "Employee Stock Option Plan, 2017" and has issued 700,600 options to the permanent employees (refer Note 55)

## e Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has not issued any shares pursuant to contract without payment being received in cash, nor allotted as fully paid up by way of bonus shares or bought back any shares during the period of five years immediately preceding the reporting date.

(All amounts Rs. in Lacs)

Note 18 : OTHER EQUITY	As at	As at
	31 March 2021	31 March 2020
<b>A. Surplus :</b>		
Securities Premium Account	29,034.73	29,034.73
Retained earnings	33,921.07	44,441.86
Share based payment reserve	115.41	111.54
General reserve	8,503.61	8,503.61
Capital reserve	11,285.05	11,285.05
	<b>82,859.87</b>	<b>93,376.79</b>
B: Equity component of financial instruments (Refer note 20)	346.88	-
<b>Total (A + B)</b>	<b>83,206.75</b>	<b>93,376.79</b>

\* For change in balance of reserves refer to the standalone statement of changes in equity.

## Nature and purpose of other reserves :

**Securities premium :** Comprises premium received on issue of equity shares.

**Retained earnings :** Comprises of balance of profit and loss at each year end.



**Capital reserve :** Comprise increase in value of asset acquired out of amalgamation of Udaipur Hotels Limited and Khajuraho Hotels Limited, as compared to book value of assets and on forfeiture of share application money.

**General reserve :** Under erstwhile Companies Act, 1956, General reserves was created through an annual transfer of net income at specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distribution results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserves has been withdrawn.

**Equity component of Financial Instruments :** Terms attached to 6% loan from Deekhsa Holding Limited, Jyotsna Holding Limited and Responsible Holdings Private Limited.

The Holding Company has obtained loans from above companies which are to be repayable on 31 March 2034 pursuant to the framework agreement. The Holding Company has recognised the difference between the loan amount and the fair value of the instrument as equity component of financial instrument. Also refer note 24.

(All amounts Rs in Lacs)

#### Note 19 : BORROWINGS

	As at 31 March 2021	As at 31 March 2020
<b>Term loans</b>		
<b>Secured</b>		
Rupee loan from banks (refer note 1 to 13 below)	110,086.98	108,031.75
Rupee loan from banks - FITL (refer note 14 to 21 below)	7,067.67	-
<b>Rupee loans from banks</b>	<b>117,154.65</b>	<b>108,031.75</b>
<b>Unsecured</b>		
Loan from Holding Company (refer 23 below)	1,386.53	-
Loan from related parties (refer 24 & 25 below)	866.58	-
	<b>119,407.76</b>	<b>108,031.75</b>
Less: Current maturities (refer note 26)	-	4,316.59
	<b>119,407.76</b>	<b>103,715.16</b>

#### Net debt reconciliation\*

Company's movement in its net debts during the year is as follows:

#### 31 March 2021

	Non current borrowings	Current borrowings	Interest accrued on borrowings	Total
Net debt as on 1 April 2020	108,031.75	8,414.58	1,023.35	117,469.68
Cash flows, net	11,431.29	(7,746.88)	-	3,684.41
Foreign exchange adjustments	-	58.62	-	58.62
Interest expense including effective interest expense*	-	-	12,772.49	12,772.49
Interest paid	-	-	(13,504.24)	(13,504.24)
Other non-cash movements				
Equity component of financial instruments	(346.88)			(346.88)
Fair value adjustments	291.60	-	(291.60 )	-
<b>Net debt as on 31 March 2021</b>	<b>119,407.76</b>	<b>726.32</b>	<b>0.00</b>	<b>120,134.08</b>

# Bharat Hotels Limited

31 March 2020

	Non current borrowings	Current borrowings	Interest accrued on borrowings	Total
Net debt as on 1 April 2019	108,667.14	10,063.80	777.87	119,508.81
Cash flows, net	(1,399.92)	(2,270.03)	-	(3,669.95)
Foreign exchange adjustments	154.59	620.81	-	775.40
Interest expense including effective interest expense	-	-	13,573.46	13,573.46
Interest paid	-	-	(12,718.04)	(12,718.04)
Other non-cash movements				
Fair value adjustments	609.94	-	(609.94)	-
<b>Net debt as on 31 March 2020</b>	<b>108,031.75</b>	<b>8,414.58</b>	<b>1,023.35</b>	<b>117,469.68</b>

\* Excluding interest booked on lease liabilities as per IND AS 116 and unwinding of finance cost from financial instruments at amortised cost.

## Notes:

- 1 Term Loan from Axis Bank aggregating to Rs. 10,420.54 lacs (31 March 2020: Rs. 10,395.59 lacs) carries interest @ 10.35% per annum. The loan was earlier repayable in 44 structured quarterly installments starting from November 2015 after a moratorium of 1 year from the date of first disbursement. Pursuant to resolution framework as stated in note 14, loan is repayable in 22 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by first pari-passu charge by way of hypothecation of movable fixed assets of Mumbai, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by Company (both present and future) and first pari-passu charge by way of mortgage over immovable fixed assets of Mumbai and Ahmedabad hotels.
- 2 Term Loan from Yes Bank aggregating to Rs. 42,262.67 lacs (31 March 2020: Rs. 42,111.30 lacs) carries interest @ 10.85% per annum till September'20, 10.45% per annum from October'20 to November'20 & afterwards 10.85% per annum. The loan was repayable in 44 structured quarterly installments starting from February 2016 after a moratorium of 1 year from the date of first disbursement. Pursuant to resolution framework as stated in note 14, loan is repayable in 22 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by first pari-passu charge on land and building of Mumbai and Ahmedabad hotels and first pari-passu charge on movable fixed assets of Mumbai, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company.
- 3 Term Loan from ICICI Bank aggregating to Rs. 3,024.94 lacs (31 March 2020: Rs. 3,111.21 lacs) (sanctioned amount Rs. 3,600.00 lacs) carries interest @ 12.24% per annum. The loan is repayable was 40 quarterly installments after a moratorium of 8 quarters from the date of first disbursement i.e. 25 June 2015. Pursuant to resolution framework as stated in note 14, loan is repayable in 39 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by first pari-passu charge on Jaipur and Khajuraho property and routing of cash flows of Jaipur and Srinagar property through the designated accounts.
- 4 Term Loan from Tamilnad Mercantile Bank (TMB) aggregating to Rs. 2,007.55 lacs (31 March 2020: Rs. 1,914.37 lacs), (sanctioned amount Rs. 2,500.00 lacs) carries interest @ 11.60 % per annum. The loan was repayable in 44 structured quarterly installments starting from February 2016 after a moratorium of 1 year from the date of first disbursement. Pursuant to resolution framework as stated in note 14, loan is repayable in 23 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by first pari-passu charge on land and building of Mumbai and Ahmedabad hotels and first pari-passu charge on movable fixed assets of Mumbai, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company.
- 5 Term Loan from Yes Bank aggregating to Rs. 4,734.22 lacs (31 March 2020: Rs. 4,706.93 lacs) carries interest @ 10.45% per annum. The loan was repayable in 52 structured quarterly installments starting from February 2017. Pursuant to resolution framework as stated in note 14, loan is repayable in 33 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by extension of first pari-passu charge on land and building of Mumbai hotel and extension of first pari-passu charge on movable fixed assets of Mumbai, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company.

- 6 Term Loan from Axis Bank aggregating to Rs. 3,538.21 lacs (31 March 2020: Rs. 3,556.25 lacs) carries interest @ 10.35% per annum. The loan was repayable in 42 structured quarterly installments starting from October 2017 after a moratorium of 1 year from the date of first disbursement. Pursuant to resolution framework as stated in note 14, loan is repayable in 27 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by extension of first pari-passu charge by way of hypothecation of movable fixed assets of Mumbai, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by Company (both present and future) and extension of first pari-passu charge by way of mortgage over immovable fixed assets of Mumbai and Ahmedabad hotels.
- 7 Term Loan from The Jammu & Kashmir Bank aggregating to Rs. 14,754.69 lacs (31 March 2020: Rs. 14,416.80 lacs) carries interest @ 10% per annum. The loan was repayable in 32 structured quarterly installments starting from June 2019 after a moratorium of 2 years from the date of first disbursement. Pursuant to resolution framework as stated in note 14, loan is repayable in 29 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by way of equitable mortgage on exclusively first charge over land and building of Srinagar hotel of the Company.
- 8 Term Loan from The Jammu & Kashmir Bank aggregating to Rs. 3,278.19 lacs (31 March 2020: Rs. 4,371.86) carries interest @ 10% per annum. The loan was repayable in 8 structured quarterly installments starting from December 2019 after a moratorium of 1 year from the date of first disbursement. Pursuant to resolution framework as stated in note 14, loan is repayable in 7 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by way of equitable mortgage on exclusively first charge over land and building of Srinagar hotel of the Company.
- 9 Term Loan from Yes Bank aggregating to Rs. 5,148.32 lacs (31 March 2020: Rs. 5,136.86 lacs) carries interest @ 10.45% per annum. The loan was repayable in 40 structured quarterly installments from the date of first disbursement. Pursuant to resolution framework as stated in note 14, loan is repayable in 28 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by exclusive charge on land and building of Udaipur Hotel and current assets of the Company except those of Jaipur and Goa hotels.
- 10 Packing Credit Foreign Currency ('PCFC') Loan from Yes Bank Limited amounting to Rs. 2,423.45 lacs {(equivalent to USD 32.97 lacs at an exchange rate of 73.5047 per USD); (31 March 2020: Rs. 2,609.86 lacs (equivalent to USD 34.62 lacs at an exchange rate of 75.3859 per USD))} carries interest @ LIBOR + 400 basis points. The loan is secured by first pari-passu charge on current assets (including receivables) of all the hotels of the Company (both present and future), except those of hotel situated in Jaipur and Goa of the Company.
- 11 Term Loan from Standard Chartered Bank aggregating to Rs. 15,154.32 lacs (31 March 2020: Rs. 14,482.12 lacs) (sanctioned amount Rs. 20,500.00 lacs) carries interest @ 10.50% till November '20 & afterwards 9.95% per annum. The loan was repayable in 144 monthly installments. Pursuant to resolution framework as stated in note 14, loan is repayable in 123 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by first charge over land (to the extent of land licensed by Deeksha Holding Ltd), building and receivables of Goa Hotel and corporate guarantee by Deeksha Holding Limited.
- 12 Term Loan from ICICI Bank aggregating to Rs. 3,339.88 lacs (31 March 2020: Rs. 3,828.45 lacs) (sanctioned amount Rs. 5,500.00 lacs) carries interest @ 10.85% per annum. The loan was repayable in 9 quarterly installments. Pursuant to resolution framework as stated in note 14, loan is repayable in 7 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by equitable mortgage on the movable and immovable fixed and current assets and the cash flows, both present and future, of Jaipur and also secured by exclusive charges on movable and immovable fixed assets of Khajuraho hotel, both present and future.
- 13 **Resolution Framework for COVID 19 related stress - Funded Interest Term Loan (FITL)** - The company has availed the Resolution framework for Covid 19 related stress as provided by Reserve Bank of India wide circular no RBI/2020-21/16/DOR.NO.BP.BC/3/21.04.048/2020-21 dated 6 August 2020. Accordingly the Interest on Interest from March '20 to August '20 has been converted into the Term Loan which will be payable as per their respective repayment schedule after a moratorium of 2 years. Other terms and conditions of the FITL will be equivalent to the respective main Term loan. Also as per the resolution framework, the Company become eligible for additional loan amounting to Rs. 4,078.73 lacs (refer note 14 to 20 for disbursement). Also as part of the restructuring agreement interest amounting to Rs. 2,988.94 lacs is currently not disbursed.
- 14 Axis Bank aggregating to Rs. 531.74 lacs (31 March 2020: Nil) carries interest @ 10.35% per annum. The loan is repayable in 22 installments starting from May 2023 after a moratorium of 2 years.



- 15 Axis Bank aggregating to Rs. 282.07 lacs (31 March 2020: Nil) carries interest @ 10.35% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 16 Yes Bank aggregating to Rs. 2,399.66 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum till January'21 & afterwards 10.85% per annum. The loan is repayable in 23 installments starting from May 2023 after a moratorium of 2 years.
- 17 Yes Bank aggregating to Rs. 1,255.74 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 18 ICICI Bank aggregating to Rs. 197.60 lacs (31 March 2020: Nil) carries interest @ 12.24% per annum. The loan is repayable in 29 installments starting from December 2022 after a moratorium of 2 years.
- 19 ICICI Bank aggregating to Rs. 99.54 lacs (31 March 2020: Nil) carries interest @ 12.24% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 20 Yes Bank aggregating to Rs. 269.15 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum. The loan is repayable in 33 installments starting from August 2023 after a moratorium of 2 years.
- 21 Yes Bank aggregating to Rs. 126.73 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 22 Axis Bank aggregating to Rs. 185.56 lacs (31 March 2020: Nil) carries interest @ 10.35% per annum. The loan is repayable in 27 installments starting from July 2023 after a moratorium of 2 years.
- 23 Axis Bank aggregating to Rs. 96.89 lacs (31 March 2020: Nil) carries interest @ 10.35% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 24 Yes Bank aggregating to Rs. 283.16 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum. The loan is repayable in 28 installments starting from June 2023 after a moratorium of 2 years.
- 25 Yes Bank aggregating to Rs. 139.24 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 26 ICICI Bank aggregating to Rs. 211.86 lacs (31 March 2020: Nil) carries interest @ 10.85% per annum. The loan is repayable in 7 installments starting from March 2023 after a moratorium of 2 years.
- 27 ICICI Bank aggregating to Rs. 98.86 lacs (31 March 2020: Nil) carries interest @ 10.85% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 28 Jammu & Kashmir Bank aggregating to Rs. 355.71 lacs (31 March 2020: Nil) carries interest @ 10.00% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 29 Jammu & Kashmir Bank aggregating to Rs. 93.55 lacs (31 March 2020: Nil) carries interest @ 10.00% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 30 Standard Chartered Bank aggregating to Rs. 386.69 lacs (31 March 2020: Nil) carries interest @ 10.50% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 31 Tamilnad Mercantile Bank (TMB) aggregating to Rs. 53.92 lacs (31 March 2020: Nil) carries interest @ 11.60% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 32 **Loan covenants**  
Bank loans contain certain covenants, compliance for which has been waived till 31 March 2021 as per FITL.
- 33 The Company has not defaulted in the repayment of loans and interest as at balance sheet date.
- 34 Unsecured loan taken from Deeksha Holding Ltd amounting to Rs. 1,600.00 lacs (31 March 2020: Nil) during the year as per mutual agreement which carried interest @ 6.00% per annum
- 35 Unsecured loan taken from Jyotsna Holding Pvt Ltd amounting to Rs. 500.00 lacs (31 March 2020: Nil) during the year as per mutual agreement which carried interest @ 6.00% per annum
- 36 Unsecured loan taken from Responsible Holding Pvt Ltd amounting to Rs. 500.00 lacs (31 March 2020: Nil) during the year as per mutual agreement which carried interest @ 6.00% per annum
- 37 **Asset Monetisation Plan :** As pursuant to framework agreement the Company has identified its Mumbai hotel & Land parcel at Dehradun and Ahmedabad for monetisation, the proceeds for which to be utilised for repayment of term loan by 31 March 2022.





- 38 **Personal Guarantee Provided :** As pursuant to framework agreement, Dr. Jyotsna Suri & Deeksha Holding Limited has jointly provided guarantee against the borrowing facility.
- 39 The Company has certain delays and defaults, in repayment of loan installments on borrowings, have occurred during the year, which are described as below:

Particulars	Amount of installment	Due date	Paid on#
Rupee loan from banks	1014.85	07-11-2020	28-01-2021
	816.18	07-12-2020	28-01-2021
	141.06	07-12-2020	20-02-2021
	1002.90	07-01-2021	31-03-2021
Rupee loan from banks - FITL	38.46	07-11-2020	28-01-2021
	35.08	07-12-2020	28-01-2021
	6.36	07-01-2021	28-01-2021
	31.38	07-01-2021	31-03-2021

However, there is no default as on 31 March 2021 pursuant to the Resolution framework for Covid-19 related stress availed by the company (refer note 13 above).

(All amounts Rs. in Lacs)

<b>Note 20 : OTHER NON CURRENT FINANCIAL LIABILITIES</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Financial liabilities</b>		
Liability component of financial instrument*	1,194.23	-
Deposits received against assets given under finance lease	117.72	114.71
Sundry deposits	288.25	334.47
	<b>1,600.20</b>	<b>449.18</b>

\* Further to note 18 (B) the financial instrument are presented as above.

<b>Note 21 : LONG TERM PROVISIONS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Gratuity (refer note 46)	860.16	894.92
	<b>860.16</b>	<b>894.92</b>

<b>Note 22 : DEFERRED TAX LIABILITIES (Net)</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Deferred tax liability</b>		
Accelerated depreciation for tax	20,187.53	20,165.56
Fair value of financial instruments	1,023.09	1,633.89
Re-measurement gains/(losses) on defined benefit plans	16.48	23.12
	<b>21,227.10</b>	<b>21,822.57</b>
<b>Deferred tax asset</b>		
Losses available for offsetting against future taxable income	3,441.97	1,643.87
Deferred lease rent and lease liability	2,328.30	3,885.68
Impact of expenditure charged to statement of profit and loss in current year/ earlier years but allowable for tax purposes on payment basis	3,796.04	791.47
Provision for doubtful debts and advances	720.19	608.71
MAT credit entitlement	4,965.73	3,680.12
	<b>15,252.23</b>	<b>10,609.85</b>
<b>Net deferred tax liability reflected in the balance sheet</b>	<b>5,974.87</b>	<b>11,212.72</b>

# Bharat Hotels Limited

(All amounts Rs. in Lacs)		
Note 23 : OTHER NON CURRENT LIABILITIES	As at	As at
	31 March 2021	31 March 2020
Deferred lease rent	2,990.36	3,057.27
	<b>2,990.36</b>	<b>3,057.27</b>

Note 24 : BORROWINGS	As at	As at
	31 March 2021	31 March 2020
<b>Secured loan</b>		
<b>From Banks</b>		
Cash credit facilities (refer note 1 below)	726.32	1,583.11
Short term loan (refer note 2 below)	-	2,609.86
<b>Unsecured loan</b>		
<b>From Banks</b>		
Short term loan (refer note 3 below)	-	4,221.61
	<b>726.32</b>	<b>8,414.58</b>

## Notes:

1. Cash credit facilities from Yes Bank Limited amounting to Rs. 726.32 lacs (31 March 2020: Rs. 1,583.11 lacs) carries interest @ 9.90% per annum. The loan is secured by first pari-passu charge on current assets (including receivables) of all the hotels of the Company (both present and future), except those of hotel situated at Jaipur and Goa of the Company.
2. Pursuant to framework agreement, Packing Credit Foreign Currency ('PCFC') Loan from Yes Bank Limited amounting to Rs. 2,423.45 lacs {(equivalent to USD 32.97 lacs at an exchange rate of 73.5047 per USD) has been converted into working capital term loan which is repayable by 30 April 2023; (31 March 2020: Rs. 2,609.86 lacs (equivalent to USD 34.62 lacs at an exchange rate of 75.3859 per USD)}. The loan is secured by first pari-passu charge on current assets (including receivables) of all the hotels of the Company (both present and future), except those of hotel situated in Jaipur and Goa of the Company.
3. During the year Barclays bank has encashed the guarantee issued by guarantor, Premium Holdings Limited (amounting to Rs. 4,094.54 lacs equivalent to USD 56.03 lacs at an exchange rate of 73.5047 per USD). The Company shall reimburse the amount to the guarantor as per the terms of loan arrangements agreed with the lender. It has been presented as other non current financial liabilities under note 20.

Note 25 : TRADE PAYABLES*	As at	As at
	31 March 2021	31 March 2020
- total outstanding dues of micro and small enterprises (refer note 49)	616.48	183.14
- total outstanding dues of creditors other than micro and small enterprises	7,415.93	6,940.90
<b>Total</b>	<b>8,032.41</b>	<b>7,124.04</b>
Less : Reclassified as liability held for sale (refer note 45(ii))	124.17	53.63
	<b>7,908.24</b>	<b>7,070.41</b>

\* All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.



(All amounts Rs. in Lacs)

<b>Note 26 : OTHER CURRENT FINANCIAL LIABILITIES</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Financial liabilities</b>		
Current maturities of long term borrowings (refer note 19)	-	4,316.59
Interest accrued but not due on borrowings	-	1,023.35
Sundry deposits	104.25	206.35
Creditor's for capital expenditure	99.39	87.10
Unclaimed dividend	24.14	26.95
Other payables	0.72	130.74
Employee related liabilities	684.89	1,125.62
Retention payable	209.00	213.50
	<b>1,122.39</b>	<b>7,130.20</b>

1. Not due for deposit to the investor education and protection fund.
2. All amounts are short-term. The carrying values of other payables are considered to be a reasonable approximation of fair value.

<b>Note 27 : SHORT TERM PROVISIONS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Provision for employee benefits</b>		
Gratuity (refer note 46)	351.59	389.19
Compensated absences	239.97	368.56
<b>Others provisions</b>		
Provision for membership programme (refer note 48)	138.20	138.20
	<b>729.76</b>	<b>895.95</b>

<b>Note 28 : OTHER CURRENT LIABILITIES</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Deferred revenue of membership programme	112.43	372.87
Deferred lease rent	120.02	69.41
Advances from customers	1,298.45	1,517.73
Advance against sale of property, plant and equipment	1,010.00	200.00
Statutory dues payable	233.66	997.89
<b>Total</b>	<b>2,774.56</b>	<b>3,157.90</b>
Less : Reclassified as liability relating to asset held for sale (refer note 45(ii))	1,010.00	200.00
	<b>1,764.56</b>	<b>2,957.90</b>

(All amounts Rs. in Lacs)

## Note 29 : REVENUE FROM OPERATIONS

	As at 31 March 2021	As at 31 March 2020
<b>Sale of services and products</b>		
- Room and apartment	5,867.96	21,391.67
- Food and beverage	3,807.79	15,027.29
- Liquor and wine	458.61	3,551.86
- Banquet and equipment rentals	222.58	1,609.45
- Other services	376.04	2,648.64
- Membership programme revenue	275.15	600.66
- Traded goods	12.10	68.00
<b>Other operating revenues</b>		
- Rent and maintenance income	1,313.46	1,322.29
- Consultancy/management fee	128.14	627.36
	<b>12,461.83</b>	<b>46,847.22</b>

## Note 30 : OTHER INCOME

	As at 31 March 2021	As at 31 March 2020
Excess provision/credit balances written back	1,109.29	67.82
Net gain on disposal of property, plant and equipment	15.07	-
Amortisation of deferred lease rental	14.03	14.35
Government grant income (refer note 39)*	559.18	420.92
Miscellaneous income	174.28	155.60
Reversal of compensated absences provision	76.55	26.23
	<b>1,948.40</b>	<b>684.92</b>

\* It includes Rs. 559.18 lacs (31 March 2020 - Rs. 323.90 lacs on account of revenues realised from export of services in foreign currency and Rs. 97.02 lacs under "RIPS Scheme 2010") as government subsidy for setting up new units or existing enterprise for making investment for expansion.

## Note 31 : CONSUMPTION OF FOOD AND BEVERAGES

	As at 31 March 2021	As at 31 March 2020
<b>Consumption of food and beverages (excluding liquor and wine)</b>		
Inventory at the beginning of the year	245.69	212.07
Add: Purchases	1,142.10	4,465.51
Less: Inventory at the end of the year	(114.34)	(245.69)
<b>Cost of food and beverage consumed (excluding liquor and wine)</b>	<b>1,273.45</b>	<b>4,431.89</b>
<b>Consumption of liquor and wine</b>		
Inventory at the beginning of the year	565.48	404.38
Add: Purchases	59.98	1,156.21
Less: Inventory at the end of the year	(481.28)	(565.49)
<b>Cost of liquor and wine consumed</b>	<b>144.18</b>	<b>995.10</b>
<b>Consumption of food and beverages (including liquor and wine)</b>	<b>1,417.63</b>	<b>5,426.99</b>



(All amounts Rs. in Lacs)

**NOTE 32 : CHANGE IN INVENTORIES OF TRADED GOODS**

	As at 31 March 2021	As at 31 March 2020
Inventory at the beginning of the year	102.08	98.60
Less: Inventory at the end of the year	96.95	102.08
	<b>5.13</b>	<b>(3.48)</b>

**Note 33 : EMPLOYEE BENEFIT EXPENSES**

	As at 31 March 2021	As at 31 March 2020
Salaries, wages and allowances	3,272.60	7,832.25
Company's contribution to provident and other funds	235.49	589.55
Gratuity expense (refer note 46)	100.30	141.69
Staff welfare expenses	17.52	121.32
Employee stock option scheme (refer note 55)	3.86	31.10
	<b>3,629.77</b>	<b>8,715.91</b>

**Note 34 : OTHER EXPENSES**

	As at 31 March 2021	As at 31 March 2020
Consumption of stores, cutlery, crockery, linen, provisions and others	327.38	1,430.67
Lease rent	305.41	821.66
Power and fuel	2,313.14	4,691.39
Banquet and decoration expenses	86.31	1,191.88
Repairs to:		
- Buildings	239.79	592.41
- Plant and machinery	664.87	1,352.40
- Others	149.92	425.57
Rates and taxes	532.50	858.86
Insurance	203.77	258.04
Communication costs	108.18	274.18
Printing and stationery	60.98	246.87
Travelling and conveyance	136.27	1,185.59
Advertisement and business promotion	60.58	687.82
Commission -other than sole selling agent	202.98	1,566.44
Security and cleaning expenses (sub contracting expenses)	410.47	1,423.39
Membership and subscriptions	47.89	117.80
Legal and professional fees (refer note below)	447.23	796.95
Advances written off	-	283.84
Freight and cartage	16.35	57.82
Exchange differences (net)	0.33	365.74
Loss on sale/ discard of property, plant and equipment (net)	-	39.29
Donations (refer note 52 for details of CSR expenditure)	17.83	67.41
Bad debts written off	6.38	1.79
Provision for doubtful advances	30.86	-
Provision for doubtful debts	202.99	401.92
Directors fees and commission	9.90	16.20
Bank charges	91.76	343.63
Other balances written off	33.70	124.72
Miscellaneous expenses	77.31	90.31
<b>Total</b>	<b>6,785.12</b>	<b>19,714.60</b>

# Bharat Hotels Limited

(All amounts Rs. in Lacs)		
	As at 31 March 2021	As at 31 March 2020
<b>Payment to auditor</b>		
<b>As Auditor:</b>		
- Audit fee	50.00	52.17
- Out of pocket expenses	4.04	3.41
- Other services	0.40	0.40
<b>Total</b>	<b>54.44</b>	<b>55.98</b>

<b>Note 35 : FINANCE INCOME</b>		
	As at 31 March 2021	As at 31 March 2020
<b>Interest income on</b>		
<b>Loans to related parties</b>		
- Subsidiary companies*	943.46	1,112.43
- Entity controlled by the company	481.54	429.78
<b>Others</b>		
- Bank deposits	185.74	128.79
- others	442.70	545.64
Finance lease income	109.19	109.21
Unwinding of discount on security deposits	49.30	44.01
Gain on extinguishment of liability (refer note 24)	2,937.14	-
Exchange difference on foreign currency borrowings	61.61	-
<b>Total</b>	<b>5,210.68</b>	<b>2,369.86</b>

\* During the previous year the Company has recognised an interest income of Rs. 245.54 lacs on the pre payment by the subsidiary of the interest free loan. No such income has been recognised in current year.

(All amounts Rs. in Lacs)		
<b>Note 36 : FINANCE COSTS</b>		
	As at 31 March 2021	As at 31 March 2020
<b>Interest on:</b>		
-loans from banks	12,539.68	12,877.34
- loans from financial institutions	-	0.99
- credit facilities from banks	31.98	293.06
- loan from directors	-	1.33
- others	257.78	18.93
Other borrowing cost	29.28	20.20
Unwinding of finance cost from financial instruments at amortised cost	14.87	10.62
Interest on defined benefit plans (refer note 46)	44.33	73.09
Interest expense on lease liabilities (refer note 53(ii))	972.49	1,014.32
Exchange difference on foreign currency borrowings	-	280.98
	<b>13,890.41</b>	<b>14,590.86</b>



(All amounts Rs. in Lacs)

<b>Note 37 : DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Depreciation on property, plant and equipment	3,050.26	3,794.83
Amortisation of right-of-use assets	322.20	322.99
Amortisation of intangible assets	41.59	87.47
	<b>3,414.05</b>	<b>4,205.29</b>

<b>Note 38 : PREOPERATIVE EXPENDITURE PENDING ALLOCATION</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Balance as per last account</b>	9,945.38	9,943.97
<b>Additions during the year:</b>		
<b>Operating and other expenses</b>		
Security and cleaning expenses (sub contracting expenses)	-	0.60
Professional fees	0.56	0.74
Miscellaneous expenses	0.07	0.07
<b>Closing Balance</b>	<b>9,946.01</b>	<b>9,945.38</b>

#### **Note 39: GOVERNMENT GRANTS**

##### **Service Exports from India Scheme (SEIS):**

The Company under SEIS receives an entitlement / credit to be sold separately or utilised against future imports. The Company recognises income in respect of duty credit entitlement arising from export sales under the SEIS of the Government of India in the year of exports, provided there is no significant uncertainty regarding the entitlement and availment of the credit and the amount thereof.

(All amounts Rs. in Lacs)

	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Opening Balance</b>	113.06	434.75
Add: Received	559.18	323.90
Less: Utilisation	113.06	88.81
Less: Realised during the year	354.21	556.78
<b>Closing Balance (Refer note 15)</b>	<b>204.97</b>	<b>113.06</b>
Income recognised in Statement of Profit and Loss on account of SEIS (A)*	559.18	323.90
Income recognised in Statement of Profit and Loss on account of Other Schemes (B)	-	97.02
<b>Total income recognised in the Statement of Profit and Loss (A + B) (Refer note 30)</b>	<b>559.18</b>	<b>420.92</b>

\* Of the above, the Company has recognized Rs. 559.18 lacs (31 March 2020: Rs. 323.90 lacs) on sales of SEIS license.

(All amounts Rs. in Lacs)

Note 40 : INCOME TAX	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>The income tax expense consists of the following:</b>		
<b>From continuing operations:</b>		
Current tax	-	150.87
Deferred tax	(3,894.91)	(1,886.49)
Minimum alternate tax ('MAT') credit	(1,285.60)	1,525.11
<b>Total (a)</b>	<b>(5,180.51)</b>	<b>(210.51)</b>
<b>From discontinued operations:</b>		
Current tax	-	-
Deferred tax	(73.83)	1,256.26
<b>Total (b)</b>	<b>(73.83)</b>	<b>1,256.26</b>
<b>Total tax expense (a + b)</b>	<b>(5,254.34)</b>	<b>1,045.75</b>

**Reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:**

Loss before income taxes from continuing operations	(15,575.16)	(9,155.50)
Loss before income taxes from discontinued operations	(230.65)	3,565.26
<b>Loss before income taxes</b>	<b>(15,805.81)</b>	<b>(5,590.24)</b>
At Company's statutory income tax rate of 34.94% (31 March 2020: 34.94%)	(5,522.55)	(1,953.23)
<b>Adjustments</b>		
Indexation benefits	(195.66)	(146.74)
Non-deductible expenses	23.88	1,532.93
Reversal of tax/MAT credit on uncertain positions	-	1,675.98
Other adjustments	439.99	(63.19)
<b>Total</b>	<b>(5,254.34)</b>	<b>1,045.75</b>

**Movement in deferred tax assets and liabilities for the year ended 31 March 2021:**

Particulars	Opening deferred tax asset / (liability)	Income tax (expense) / credit recognized in profit or loss	Income tax (expense) / credit recognized in other comprehensive income	Closing deferred tax asset / (liability)
<b>Deferred tax liabilities arising on account of</b>				
Accelerated depreciation for tax	20,165.56	21.97	-	20,187.53
Fair value measurement of financial instruments	1,633.89	(610.80)	-	1,023.09
Remeasurement gain on defined benefit plans	23.12	(23.12)	16.48	16.48
<b>Total deferred tax liabilities</b>	<b>21,822.57</b>	<b>(611.96)</b>	<b>16.48</b>	<b>21,227.10</b>





(All amounts Rs. in Lacs)

Particulars	Opening deferred tax asset / (liability)	Income tax (expense) / credit recognized in profit or loss	Income tax (expense) / credit recognized in other comprehensive income	Closing deferred tax asset / (liability)
<b>Deferred tax assets arising on account of</b>				
Losses available for offsetting future taxable income	1,643.87	1,798.10	-	3,441.97
Deferred lease rent and lease liability	3,885.68	(1,557.38)	-	2,328.30
Impact of expenditure charged to statement of profit and loss in current year/earlier years but allowable for tax purposes on payment basis	791.47	3,004.57	-	3,796.04
Provision for doubtful debts/advances	608.71	111.48	-	720.19
MAT credit entitlement	3,680.12	1,285.61	-	4,965.73
<b>Total deferred tax assets</b>	<b>10,609.85</b>	<b>4,642.38</b>	<b>-</b>	<b>15,252.23</b>
<b>Total deferred tax assets (net)</b>	<b>11,212.72</b>	<b>(5,254.34)</b>	<b>16.48</b>	<b>5,974.87</b>

**Movement in deferred tax assets and liabilities for the year ended 31 March 2020:**

Particulars	Opening deferred tax asset / (liability)	Adjustment on account of Ind AS 116	Income tax (expense) / credit recognized in profit or loss	Income tax (expense) / credit recognized in other comprehensive income	Closing deferred tax asset / (liability)
<b>Deferred tax liabilities arising on account of</b>					
Accelerated depreciation for tax	21,412.33	-	(1,246.77)	-	20,165.56
Fair value measurement of financial instruments	(365.77)	-	1,999.66	-	1,633.89
Remeasurement gain on defined benefit plans	50.78	-	(50.78)	23.12	23.12
<b>Total deferred tax liabilities</b>	<b>21,097.34</b>	<b>-</b>	<b>702.11</b>	<b>23.12</b>	<b>21,822.57</b>

**Deferred tax assets arising on account of**

Losses available for offsetting future taxable income	2,461.99	-	(818.12)	-	1,643.87
Deferred lease rent and lease liability	10.88	1,691.61	2,183.19	-	3,885.68
Impact of expenditure charged to statement of profit and loss in current year/earlier years but allowable for tax purposes on payment basis	845.80	-	(54.33)	-	791.47
Provision for doubtful debts/ advances	587.11	-	21.60	-	608.71
MAT credit entitlement	5,205.23	-	(1,525.11)	-	3,680.12
<b>Total deferred tax assets</b>	<b>9,111.01</b>	<b>1,691.61</b>	<b>(192.77)</b>	<b>-</b>	<b>10,609.85</b>
<b>Net deferred tax liability reflected in the balance sheet</b>	<b>11,986.33</b>	<b>(1,691.61)</b>	<b>894.88</b>	<b>23.12</b>	<b>11,212.72</b>

**Note:**

The Company has recognised MAT credit since there is convincing evidence that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.

**Unused tax losses****Capital losses**

The Company has not recognised deferred tax assets of Rs. 1,683.77 lacs on loss under the head 'Capital gain' as the Company is not likely to generate taxable income under the same head in foreseeable future. The significant portion of these losses will expire in financial year ending 31 March 2022.

**Business losses**

The Company has tax losses amounting to Rs. 17,951.45 lacs as on 31 March 2021 that is available for off-setting against the future taxable profits of the Company. The significant portion of these losses will expire in financial year ending 31 March 2026 and remaining loss will expire in financial year ending 31 March 2021.

**Unabsorbed depreciation**

The Company has an unabsorbed depreciation amounting to Rs. 5,439.46 lacs as on 31 March 2021 that is available for off-setting against the future taxable profits of the Company. The Company can carry forward the unabsorbed depreciation for unlimited period of years.

**Note 41 : LOSS PER EQUITY SHARE**

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

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

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

Basic and Diluted	As at	As at
	31 March 2021	31 March 2020
Loss attributable to equity share holders of continuing operations	(10,394.65)	(8,944.99)
(Loss)/profit attributable to equity share holders of discontinued operations	(156.82)	2,309.00
Weighted average number of equity shares*	75,991,199	75,991,199
<b>Basic and diluted from continuing operation- Rs.</b>	(13.68)	(11.77)
<b>Basic and diluted from discontinued operation- Rs.</b>	(0.21)	3.04
<b>Total Basic and diluted from continuing and discontinued operation- Rs.</b>	<b>(13.89)</b>	<b>(8.73)</b>

\* The EPS would have decreased if holders of the ESOP had exercised their right to convert their options into equity. This would have an anti-dilutive impact on the number of shares and loss and thus basic and diluted loss per equity shares are considered as same.

**Note 42 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's standalone 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 of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

## **Judgements**

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

### **Determining the lease term of contracts with renewal and termination options – Company as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company included the renewal period as part of the lease term for leases of land. The Company typically exercises its option to renew for these leases because there will be a significant negative effect on operations if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

### **Property lease classification – Company as lessor**

The Company has entered into commercial property leases on its corporate office. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

### **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.

### **Defined benefit plans (gratuity benefits)**

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. 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. Further details about gratuity obligations are given in note 46.

## **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 other valuation techniques. 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.

## **Impairment of non-financial assets**

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

## **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 for financial assets.

ECL 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. When estimating the cash flows, the Company is required to consider –

All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

## **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 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 CGU 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.

### 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.

### Note 43 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is

- to maximise the shareholder value
- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services in a way that reflects the level of risk involved in providing those goods and services.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 30% and 65%. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, other bank balances and other financial assets (not under lien with any other party).

(All amounts Rs. in lacs)

Particulars	As at	As at
	31 March 2021	31 March 2020
Borrowings (note 19, 24 and 26)	120,134.08	116,446.33
Less: Cash and cash equivalents (note 11)	(1,919.29)	(3,216.74)
Less: Other bank balances (note 12)	(1,606.72)	(1,809.22)
Less: Other financial assets (note 6)	(732.09)	(375.72)
Net debt	<b>115,875.98</b>	<b>111,044.65</b>
Equity (refer note 17 and 18)	90,805.87	100,975.91
<b>Capital and Net Debts</b>	<b>206,681.85</b>	<b>212,020.56</b>
Gearing Ratio	56%	52%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

However, pursuant to framework agreement executed on 27 April 2021, the penal interest/additional interest levied by lenders upon breach of covenants by the borrower on account of circumstances arising from Covid-19 between 01 March 2020 and the date on which the financial covenants are achieved to the satisfaction of the lenders or till 31 March 2022, whichever is earlier, shall be waived.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2021 and 31 March 2020.

## Note 44 : FAIR VALUE MEASUREMENT

(All amounts Rs. in lacs)

### a. Financial instruments by category

Particulars	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments in equity instruments*	2.82	-	3.60	-
Loans	-	15,969.16	-	14,610.10
Trade receivables	-	2,602.70	-	4,291.38
Cash and cash equivalents	-	1,919.29	-	3,216.74
Other bank balances	-	1,630.86	-	1,836.17
Others	-	2,056.44	-	2,108.28
<b>Total financial assets</b>	<b>2.82</b>	<b>24,178.45</b>	<b>3.60</b>	<b>26,062.67</b>
<b>Financial liabilities</b>				
Borrowings	-	120,134.08	-	116,446.33
Trade payables	-	7,908.24	-	7,070.41
Lease liabilities	-	8,267.98	-	9,102.55
Others	-	2,722.59	-	3,262.79
<b>Total financial liabilities</b>	<b>-</b>	<b>139,032.89</b>	<b>-</b>	<b>135,882.08</b>

#### Note:

\* The above excludes investment in subsidiaries amounting for Rs. 76,970.53 lacs (31 March 2020: Rs. 81,529.73 lacs). The investment included above has been considered at cost as there is immaterial change in the value of aforesaid instrument.

### b. Financial value measurement hierarchy for assets and liabilities

#### 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 categorizes 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:

#### i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

#### ii) Level 2

Inputs are observable inputs, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

#### iii) 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.



## Financial assets and liabilities measured at fair value

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

(All amounts Rs. in lacs)				
31 March 2021				
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Measured at fair value through profit or loss</b>				
Investments in equity instruments	-	-	2.82	2.82
<b>Measured at amortised cost for which fair values are disclosed</b>				
Loans	-	-	15,969.16	15,969.16
Others	-	-	953.55	953.55
	-	-	16,922.71	16,922.71
<b>Financial liabilities</b>				
Borrowings	-	-	120,134.08	120,134.08
Deposits (including retention payable)	-	-	719.22	719.22
	-	-	120,853.30	120,853.30
31 March 2020				
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments measured at fair value through profit or loss</b>				
Investments in equity instruments	-	-	3.60	3.60
<b>Measured at amortised cost for which fair values are disclosed</b>				
Loans	-	-	14,610.10	14,610.10
Others	-	-	953.82	953.82
	-	-	15,563.92	15,563.92
<b>Financial liabilities</b>				
Borrowings	-	-	116,446.33	116,446.33
Deposits (including retention payable)	-	-	869.03	869.03
	-	-	117,315.36	117,315.36

### c. Fair value of financial assets and liabilities measured at amortised cost

- 1 The management assessed that fair values of cash and cash equivalents, trade receivables, other receivables, trade payables, bank overdrafts, interest accrued on bank deposits with banks, other current and non-current financial assets, other current and non-current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.
- 2 The fair values of loans, security deposits, borrowings and other remaining financial assets and liabilities is determined using the discounted cash flow analysis.
- 3 There are no transfers between level 1, 2 and 3 during the year.



## Note 45(i) : EXCEPTIONAL ITEMS

(All amounts Rs. in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Expenses items</b>		
Impairment loss {refer note (i)}	6,050.00	5,241.00
Initial public offer expenses written off	-	969.00
Rates and taxes {refer note (ii)}	-	603.06
<b>Total (A)</b>	<b>6,050.00</b>	<b>6,813.06</b>
<b>Income items</b>		
Excess provisions written back {refer note (iii)}	-	442.81
<b>Total (B)</b>	<b>-</b>	<b>442.81</b>
<b>Total (A-B)</b>	<b>6,050.00</b>	<b>6,370.25</b>

### Notes:

- (i) Impairment loss includes loss allowance on:
- Investment in subsidiary company i.e. PCL Hotels Limited for Rs. 84.00 lacs (31 March 2020: Rs. 3,900.00 lacs).
  - Deemed investment in Kujjal Hotels Private Limited for Rs. 5,966.00 lacs (31 March 2020: Rs. Nil).
  - Carrying value of property, plant and equipment at Hotel property at Mangar location of Rs. Nil (31 March 2020: Rs. 1,341 lacs).
- (ii) Rates and taxes expense includes:
- Charges accrued on account of license fees payable to NDMC in lieu of interim order issued by Hon'ble High Court of Delhi of Rs. Nil (31 March 2020: Rs. 130.00 lacs).
  - Reversal of input of goods and service tax on liquor sales for Rs. Nil (31 March 2020: Rs. 473.06 lacs) pertaining to previous years in respect of exempted sales considering the prudent accounting principle. The management of the Company is evaluating various options based on which relevant information filed with regulators would be revised.
- (iii) Provision written back on account of loans given to its subsidiary Prima Hospitality Private Limited for Rs. Nil (31 March 2020: Rs. 442.81 lacs). Refer Note 59(d) for further details.

## Note 45(ii) : ASSETS HELD FOR SALE/ LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE

- (i) The Board of Directors of the Company vide its approval dated 24 March 2021, has approved its restructuring resolution plan ('Resolution plan') for restructuring the outstanding under the existing facilities of the Company under the 'Resolution Framework for COVID-19-related stress' dated 6 August 2020 ('Circular' amended from time to time) issued by the Reserve Bank of India. An 'Asset monetisation plan' also forms part of the aforesaid 'Resolution plan' which proposes to reduce the Company's outstanding debt position through sale of the existing hotel. The Resolution plan was approved by the lending bankers of the Company, subsequent to the year end.

Therefore, in accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations', the results related to the proposed disposal of the Company's existing hotel for the period 1 April, 2020 to 31 March, 2021 have been included in the standalone financial statements as discontinued operations.

- (ii) During the previous year, the Company has discontinued its 'Aircraft Charter operations' under which it currently owns two aircrafts. The Company has entered into an agreement to sell for these aircrafts for a sale price which is below their existing carrying values. Accordingly, the Company has further recognized an 'Impairment loss' of Rs. 99.13 lacs in the standalone financial statements for the year ended 31 March 2021 included below in the results of discontinued operations.





(a) The results of the discontinued operations for the year are presented below:

Particulars	(All amounts Rs. in lacs)	
	As at	As at
	March 31, 2021	March 31, 2020
<b>Revenue</b>		
Revenue from operations	3,545.01	14,917.37
Other income	70.11	126.77
<b>Total income</b>	<b>3,615.12</b>	<b>15,044.14</b>
<b>Expenses</b>		
Cost of food and beverages consumed	287.51	1,445.44
Purchase of traded goods	0.56	14.09
Changes in inventories of traded goods	(0.12)	0.01
Employee benefits expense	844.32	2,082.73
Other expenses	2,103.62	6,310.84
<b>Total expenses</b>	<b>3,235.89</b>	<b>9,853.12</b>
<b>Earnings before interest, tax, depreciation and amortisation ('EBITDA')</b>	<b>379.23</b>	<b>5,191.02</b>
Finance income	0.65	0.71
Finance costs	39.63	34.01
Depreciation and amortisation expense	471.77	824.62
<b>Total expenses</b>	<b>510.75</b>	<b>857.91</b>
<b>(Loss)/profit before tax and exceptional item</b>	<b>(131.52)</b>	<b>4,333.11</b>
Exceptional item	99.13	767.85
<b>(Loss)/profit before tax</b>	<b>(230.65)</b>	<b>3,565.26</b>
Tax expense:		
Deferred tax (credit)/expense	(73.83)	1,256.26
<b>(Loss)/profit from discontinued operations</b>	<b>(156.82)</b>	<b>2,309.00</b>

(b) The major classes of assets and liabilities as at 31 March 2021 are as follows:

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>Non-current assets</b>		
Property, plant and equipment	40,583.77	2,684.13
Other intangible assets	5.90	-
<b>Total non-current assets</b>	<b>40,589.67</b>	<b>2,684.13</b>
<b>Current assets</b>		
Trade receivables	261.59	173.90
<b>Total current assets</b>	<b>261.59</b>	<b>173.90</b>
<b>Total assets (A)</b>	<b>40,851.26</b>	<b>2,858.03</b>
Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>Current liabilities</b>		
Trade payables	124.17	53.63
Other current liabilities	1,010.00	-
<b>Total current liabilities</b>	<b>1,134.17</b>	<b>53.63</b>
<b>Total liabilities (B)</b>	<b>1,134.17</b>	<b>53.63</b>

(All amounts Rs. in lacs)

c) **Net cash flows attributable to discontinued operations are as follows:**

Net cash used in operating activities	(380.70)	(1,104.69)
Net cash generated from investing activities	18.62	(60.22)
Net cash used in financing activities	-	-
<b>Net cash outflows</b>	<b>(362.08)</b>	<b>(1,164.92)</b>

iii) **Assets held for sale**

Management has committed to a plan to sell the following assets in near future:

Freehold land\*

Gross carrying value	2,938.48	2,938.48
Capital work in progress	81.24	81.24
	<b>3,019.72</b>	<b>3,019.72</b>

Plant and machinery

Gross carrying value	5.00	21.39
Less: Accumulated depreciation	-	-
<b>Total</b>	<b>5.00</b>	<b>21.39</b>

**Liabilities directly associated with the assets held for sale**

Other current liabilities	-	200.00
	<b>-</b>	<b>200.00</b>

\* The management of the Company has decided to sell land parcels situated in India at multiple places and accordingly has initiated the process of identifying a potential buyer. Hence, these land parcels are disclosed as 'Assets held for sale' during the reporting period and are measured at lower of its carrying amount and fair value less cost to sell. Fair value of the assets were determined using the market approach.

\*\*The Company has identified only property, plant and equipment of the existing hotel location as assets held for sale as the management of the Company is of the view that the related assets and liabilities to the hotel location will be realised by the management in the course of its continuing operations.

## Note 46 : EMPLOYEE BENEFITS OBLIGATIONS

### A. Defined benefit plan

#### Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Salary escalation rate	The rate at which salaries are expected to escalate in future and is used to determine the accrued gratuity based on salary at the date of separation.
Discount rate	The rate at which liabilities of future costs/payouts are discounted back to the valuation date.

#### Gratuity (funded)

The Company provides for gratuity for employees in India as per the Payments of Gratuity Act, 1972 to employees who are in continuous service for a period of 5 years. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan, the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.



The weighted average duration of the defined benefit obligation as at 31 March 2021 is 4.10 years (31 March 2020: 4.04 years).

The Company expects to contribute Rs. 14.38 million (March 31, 2020: Rs. 14.32 million) towards gratuity during the next year.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	(All amounts Rs. in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>a. Reconciliation of present value of defined benefit obligation and the fair value of plan assets</b>		
Present value of defined benefit obligation as at the end of the year	1,211.75	1,284.11
<b>Net liability position recognised in balance sheet</b>	<b>1,211.75</b>	<b>1,284.11</b>
<b>b. Changes in defined benefit obligation</b>		
<b>Present value of defined benefit obligation at the beginning of the year</b>	1,284.11	1,259.08
Current service cost	139.23	156.32
Interest cost	60.47	80.63
Employer contributions	(224.90)	(145.76)
Actuarial gain on defined benefit obligations	(47.16)	(66.16)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>1,211.75</b>	<b>1,284.11</b>
<b>c. Amount recognised in the statement of profit and loss*</b>		
Current service cost	139.23	156.32
Interest cost	60.47	80.63
<b>Amount recognised in the statement of profit and loss</b>	<b>199.70</b>	<b>236.95</b>
* It includes amount on account of asset held for sale		
<b>d. Other comprehensive income</b>		
Actuarial loss on arising from change in demographic assumption	-	11.66
Actuarial gain on arising from change in financial assumption	7.38	32.07
Actuarial gain on arising from experience adjustment	(54.54)	(109.89)
<b>Total actuarial gain for the year</b>	<b>(47.16)</b>	<b>(66.16)</b>
<b>e. Actuarial assumptions</b>		
Discount rate	5.40%	5.55%
Future salary increase	5.00%	5.00%
<b>f. Demographic Assumption:</b>		
Retirement age (years)	58.00	58.00
Mortality table	IALM (2012-14) Ultimate Table	
<b>Withdrawal Rate (%)</b>		
<b>Ages</b>		
Up to 30 years	38.00%	38.00%
From 31 to 44 years	23.00%	23.00%
Above 44 years	12.00%	12.00%

(All amounts Rs. in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>g. Sensitivity analysis for gratuity liability:</b>		
<b>Impact of the change in discount rate</b>		
a) Impact due to increase of 0.50%	1,185.08	1,258.85
b) Impact due to decrease of 0.50%	1,234.63	1,310.46
<b>Impact of the change in salary increase</b>		
a) Impact due to increase of 0.50%	1,234.61	1,310.47
b) Impact due to decrease of 0.50%	1,184.87	1,258.60
<b>h. Maturity profile of defined benefit obligation:</b>		
Within next 12 months	237.23	264.95
Between 1-5 years	488.45	519.99
Beyond 5 years	486.07	499.18

- B.** The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**C. Defined contribution plans**

The Company's contribution to state governed provident fund, employees' state insurance and labour welfare fund schemes are considered as defined contribution plans. The contribution for the current year is Rs. 284.77 lacs (31 March 2020 : Rs. 717.71 lacs) and under the schemes is recognised as an expense, when an employee renders the related service. There are no other obligations of the Company, other than the contribution payable to the respective funds.

**Note 47 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure 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 risk, which are summarised as below:

**A Market risk**

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



## A1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

	(All amounts Rs. in lacs)	
	31 March 2021	31 March 2020
Variable rate borrowings	117,880.97	116,446.33
Fixed rate borrowings	2,253.11	-

## Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect of Profit before tax	
	31 March 2021	31 March 2020
Increase by 50 basis points	(589.40)	(582.23)
Decrease by 50 basis points	589.40	582.23

## A2 Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure in foreign currency is in loans, debtors and advances denominated in foreign currency. The Company is not restricting its exposure of risk in change in exchange rates. The Company expects the Indian Rupee to strengthen and accordingly the Company is carrying the risk of change in exchange rates.

Particulars	Currency	Buy/Sell	31 March 2021	31 March 2020
<b>Trade creditors</b>				
	USD	Buy	-	0.24
<b>Trade receivables</b>				
	GBP	Sell	0.99	0.99
<b>FDR</b>				
	USD	Sell	-	2.74
Particulars	Currency	Buy/Sell	31 March 2021	31 March 2020
<b>EEFC Bank Balance</b>				
	USD	Sell	0.07	0.74
<b>Unsecured loans</b>				
	USD	Buy	-	56.00
<b>Secured loans</b>				
	USD	Buy	32.97	34.62

## Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD-INR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material. If the INR had strengthened against the USD by 5% (31 March 2020: 5%), then this would have had the following impact:

	Effect on profit before tax*	
	31 March 2021	31 March 2020
<b>USD Sensitivity</b>		
Increase by 5%	(120.90)	(139.08)
Decrease by 5%	120.90	139.08

Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas borrowings, which are partly denominated in US dollars (USD). Sensitivity of GBP has not been considered on account of immaterial exposure.

## A3 Foreign currency 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 profit and loss are considered immaterial keeping in view of the fact that these are unquoted investments and are measured at cost.

\* In accordance with exemption allowed under Ind AS 101, the Company capitalises exchange differences arising on long term foreign currency monetary items. Accordingly, the profit before tax will not be impacted to that extent.

## B 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 loans to related parties, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The most significant input being the discount rate that reflects the credit risk of counterparties.

The Company continuously monitors the credit quality of customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The Company's policy is to deal only with credit worthy counterparties. The credit terms range between 30 and 180 days.

### (a) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

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 Companies and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 10. The Company does not hold collateral as security.

### (b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at respective reporting date is the carrying amount.



<b>Gross carrying amount of trade receivables</b>	<b>(All amounts Rs. in lacs)</b>	
<b>Ageing</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Not due	6.30	28.39
0-60 days past due	1,018.08	2,199.19
61-120 days past due	549.59	641.38
121-180 days past due	120.33	925.08
180-365 days past due	908.40	563.64
More than 365 days	1,916.38	1,561.28
	<b>4,519.08</b>	<b>5,918.96</b>

<b>Provision for doubtful debts</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Ageing</b>		
Not due	-	-
0-60 days past due	-	-
61-120 days past due	-	-
121-180 days past due	-	-
180-365 days past due	-	66.30
More than 365 days	1,916.38	1,561.28
	<b>1,916.38</b>	<b>1,627.58</b>

#### **Reconciliation of provision for doubtful debts - Trade receivables**

	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Provision at beginning</b>	1,627.58	1,122.94
Addition during the year	374.20	527.06
Reversal during the year	(67.24)	(12.81)
Utilised during the year	(18.16)	(9.61)
<b>Provision at closing</b>	<b>1,916.38</b>	<b>1,627.58</b>

The Company applies simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers. Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 365 days from the invoice date and failure to engage with the Company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

#### **Reconciliation of provision for doubtful debts - Loans and deposits**

	<b>(All amounts Rs. in lacs)</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Provision at beginning</b>	114.57	557.39
Addition during the year	30.86	-
Reversal during the year	-	(442.82)
Utilised during the year	-	-
<b>Provision at closing</b>	<b>145.43</b>	<b>114.57</b>

## C Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company had access to the following undrawn borrowing facilities at the end of the reporting periods -

	(All amounts Rs. in lacs)	
Floating rate	31 March 2021	31 March 2020
(a) Expiring within one year (Bank overdraft and other facilities) Secured		
-Cash credit facilities	3,873.68	3,016.89

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

Contractual maturities of borrowings	31 March 2021	31 March 2020
Upto one year	-	24,858.06
Between 1 and 2 years	15,241.91	20,615.00
Between 2 and 5 years	82,129.70	64,601.26
More than 5 years	16,883.65	69,531.72

Contractual maturities of trade payables	31 March 2021	31 March 2020
Upto one year	7,908.24	7,070.41

Contractual maturities of security deposit received	31 March 2021	31 March 2020
Upto one year	15.43	141.17
Between 1 and 2 years	60.61	38.19
Between 2 and 5 years	279.01	274.82
More than 5 years	4,875.16	4,887.37

Contractual maturities of other financial liabilities	31 March 2021	31 March 2020
Upto one year	642.18	1,328.70

## Note 48 : LALIT LOYALTY AND MEMBERSHIP PROGRAMME

(a) Points for Lalit Connect	31 March 2021	31 March 2020
Accrued points	1.35	2.18
Redeemed points	-	0.83
Redemption percentage	0.00%	38.09%
Unexpired points	1.35	1.35

(b) Points for Lalit Plus	31 March 2021	31 March 2020
Accrued points	10.27	5.19
Redeemed points	-	(5.08)
Redemption percentage	0.00%	-97.93%
Unexpired points	10.27	10.27





	(All amounts Rs. in lacs)	
	31 March 2021	31 March 2020
<b>(c) Points for Lalit Engage</b>		
Accrued points	1.52	1.99
Redeemed points	-	0.46
Redemption percentage	0.00%	23.37%
Unexpired points	1.52	1.52
<b>(d) Movement in provision</b>		
At the beginning of the year	138.20	123.92
Arising during the year	-	(80.37)
Utilised during the year	-	(94.65)
At the end of the year	138.20	138.20
<b>(e) Movement in membership programme</b>		
At the beginning of the year	372.87	423.44
Arising during the year	421.73	893.22
Utilised during the year	682.17	943.79
At the end of the year	112.43	372.87

**Note 49 : DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:**

On the basis of confirmations obtained from suppliers who have registered themselves under the MSMED Act, and based on the information available with the Company, the disclosures pursuant to the said MSMED Act are as follows:

	31 March 2021	31 March 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	616.48	183.14
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period/year; and	49.32	5.13
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

## Note 50 : DIVIDEND MADE AND PROPOSED

### Cash dividends on equity shares declared and paid:

Final dividend paid during the year ended on 31 March 2021: Nil per share (31 March 2020: Re. 1 per share)

Dividend distribution tax on final dividend

(All amounts Rs. in lacs)	
31 March 2021	31 March 2020
-	759.91
-	156.20
-	<b>916.11</b>

### Proposed dividends on equity shares\*:

Final cash dividend for the year ended on 31 March 2021: Nil per share (31 March 2020: Nil per share)

Dividend distribution tax on proposed dividend

-	-
-	-
-	-

\* In view of the lockdown and the present business conditions and to conserve cash and maintain liquidity for future, the Board of Directors of the Company have decided not to recommend dividend for the financial year 2020-21 and 2019-20.

## Note 51: RELATED PARTY DISCLOSURES

### a) Name of the related parties and their relationship:

#### Subsidiaries:

Jyoti Limited

Lalit Great Eastern Kolkata Hotel Limited (formerly known as Apollo Zipper India Limited)

PCL Hotels Limited (formerly known as Prime Cellular Limited)

Prima Hospitality Private Limited (formerly known as Prima Buildwell Private Limited)

Kujjal Hotels Private Limited (formerly known as Kujjal Builders Private Limited)

#### Entity Controlled by the Company

The Lalit Suri Educational and Charitable Trust

#### Key Management Personnel:

Dr. Jyotsna Suri, Chairperson & Managing Director

Ms. Divya Suri Singh, Executive Director

Ms. Deeksha Suri, Executive Director

Mr. Keshav Suri, Executive Director

Mr. Ramesh Suri, Non Executive Director

Mr. Arvind Kumar Sharma, Chief Financial Officer (till 7 February 2020)

Mr. Gopal Jagwan, Chief Financial Officer (w.e.f. 01 May 2020)

Mr. Himanshu Pandey, Head Legal and Company Secretary (w.e.f. 16 October 2017)

Mr. M.Y. Khan, Non Executive Director

Mr. Dhruv Prakash, Non Executive Director (w.e.f. 21 July 2017)

Mr. Ranjan Mathai, Non Executive Director (w.e.f. 29 August 2017 till 31 October 2020)

Mr. Vivek Mehra, Non Executive Director (w.e.f. 21 July 2017)

Ms. Shovana Narayan, Non Executive Director (w.e.f. 16 October 2017)

**Joint Venture of Subsidiaries****Enterprises owned or significantly influenced by key management personnel or their relatives**

Cavern Hotels and Resorts FZCO  
Deeksha Holding Limited (DHL)  
Deeksha Human Resource Initiatives Limited (DHRIL)  
Subros Limited  
Jyotsna Holding Private Limited  
Mercantile Capital & Financial Services Private Limited  
Cargo Hospitality Private Limited  
Cargo Motors Delhi Private Limited  
Cargo Motors Private Limited  
Cargo Motors Rajasthan Private Limited  
Eila Holding Limited (formerly known as Eila Builders & Developers Limited)  
FIBCOM India Limited  
Global Autotech Limited  
Grand Hotel & Investments Limited  
L.P. Hospitality Private Limited  
Mangar Hotels & Resorts Limited  
Premium Exports Limited  
Premium Farm Fresh Produce Limited  
Premium Holdings Limited  
Prima Realtors Private Limited  
Prima Telecom Limited  
Responsible Holding Private Limited (formerly known as Responsible Builders Private Limited)  
Rohan Motors Limited  
Hemkunt Service Station Private Limited  
Tempo Automobiles Private Limited  
Godawari Motors Private Limited  
St. Olave's Limited

**Relatives of Key Managerial Personnel** Mr. Jayant Nanda (refer note 17)

- b) Loans made to the subsidiaries/ joint venture of subsidiaries are on mutually agreed terms.
- c) The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balance at the year-end are unsecured and interest free and settlement occurs through banking channels.
- d) The short term loans facilities (as discussed in note 24) from bank availed by the Company have been secured by way of guarantee given by Premium Holdings Limited.
- e) The guarantees for the related parties are given in the ordinary course of business and related parties have provided counter guarantees for such guarantees.

## Bharat Hotels Limited

- (f) The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period.

Subsidiaries	(All amounts Rs. in lacs)	
	31 March 2021	31 March 2020
<b>Jyoti Limited</b>		
- Loan provided	28.62	18.41
- Interest received	12.10	12.07
- Expenditure incurred by BHL on behalf of related party	-	2.15
- Lease rent paid	29.50	59.00
- Deemed investment on fair valuation of interest free loan	(4.33)	(253.57)
<b>Lalit Great Eastern Kolkata Hotel Limited (formerly known as Apollo Zipper India Limited)</b>		
- Loan provided	1,424.99	1,748.49
- Loan (repayment)	(180.17)	(2,365.64)
- Interest received	415.58	614.68
- Consultancy services provided	63.51	350.41
- Expenditure incurred by BHL on behalf of related party	27.56	19.98
- Deemed investment on fair valuation of interest free loan	(1,156.09)	201.17
<b>Kujjal Hotels Private Limited (formerly known as Kujjal Builders Private Limited)</b>		
- Loan provided	352.30	437.64
- Loan (repayment)	(10.30)	(208.03)
- Interest received	482.13	430.99
- Consultancy services provided	82.91	262.28
- Expenditure incurred by BHL on behalf of related party	37.85	16.13
- Deemed investment on fair valuation of interest free loan	(330.37)	(508.45)
<b>PCL Hotels Limited (formerly known as Prime Cellular Limited)</b>		
- Loan provided	-	32.00
- Interest received	32.62	52.99
- Expenditure incurred by BHL on behalf of related party	-	0.07
<b>Prima Hospitality Private Limited (formerly known as Prima Buildwell Private Limited)</b>		
- Loan (repayment)	(429.00)	-
- Interest received	1.02	1.70
- Expenditure incurred by BHL on behalf of related party	4.17	0.40
<b>Entity Controlled by the Company</b>		
<b>The Lalit Suri Educational and Charitable Trust</b>		
- Loan provided	84.10	267.36
- Interest received	481.54	429.78
- Other balances written off (Deemed investment not considered recoverable)	33.70	124.72
- Donation paid	-	50.00



(All amounts Rs. in lacs)

**Key Management Personnel:**

<b>Name</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Dr. Jyotsna Suri</b>		
- Salary and wages	-	77.00
- Post employment benefits	3.14	3.14
- Lease rent paid	30.00	30.00
- Interest paid on deposits	-	1.33
- Guarantee/ Undertaking received	82.65	261.59
- Loan repaid	-	75.00
- Corporate guarantee provided to bank	117,880.97	-
<b>Ms. Divya Suri Singh</b>		
- Salary and wages	-	66.00
- Post employment benefits	2.91	4.55
- Lease rent paid	24.00	24.00
<b>Ms. Deeksha Suri</b>		
- Salary and wages	-	66.00
- Post employment benefits	2.92	5.52
- Lease rent paid	24.00	24.00
<b>Mr. Keshav Suri</b>		
- Salary and wages	-	66.00
- Post employment benefits	2.85	4.72
<b>Mr. Gopal Jagwan</b>		
- Salary and wages	15.63	-
- Post employment benefits	0.70	-
<b>Mr. Arvind Kumar Sharma</b>		
- Salary and wages	-	50.08
<b>Mr. Himanshu Pandey</b>		
- Salary and wages	9.78	23.94
- Employee stock option	0.42	0.86
- Post employment benefits	0.51	0.43
<b>Mr. Ramesh Suri</b>		
- Sitting fees	1.70	3.20
<b>Dr. M.Y. Khan</b>		
- Sale of goods / services	0.01	-
- Sitting fees	2.10	3.10
<b>Mr. Dhruv Prakash</b>		
- Sitting fees	2.10	3.10

# Bharat Hotels Limited

(All amounts Rs. in lacs)		
Name	31 March 2021	31 March 2020
<b>Mr. Ranjan Mathai</b>		
- Sitting fees	0.70	2.10
<b>Mr. Vivek Mehra</b>		
- Sitting fees	1.90	2.60
<b>Ms. Shovana Narayan</b>		
- Sitting fees	1.40	2.10

**(g) Balance Outstanding as at year end from Subsidiaries (including deemed investment)- Receivable**

Name of Company	31 March 2021	31 March 2020
<b>Subsidiaries- Receivables</b>		
Jyoti Limited	855.17	837.57
Lalit Great Eastern Kolkata Hotel Limited (formerly known as Apollo Zipper India Limited)	37,751.99	36,004.84
PCL Hotels Limited (formerly known as Prime Cellular Limited)	625.47	595.41
Prima Hospitality Private Limited (formerly known as Prima Buildwell Private Limited)	128.47	552.35
Kujjal Hotels Private Limited (formerly known as Kujjal Builders Private Limited)	45,288.35	44,348.93
<b>Entity Controlled by the Company</b>		
The Lalit Suri Educational and Charitable Trust	5,284.19	4,753.70
<b>Balance Outstanding from Enterprises owned or significantly influenced by key management personnel or their relatives - Receivables</b>		
Cargo Motors Delhi Private Limited	106.44	106.44
Cargo Motors Private Limited	41.90	36.27
Cargo Motors Rajasthan Private Limited	7.75	7.75
Deeksha Holding Limited	15.29	26.17
FIBCOM India Limited	11.36	11.31
Grand Hotel & Investments Limited	53.65	53.65
L.P. Hospitality Private Limited	-	1.49
Mercantile Capital & Financial Services Private Limited	0.07	0.20
Prima Telecom Limited	6.03	3.95
Responsible Holding Private Limited (formerly known as Responsible Builders Private Limited)	0.13	0.14
Rohan Motors Limited	2.53	5.48
Subros Limited	80.78	31.06
Hemkunt Service Station Private Limited	-	0.43
Godawari Motors Private Limited	4.22	1.22
St. Olave's Limited	130.91	130.91
Ramesh Suri (HUF)	0.02	-



(All amounts Rs. in lacs)

**Balance Outstanding as at year end**

	31 March 2021	31 March 2020
<b>Balance payable to Key Management Personnel</b>		
Dr. Jyotsna Suri	2.55	14.49
Ms. Divya Suri Singh	(0.05)	9.18
Ms. Deeksha Suri	-	9.18
Mr. Keshav Suri	-	5.58
Mr. Ramesh Suri	1.36	0.45
Mr. M.Y. Khan	1.92	0.81
Mr. Dhruv Prakash	1.92	0.81
Mr. Vivek Mehra	1.74	0.63
<b>Balance payable to Enterprises owned or significantly influenced by key management personnel or their relatives:</b>		
Deeksha Holding Limited	1,623.07	120.34
Global Autotech Limited	0.33	0.27
Jyotsna Holding Private Limited	500.00	-
Premium Holdings Limited	1,157.32	-
Responsible Holding Private Limited (formerly known as Responsible Builders Private Limited)	500.00	-
Rohan Motors Limited	0.98	0.19
Subros Limited	0.02	-
Hemkunt Service Station Private Limited	18.93	14.68
Tempo Automobiles Private Limited	0.23	0.10
<b>Corporate Guarantees / Undertaking (received) / payable</b>		
Lalit Great Eastern Kolkata Hotel Limited (formerly known as Apollo Zipper India Limited)	10,762.15	10,762.15
Dr. Jyotsna Suri (Trust loan guarantee)	(7,690.77)	(7,608.11)
Premium Holdings Limited (refer note 24)	-	(4,221.61)
Deeksha Holding Limited	(20,500.00)	(20,500.00)
Kujjal Hotels Private Limited (formerly known as Kujjal Builders Private Limited)	10,752.60	10,752.60
Dr. Jyotsna Suri *	117,880.97	-
Deeksha Holding Limited *	117,880.97	-
* Guarantee jointly given by Dr. Jyotsna Suri & Deeksha Holding Limited against the borrowing facility, refer note 19)		

(All amounts Rs. in lacs)

**Transactions with Enterprises owned or significantly influenced by key management personnel or their relatives:**

<b>Name of Company</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Deeksha Holding Limited</b>		
- Sale of goods / services	69.85	39.10
- Purchase of goods	6.72	7.40
- Commission paid on corporate guarantee	76.88	84.86
- Lease rent paid	93.02	148.02
- Maintenance charges received	8.58	8.97
- Loan paid	-	400.00
- Interest paid on deposits	0.67	7.07
- Corporate guarantee provided to bank	117,880.97	-
<b>Jyotsna Holding Private Limited</b>		
- Sale of goods / services	-	22.81
<b>Mercantile Capital &amp; Financial Services Private Limited</b>		
- Maintenance charges received	1.12	1.04
<b>Prima Telecom Limited</b>		
- Sale of goods / services	4.29	5.06
<b>Responsible Holding Private Limited</b>		
- Maintenance charges received	4.78	4.77
<b>Rohan Motors Limited</b>		
- Sale of goods / services	8.45	16.02
- Services received	1.50	1.08
- Maintenance charges received	1.93	1.78
<b>Subros Limited</b>		
- Sale of goods / services	202.76	63.85
- Maintenance charges received	19.64	18.91
<b>FIBCOM India Limited</b>		
- Sale of goods / services	0.12	1.75
<b>L.P. Hospitality Private Limited</b>		
- Consultancy services provided	-	6.46
<b>Global Autotech Limited</b>		
-Maintenance charges received	0.59	0.58
- Sale of goods / services	-	0.43





(All amounts Rs. in lacs)		
Name of Company	31 March 2021	31 March 2020
<b>Cargo Motors Delhi Private Limited</b>		
- Sale of goods / services	0.98	0.04
<b>Cargo Motors Private Limited</b>		
- Sale of goods / services	2.06	5.74
<b>Hemkunt Service Station Private Limited</b>		
- Sale of goods / services	-	0.22
- Purchase of goods	57.72	91.62
<b>Tempo Automobiles Private Limited</b>		
- Sale of goods / services	-	0.08
- Services received	0.39	0.38
<b>Godawari Motors Private Limited</b>		
- Maintenance charges received	2.42	2.23
<b>St. Olave's Limited</b>		
- Consultancy services provided	-	89.36
<b>Cargo Motors Rajasthan Private Limited</b>		
- Sale of goods / services	-	0.15

(All amounts Rs. in Lacs)

**Note 51: (h) Maximum amount outstanding at any time during the year**

Particulars	Subsidiaries			Entities controlled by the company		Key management personnel (KMPs)		Enterprises owned or significantly influenced by KMPs or their relatives		Total	
	31 March 2021	31 March 2020		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Receivables</b>											
Jyoti Limited	855.17	858.94		-	-	-	-	-	-	855.17	858.94
Lalit Great Eastern Kolkata Hotel Limited (formerly known as Apollo Zipper India Limited)	37,751.99	36,004.84		-	-	-	-	-	-	37,751.99	36,004.84
PCL Hotels Limited (formerly known as Prime Cellular Limited)	625.47	595.41		-	-	-	-	-	-	625.47	595.41
Prima Hospitality Private Limited (formerly known as Prima Buildwell Private Limited)	552.35	552.35		-	-	-	-	-	-	552.35	552.35
Kujjal Hotels Private Limited (formerly known as Kujjal Builders Private Limited)	45,288.35	44,348.93		-	-	-	-	-	-	45,288.35	44,348.93
The Lalit Suri Educational and Charitable Trust	-	-	5,284.19	4,753.70	-	-	-	-	-	5,284.19	4,753.70
Cargo Motors Delhi Private Limited	-	-	-	-	-	-	-	106.44	106.44	106.44	106.44
Cargo Motors Private Limited	-	-	-	-	-	-	-	41.90	36.27	41.90	36.27
Cargo Motors Rajasthan Private Limited	-	-	-	-	-	-	-	7.75	7.75	7.75	7.75
Deeksha Holding Limited	-	-	-	-	-	-	-	26.17	26.17	26.17	26.17
Deeksha Human Resource Initiatives Limited	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00
FIBCOM India Limited	-	-	-	-	-	-	-	11.36	11.31	11.36	11.31
Global Autotech Limited	-	-	-	-	-	-	-	-	0.42	-	0.42
Grand Hotel & Investments Limited	-	-	-	-	-	-	-	53.65	53.65	53.65	53.65
Kronokare Cosmetics Private Limited	-	-	-	-	-	-	-	0.19	-	0.19	-
L.P. Hospitality Private Limited	-	-	-	-	-	-	-	1.49	1.89	1.49	1.89
Mercantile Capital & Financial Services Private Limited	-	-	-	-	-	-	-	0.20	0.20	0.20	0.20
Prima Telecom Limited	-	-	-	-	-	-	-	6.03	3.95	6.03	3.95
Responsible Holding Private Limited (formerly known as Responsible Builders Private Limited)	-	-	-	-	-	-	-	0.14	0.21	0.14	0.21
Rohan Motors Limited	-	-	-	-	-	-	-	5.48	5.48	5.48	5.48
Subros Limited	-	-	-	-	-	-	-	80.78	41.65	80.78	41.65
Hemkunt Service Station Private Limited	-	-	-	-	-	-	-	0.43	0.43	0.43	0.43
Tempo Automobiles Private Limited	-	-	-	-	-	-	-	-	-	-	-

(All amounts Rs. in Lacs)

Particulars	Subsidiaries		Entities controlled by the company		Key management personnel (KMPs)		Enterprises owned or significantly influenced by KMPs or their relatives		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Godawari Motors Private Limited	-	-	-	-	-	-	4.22	1.22	4.22	1.22
St. Olave's Limited	-	-	-	-	-	-	130.91	130.91	130.91	130.91
Ramesh Suri (HUF)	-	-	-	-	-	-	0.02	0.02	0.02	0.02
<b><u>Payables</u></b>										
Dr. Jyotsna Suri	-	-	-	-	14.49	91.82	-	-	14.49	91.82
Ms. Divya Suri Singh	-	-	-	-	9.18	10.66	-	-	9.18	10.66
Ms. Deeksha Suri	-	-	-	-	9.18	10.66	-	-	9.18	10.66
Mr. Keshav Suri	-	-	-	-	5.58	8.86	-	-	5.58	8.86
Mr. Ramesh Suri	-	-	-	-	1.36	0.45	-	-	1.36	0.45
Mr. M.Y. Khan	-	-	-	-	1.92	0.81	-	-	1.92	0.81
Mr. Dhruv Prakash	-	-	-	-	1.92	0.81	-	-	1.92	0.81
Mr. Vivek Mehra	-	-	-	-	1.74	0.63	-	-	1.74	0.63
Deeksha Holding Limited	-	-	-	-	-	-	1,623.07	500.08	1,623.07	500.08
Deeksha Human Resource Initiatives Limited	-	-	-	-	-	-	-	-	-	-
Global Autotech Limited	-	-	-	-	-	-	0.33	0.27	0.33	0.27
Jyotsna Holding Private Limited	-	-	-	-	-	-	500.00	-	500.00	-
Kronokare Cosmetics Private Limited	-	-	-	-	-	-	7.38	-	7.38	-
L.P. Hospitality Private Limited	-	-	-	-	-	-	-	-	-	-
Prima Telecom Limited	-	-	-	-	-	-	-	-	-	-
Rohan Motors Limited	-	-	-	-	-	-	0.98	0.33	0.98	0.33
Hemkunt Service Station Private Limited	-	-	-	-	-	-	18.93	25.99	18.93	25.99
Tempo Automobiles Private Limited	-	-	-	-	-	-	0.23	0.10	0.23	0.10
Godawari Motors Private Limited	-	-	-	-	-	-	-	0.04	-	0.04

(All amounts Rs. in lacs)

## Note 52 : CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted CSR Committee. The details for CSR activities is as follows:-

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Gross amount required to be spent by the Company during the year	1.67	75.60
b) Amount spent during the year on the following		
1. Construction / Acquisition of any asset	-	50.00
2. On purpose other than 1 above	17.79	17.14

The details of amount remaining unspent during the year under sub section (5), pursuant to an activity other than ongoing project is as follows:

Particulars	For the year ended 31 March 2021
<b>Opening Balance at the beginning of the year</b>	<b>8.46</b>
Amount deposited in specified fund of Schedule VII	-
Amount required to spent during the year	1.67
Amount spent during the year	17.79
Amount to be spent on ongoing project	-
<b>Closing Balance at the end of the year</b>	<b>-</b>

Based on the recommendation of CSR Committee, the Board of Directors of the Company during the financial year 2020-21, had considered and approved the CSR Project for spending the amount of Rs. 15.09 lacs on horticulture & housekeeping services at Jantar Mantar, Albert Hall and Hawamahahal at CSR identified projects for preserving natural heritage, art and culture at Jaipur and Rs. 2.54 lacs on food distribution to poor and LGBTQ Community at Mumbai, Delhi and Chandigarh, also Rs. 0.16 lacs were spent on mask and sanitizer distribution at Delhi and Mumbai to contain the spread of COVID-19. The details of ongoing project and amount unspent during the year.

(All amounts Rs. in Lacs)

Particulars	For the year ended 31 March 2021
<b>Opening Balance at the beginning of the year</b>	
- With the Company	-
- In Separate CSR unspent account	-
Amount required to be spend during the year	1.67
Amount Spent during the year	
- From the Company Account	17.79
- From Separate CSR unspent account	-
Amount transferred to Unspent to CSR account	-
Amount deposited in specified fund of Schedule VII	-
<b>Closing balance at the end of the year</b>	
- With the Company	-
- In Separate CSR unspent account	-



(All amounts Rs. in Lacs)

**Note 53(i): CAPITAL COMMITMENTS**

Commitments relating to estimated amount of completion of property, plant & equipment are as follows:

	As at 31 March 21	As at 31 March 20
Estimated amount of contracts remaining to be executed and not provided for	3,607.86	3,608.80

**Note 53(ii): LEASES**

**A Right of use asset**

	As at 31 March 2021	As at 31 March 2020
As at 1 April 2020	7,980.93	-
Adjustment on transition to Ind AS 116 'Leases'	-	8,303.92
Less: Amortisation expense for the year	322.20	322.99
<b>As at 31 March 2021</b>	<b>7,658.73</b>	<b>7,980.93</b>

**B Lease liabilities**

Lease liabilities are presented in the statement of financial position as follows:

Non-current	8,006.87	8,229.29
Current	261.11	873.26
<b>Total</b>	<b>8,267.98</b>	<b>9,102.55</b>

**C The following are amounts recognised in profit or loss with respect to leasing arrangements:**

Amortisation expense on right-of-use assets	322.20	322.99
Interest expense on lease liabilities	972.49	1,014.32
Expense relating to variable lease payments not included in lease liabilities*	-	581.51
Expense relating to leases of low-value asset and short-term leases *	307.65	253.69
<b>Net impact on statement of profit &amp; loss</b>	<b>1,602.34</b>	<b>2,172.51</b>

Total lease payments considered for accounting of IND AS 116 is Rs 1,807.06 lacs (31 March 2020: Rs. 812.06 lacs).

\*It includes amount on account of asset held for sale.

**D Details about arrangement entered as a lessor**

**Operating lease\***

The Company gives shops located at various hotels an other space on operating lease arrangements. These leases are generally cancellable in nature and may generally be terminated by either party by serving notice. The future minimum lease payments recoverable by the company are as under

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Not later than one year	2.11	9.96
(b) Later than one year and not later than five years	8.44	10.55
(c) Later than five years	134.06	136.57

The operating lease arrangements related to asset held for sale has not been included above.

## Finance lease

The Company had entered into various sub licensing agreements for commercial space which are based on identical terms vis a vis its land lease arrangement, therefore these sublicensing agreements are accounted for as finance leases on adoption of Ind AS 116 with respect to corresponding right-of-use asset. The following table represents maturity analysis of future cashflows to be received from such agreements by the Company over the sub license term ending on 10 March 2080:

(All amounts Rs. in Lacs)		
Particulars	As at 31 March 2021	As at 31 March 2020
(a) Not later than one year	109.44	109.44
(b) Later than one year and not later than five years	437.76	437.76
(c) Later than five years	5,908.51	6,017.95
<b>Total</b>	<b>6,455.71</b>	<b>6,565.15</b>

## E Lease liabilities

I The following is the movement in lease liabilities during the year ended 31 March 2021:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	9,102.55	-
Reclassified on account of adoption of Ind AS 116	-	8,900.28
Finance cost accrued during the year	972.49	1,014.32
Payment of Lease liabilities	1,807.06	812.05
<b>Closing Balance</b>	<b>8,267.98</b>	<b>9,102.55</b>

II The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Within one year	1,074.90	1,807.06
Later than one year but not later than five years	4,387.72	4,359.18
Later than five years	28,138.99	29,242.43
<b>Total</b>	<b>33,601.61</b>	<b>35,408.67</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## Note 54 : SEGMENTAL INFORMATION

### Business segments:

For management purposes, the Company is organised into business units based on its services rendered and products sold. The leadership team (chief financial officer and chairperson) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss. No operating segments have been aggregated to form the above reportable operating segments. The Company has three reportable segments, as follows:

**Hotel operations:** It represents sale of rooms and apartments, food and beverages, banquet rentals and other services relating to hotel operations including telecommunication, laundry, business centre, health centre and other related services.

**Aircraft charter operations:** It represents services rendered to customers who hire aircraft for travel.

**Other activities:** It represents operations relating to renting of shops located within hotel premises and separate business towers operated by the Company.

(All amounts Rs. in Lacs)

Particulars	Hotel operations		Aircraft charter operations		Other activities		Unallocated Corporate		Total	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue</b>										
External sales	14,065.17	58,767.12	76.19	475.86	1,865.48	2,521.61	-	-	16,006.84	61,764.59
Other income	1,980.21	769.84	-	-	38.30	41.85	-	-	2,018.51	811.69
Finance income	-	-	-	-	109.19	109.21	5,102.14	2,261.36	5,211.33	2,370.57
<b>Total income for the year</b>	<b>16,045.38</b>	<b>59,536.96</b>	<b>76.19</b>	<b>475.86</b>	<b>2,012.97</b>	<b>2,672.67</b>	<b>5,102.14</b>	<b>2,261.36</b>	<b>23,236.68</b>	<b>64,946.85</b>
Less : total revenue from discontinued operations	3,539.58	14,568.99	76.19	475.86	-	-	-	-	3,615.77	15,044.85
<b>Total revenue from continuing operation</b>	<b>12,505.80</b>	<b>44,967.97</b>	<b>-</b>	<b>-</b>	<b>2,012.97</b>	<b>2,672.67</b>	<b>5,102.14</b>	<b>2,261.36</b>	<b>19,620.91</b>	<b>49,902.00</b>
Segment result	(641.08)	19,098.65	(266.37)	(1,355.75)	1,534.41	1,927.45	-	-	626.96	19,670.35
Expenses	-	-	-	-	-	-	(16,432.77)	(25,260.59)	(16,432.77)	(25,260.59)
	<b>(641.08)</b>	<b>19,098.65</b>	<b>(266.37)</b>	<b>(1,355.75)</b>	<b>1,534.41</b>	<b>1,927.45</b>	<b>(16,432.77)</b>	<b>(25,260.59)</b>	<b>(15,805.81)</b>	<b>(5,590.24)</b>
Tax expense	(5,161.27)	1,519.45	(93.07)	(473.70)	-	-	-	-	(5,254.34)	1,045.75
<b>Profit/(Loss) for the year</b>	<b>4,520.19</b>	<b>17,579.20</b>	<b>(173.30)</b>	<b>(882.05)</b>	<b>1,534.41</b>	<b>1,927.45</b>	<b>(16,432.77)</b>	<b>(25,260.59)</b>	<b>(10,551.47)</b>	<b>(6,635.99)</b>
Less : loss from discontinued operations	16.48	3,191.05	(173.30)	(882.05)	-	-	-	-	(156.82)	2,309.00
<b>Profit/(Loss) for the year from continuing operation</b>	<b>4,503.71</b>	<b>14,388.15</b>	<b>-</b>	<b>-</b>	<b>1,534.41</b>	<b>1,927.45</b>	<b>(16,432.77)</b>	<b>(25,260.59)</b>	<b>(10,394.65)</b>	<b>(8,944.99)</b>

(All amounts Rs. in Lacs)

Particulars	Hotel operations		Aircraft charter operations		Other activities		Unallocated Corporate		Total	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020
<b>Segment assets</b>	133,979.02	142,362.88	2,846.59	2,858.03	3,534.48	3,331.84	102,932.55	107,577.63	243,292.64	256,130.38
Transferred to discontinued operation (refer note 45)	38,004.67	-	2,846.59	2,858.03	-	-	-	-	40,851.26	2,858.03
Reclassified as assets held for sale (refer note 45)	5.00	21.39	-	-	-	-	3,019.72	3,019.72	3,024.72	3,041.11
<b>Total assets for continuing operations</b>	<b>95,969.35</b>	<b>142,341.49</b>	<b>-</b>	<b>-</b>	<b>3,534.48</b>	<b>3,331.84</b>	<b>99,912.83</b>	<b>104,557.91</b>	<b>199,416.66</b>	<b>250,231.24</b>
<b>Segment liabilities</b>	27,882.18	34,853.99	1,134.17	53.63	3,243.31	3,342.76	120,227.11	116,904.09	152,486.77	155,154.47
Transferred to discontinued operation (refer note 45)	-	-	1,134.17	53.63	-	-	-	200.00	1,134.17	253.63
Liabilities associated with assets held for sale (refer note 45)	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities for continuing operations</b>	<b>27,882.18</b>	<b>34,853.99</b>	<b>-</b>	<b>-</b>	<b>3,243.31</b>	<b>3,342.76</b>	<b>120,227.11</b>	<b>116,704.09</b>	<b>151,352.60</b>	<b>154,900.84</b>
<b>Capital expenditure</b>	93.50	1,217.03	-	-	57.88	63.54	-	-	151.38	1,280.57
<b>Depreciation / amortization</b>	3,738.07	4,333.72	-	324.70	60.51	54.72	-	-	3,798.58	4,713.14
<b>Non-cash expenses other than depreciation and amortization</b>	457.04	1,584.37	-	-	-	-	-	-	457.04	1,584.37

**Note:**

Capital expenditure includes exchange differences that have been capitalised as per the policy of the Company.

**Geographical information:** The operating interests of the Company are confined to India since all the operational activities exist in India only. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical location i.e. India.



## Note 55 : SHARE BASED PAYMENTS

At March 31, 2021, Company had following share-based payment arrangements:

Scheme Name	Number of options authorised and granted	Exercise price	Fair value of option	Vesting requirements
ESOP 2017*	7,00,600	383.28	33.65	Over 4 years service from the date of grant of option as under - -At the end of a period of 1.5 years from the grant date - 10% -At the end of a period of 2years from the grant date - 20% -At the end of a period of 3years from the grant date - 30% -At the end of a period of 4years from the grant date - 40%

\*The exercise price per share is calculated by valuing the equity as on 31 March 2018 and dividing it by number of shares. The fair value of the share option is estimated at the grant date using Black-Scholes-Merton Model. There are no cash settlement alternatives.

(All amounts Rs. in Lacs)

### Option activity during the year under the plans is set out below :

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Opening balance</b>	<b>384,165</b>	<b>600,200</b>
Granted during the year	-	-
Vested during the year	56,673	42,685
Exercised during the year	-	-
Forfeited/(lapsed) during the year	-	-
Expired during the year	100,800	173,350
<b>Outstanding at the year end</b>	<b>226,692</b>	<b>384,165</b>
Options exercisable at the year end	-	-
Remaining contractual life (years) at the end	-	-

(All amounts Rs. in Lacs)

**Effect of Share based payment transaction on the Statement of Profit & Loss:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Expense arising from equity settled share based payment transactions	3.86	31.10
<b>Effect of Share based payment transaction on the balance sheet:</b>		
Share based payment reserve	8,503.61	8,503.61

**The value of the underlying options has been determined by an independent valuer. The key assumptions used to calculate fair value of grants in accordance with Black Scholes model:**

Years	1.5 years	2 years	3 years	4 years
<b>Vesting Schedule</b>	10%	20%	30%	40%
Risk Free Interest Rate	7.30%	7.50%	7.76%	7.92%
Expected Option Life	1.50 years	2 years	3 years	4 years
Stock Volatility	46.10%	46.10%	46.10%	46.10%
Annual Dividend Per Share	-	-	-	-
Maturity date	June 10, 2026	June 10, 2026	June 10, 2026	June 10, 2026
Option Value	100.13	120.14	150.61	176.03
Exit/Attrition Rate	40%	40%	40%	40%
Modified option value	61.28	43.25	32.54	22.81
Weighted average option value	33.65			

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumptions basis assumed future trends, which may not necessarily be the actual outcome.



## Note 56: CONTINGENT LIABILITIES NOT PROVIDED FOR

### a) Income-tax matters

Assessment year	Amounts disputed (Rupees in lacs)	
	31 March 2021	31 March 2020
1997-98 to 2008-09	714.91	714.91
2014-15	67.01	67.01
2015-16	120.66	120.66
2016-17	122.91	122.91
2017-18	66.67	66.67
<b>Total</b>	<b>1,092.16</b>	<b>1,092.16</b>

The above income tax matters include certain disallowances of expenses claimed by the Company and certain other additions made by the assessing officers in respective years. These matters are pending with various judicial/appellate authorities including CIT (A), ITAT and High Court. For some of the matters, judicial/appellate authorities have decided the cases in favor of the Company. However, these are being contested again by the Department of Income tax.

The Company believes that it has merit in these cases and it is only possible, but not probable, that these cases may be decided against the Company. Hence, these have been disclosed as contingent liability and no provision for any liability has been deemed necessary in these financial statements.

During the year 2019-20 on 19.01.2020 a search under section 132 of the Income Tax Act, 1961 was conducted by the Investigation Wing of the Income Tax Department at the business premises of the company and group company and residential premises of the Chairperson cum Managing Director and executive directors of the company.

Further, during the year 2020-21 The Assistant Commissioner of Income Tax, Central Circle-17, Jhandewalan, Delhi-110055 had initiated re-assessment proceedings against the company and issued notices under section 153A of the Income Tax Act, 1961 for the assessment years 2014-15 to 2019-20 to the company. The company had filed its return of income for the relevant assessment years in response to the notices received. Re-assessment proceedings has been concluded by the Assessing Officer and no additional tax demand has arisen against the company in these orders.

Further, during the year 2020-21 The Assistant Commissioner of Income Tax, Central Circle-17, Jhandewalan, Delhi-110055 has also issued notice under section 148 of the Income Tax Act, 1961 for the assessment year 2013-14 to the company for re-assessment of the case. The company had filed its return of income under protest for the relevant assessment year in response to the notice received and requested the Assessing Officer to provide us copy of reasons recorded for re-opening of the case which is already assessed under section 143(3) of the Income Tax Act, 1961. Copy of reasons recorded is yet to be received by the company as on date.

The management believes on the conclusion of the proceedings under section 148 of the Income Tax Act, 1961, no liability would devolve on the Company in respect of these matters.

### b) Guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its subsidiaries for construction of fixed assets. In accordance with the policy of the Company, the Company has designated such guarantees as "Insurance Contracts". The Company has classified financial guarantees as contingent liabilities. Further, the Company has also assessed the fair values of these guarantees and believes that there are no assets and liabilities to be recognised in the balance sheet under these contracts.

(All amounts Rs. in Lacs)

	As At 31 March 2021	As At 31 March 2020
i. Corporate guarantee given on behalf of a subsidiary to Customs for obtaining EPCG licenses	707.46	774.05
ii. Corporate guarantee given on behalf of subsidiaries to bank for obtaining loan for construction of fixed assets	20,859.33	20,740.70

## Other Matters

Particulars	As at 31 March 2021	As at 31 March 2020
Interest on delayed payment of lease management fees (note (ii))	52.28	52.28
Demand for cumulative interest (note (iii))	1,187.83	1,187.83
Demand by Custom Authorities (note(iv))	968.05	968.05
Demand of service tax (note (v))	638.41	638.41
Demand of Urban Development Tax (note (vi))	310.83	212.00
Demand of stamp duty (note vii)	908.20	908.20
Demand of annual room fees (note viii)	63.22	63.22
Demand of luxury tax (note ix)	107.12	0.00
Other claims not acknowledged as debt	180.85	180.85

- i) Certain employees have filed cases in the courts/ legal forums against termination/ suspension/ assault and have sought relief. The liability, if any, with respect to these claims is not currently ascertainable and in the opinion of the management, would not have material effect on these financial statements.
- ii) Interest on delayed payments of lease management fees for one of the properties taken on lease, under a lease cum management contract, is being contested by the management and based on a legal advice, the management is confident that the aforementioned liability shall not devolve on the Company.
- iii) New Delhi Municipal Corporation (NDMC) has raised a demand of cumulative interest towards alleged delays in payments of initial license fees. The Company has responded to NDMC questioning the validity of such demand. NDMC has not provided the Company any basis of these demands. Based on a legal advice, the management is confident that the aforementioned liability shall not devolve on the Company.
- iv) Demand by Custom Authorities against import of aircraft is being challenged by the Company at Customs Excise Service Tax Appellate Tribunal (CESTAT).
- v) Demand of Service Tax is being challenged by the Company at various forums.
- vi) Municipal Council of Udaipur has raised a demand of Urban Development tax for the financial years 2007-08 to 2019-2020. The demand has been challenged in the Hon'ble High Court at Jodhpur where interim relief was granted by the court. The Company has paid Rs. 40.00 lacs (31 March 2020: Rs 30.00 lacs) for the said period. Based upon expert analysis, the Company believes that no further provision is necessary at this stage.
- vii) During the year ended 31 March 2002, the Collector of Stamps at Udaipur issued a show cause notice towards stamp duty of approximately Rs. 908.20 lacs upon transfer of Laxmi Vilas Palace Hotel, the erstwhile unit of Indian Tourism Development Corporation (ITDC). The Company had filed a writ with the Hon'ble High Court of Jodhpur. The Hon'ble Court had directed the Collector Stamps not to raise any further order in this regard until the resolution of the transfer matter. The Company is of the view that there is no likelihood of any liability devolving on the Company and accordingly no provision, at this stage, is required in these financial statements.
- viii) Show cause notice (SCN) received from Department of Home (General) Secretariat, Goa demanding Rs. 63.22 lacs towards annual room fees for the period 2006-2011. The Company has filed reply to SCN



stating that the Company has already paid their dues of Annual Room fees, and the demand is arbitrary and not appropriate. The matter is pending for disposal before Department of Home (General) Secretariat, Goa. The Company during the year, has received notice of demand of Rs. 53.22 lacs (after adjusting of Rs. 10 lacs paid by Company as security deposits) vide their letter date 13 January 2020. Against the demand order, the Company has filed writ petition with Hon'ble High Court of Bombay at Goa and accordingly, the court vide their order dated 9 March 2020 has ordered that the said demand letter will not be enforced and the earlier issued Show Cause notice dated 16 November 2015 is to be freshly disposed of. Based on the expert analysis, the Company is of the view that there is no likelihood of any liability devolving on the Company and accordingly no provision, at this stage, is required in these financial statements.

- ix) During the year, luxury tax department of Goa has raised a demand of Rs. 107.12 lacs (previous year NIL) towards reassessment of cases for the year 2015-16 and 2016-17 whereby they have denied the off season rebate benefit to the company. The company has paid Rs. 10.71 lacs being 10% of demand and appealed the order. There has been no hearing on the matter so far.

**c) Other matters**

- i) The Payment of Bonus (Amendment) Act, 2015 enhanced the eligibility limit for payment of bonus of employees from Rs. 0.10 lacs per month to Rs. 0.21 lacs per month from the financial year 2014-15. The Company has estimated liability of Rs. 195.28 lacs for the financial year 2014-15. The above amendment has been stayed by various High Courts and the management, based on this, has not provided for enhanced bonus for financial year 2014-15 in the books of accounts.
- ii) The Company has received notices for playing music without license in the various hotels of the Company, infringement of copyright. Management is confident that it has complied with the license as per the arrangement and therefore do not foresee any liability.
- iii) During the year ended 31 March 2018, the Company had received show cause notice under section 13 of Luxuries Tax Act, 1996, being asked to submit books of accounts and other document pertaining to period from 2014-15 onwards. The Company has responded to the aforesaid notice received. The management believes, based on expert analysis, that no provision is required at this stage.
- iv) During the year ended 31 March 2015, Company had received a notice from the Secretary of the Udma Grama Panchayat on account of property tax revision under the Kerala Panchayat Raj (Property Tax, Service Cess and Surcharge) Rules, demanding differential property tax. The company has deposited the differential property tax, however the same is being contested by management in the Hon'ble High Court of Kerala. Thus, no liability is expected to arise on this account.

**Note 57:** (a) The Company had obtained land on license of 99 years from New Delhi Municipal Corporation (NDMC) with effect from 11 March 1981. The Company had constructed a hotel and commercial tower on the aforementioned land. The Company is paying annual license fee of Rs. 145.00 lacs to the NDMC which is subject to revision after every 33 years provided that increase in license fees, shall be linked to the increase in the market value of the Underlying Land, subject to the ceiling of 100% of the preceding immediately license fee. NDMC did not increase the license fee upon the expiry of 33 years. In November 2016, NDMC issued a demand of Rs. 19,887.73 lacs vide provisional bills towards the increase in license fee from the date expiry of the first term of 33 years. The Company filed the writ with the Hon'ble High Court at Delhi challenging the demand and basis thereof. The Hon'ble High Court, in February 2017, quashed and set aside the aforementioned provisional bills directing NDMC to recomputed the demand, if any, and issue final bills with the basis of calculation specifically spelt out. During the current year, the Company has received a demand notice amounting to Rs. 106,374.60 lacs. The Company has filed a writ with the Hon'ble High Court of Delhi and subsequent to the year end Court has directed the Company to pay license fee calculated at 100% increase on immediately preceding license fee with effect from 2014 along with interest aggregating to Rs. 1,000 lacs, which have been paid and recorded in the financial statement by the Company. The

management based upon legal analysis, believes that no liability would devolve on the Company in respect of this matter.

- (b) During the year ended 31 March 2019, the Company had received a Show Cause Notice (SCN) from NDMC regarding alleged unauthorized construction at New Delhi Hotel and its Commercial towers (Collectively referred as New Delhi Property). The management has filed its response to the observation in the notice and sought documents/information to access the unauthorized construction, if any. Subsequently, NDMC has issued an order to the Company for demolition of alleged unauthorized construction. The Company has filed a writ against aforesaid with the Hon'ble of High court of Delhi. The Court stayed the demolition order. The management has without prejudice removed certain part of the alleged area which do not significantly affects its business. The Management based upon legal analysis, believes that no liability would devolve over the company.
- (c) During the previous year, Company has received notice from the Collector of Stamp, Delhi wherein department has sought explanation as to why transfer of right to use of commercial establishment at Delhi location (including hotel and commercial towers) is not liable to stamp duty. In the current period, the Company has received demand order of Rs. 510.40 lacs (including penalty). Subsequently, the Company has filed an appeal with Chief Controlling Revenue Authority ("CCRA") and simultaneously has obtained stay on the said demand from Hon'ble High Court of Delhi. Based on the legal analysis, the Company is of the view that there is no likelihood of any liability devolving on the Company and accordingly no provision, at this stage, is required in these financial statements.
- (d) During the previous year, the Company has received the demand notice (the "Notice") from New Delhi Municipal Council ('NDMC') directing it to pay on provisional basis an amount of Rs. 543.36 crores to Land and Development Office (L&DO) towards misuse, damage charges etc. for its construction at its New Delhi property therein. This demand has been raised by L&DO on NDMC. The Company has obtained a stay on the said demand from Hon'ble High Court of Delhi. The management believes that this amount is not payable as NDMC itself has disputed the demand of L&DO stating that the claim is not payable and has requested L&DO to delete the demand. The management based upon legal analysis, believes that no liability would devolve on the Company in respect of this matter.
- (e) During the previous year, NDMC while considering the matter referred above, issued a termination notice for above license arrangement against which the Company has filed a writ with Hon'ble High Court of Delhi and vide order dated 4 March 2020, the Hon'ble High court of Delhi directed NDMC not to take any coercive action against the Company. As explained in notes above and based upon the legal analysis, no liability should be devolved as management firmly believes that the notice of termination should be quashed by the Court/concerned authority. In the year 2014, FIR was registered with Central Bureau of Investigation ('CBI'), Jodhpur on the basis of certain information that unlawful loss has been caused to public exchequer. The CBI after conducting its investigation has submitted its final report to the special CBI court on 16 April 2019 which states that no case for alleged offence has been made out and filed for case closure before the special CBI court. However, the special CBI court vide its order dated 13 August 2021, directed further investigation into this matter. The CBI submitted its final report on 05 June 2020 for closure of the case as no evidence is available for launching the prosecution.

However, the Special CBI Court (the "Court") refused to accept the final report of CBI and passed the directions to register criminal case against the Managing Director of the Company and other persons vide its order dated 15 September 2020. Further, the Court ordered to takeover the said Hotel property and revert back to the public sector unit ITDC, which should run it. Accordingly, the District Collector of Udaipur, has initiated the process of takeover.

Subsequently, the Company has filed an appeal with Hon'ble High Court of Jodhpur and has obtained stay proceedings vide their order dated 22 September 2020 and possession of the property has been restored to the Company. The matter is presently sub-judice.





The management based upon legal analysis, believes that no liability would devolve on the Company in respect of all the above matters and would be quashed by the CBI special court.

**Note 58:** The Company has given an interest free loan of Rs. 5,284.19 lacs (31 March 2020: Rs. 4,753.70 lacs) to The Lalit Suri Educational and Charitable Trust ('Trust') for construction of the Hospitality Management Institute for a period of 18 years. The Institute is of strategic importance to the Company as it will get a pool of resources trained in hospitality industry. Also, most of the students passing out of the Institute are expected to work for the Company for a period of one year. The Company has obtained an undertaking from one of the Trustees of the Trust agreeing to repay the loan in case the Trust is not able to repay the outstanding loan to the Company. Basis the above, the management believes that the amount is recoverable in due course and accordingly, no adjustment is required there against.

**Note 59:** (a) The Company has an investment of Rs. 3,107.89 lacs (31 March 2020: Rs. 3,107.89 lacs) in the share capital of its subsidiary, Jyoti Limited and has a deemed investment of Rs. 724.63 lacs (31 March 2020: Rs. 720.30 lacs) arising on the interest free loan to Jyoti Limited. The audited financial statements of Jyoti Limited show an accumulated loss of Rs. 794.02 lacs as on 31 March 2021 (31 March 2020: Rs. 782.22 lacs), which is more than the paid-up share capital of Rs. 63.00 lacs (31 March 2020: Rs. 63.00 lacs), resulting in complete erosion of net worth. The Company also has an outstanding loan recoverable of Rs. 130.53 lacs (31 March 2020: Rs. 117.26 lacs) from the subsidiary. Considering the long term nature of the investment of Rs. 3,107.89 lacs (31 March 2020: Rs. 3,107.89 lacs), and the value of assets held by Jyoti Limited (Hotel at Srinagar), the management is of the view that there is no diminution, other than temporary, in the value of investment and loan is recoverable from the subsidiary. Accordingly, no provision has been made in the financial statements.

(b) The Company holds 90% of the equity capital of Lalit Great Eastern Kolkata Hotel Limited (Formerly known as Apollo Zipper India Limited) at Rs. 5,213.08 lacs (31 March 2020: Rs. 5,213.08 lacs). The Company had also provided a loan to Lalit Great Eastern Kolkata Hotel Limited which had been converted into an interest free loan for a period of 25 years w.e.f 1 June 2016. As a result, the Company had recognised a deemed investment of Rs. 33,542.39 lacs (31 March 2020: Rs. 32,386.30 lacs) arising on the interest free loan to Lalit Great Eastern Kolkata Hotel Limited and the carrying balance of loan to Lalit Great Eastern Kolkata Hotel Limited amounts to Rs. 4,209.61 lacs (31 March 2020: Rs. 3,618.53 lacs). Lalit Great Eastern Kolkata Hotel Limited has been vested with the assets of The Lalit Great Eastern Hotel in Kolkata. As at 31 March 2021, Lalit Great Eastern Kolkata Hotel Limited has accumulated losses of Rs. 5,926.84 lacs (31 March 2020: Rs. 4,296.32 lacs) which is more than the paid-up share capital of Rs. 80.87 lacs (31 March 2020: Rs. 80.87 lacs).

Lalit Great Eastern Kolkata Hotel Limited had commenced its operations from February 2014 and is currently engaged in the process of complete renovation / re-construction of Heritage block of the property in Kolkata. Considering the long term prospects and value of assets held by the subsidiary, the Board of Directors of the Company are of the view that there is no diminution, other than temporary, in the value of investment. Also, based on future projections, the management believes that the loan amount is fully recoverable. Further, the management may consider to convert the loan amount into equity share capital after taking necessary approvals from the relevant authorities. Accordingly, no provision has been made there against in these financial statements.

(c) The Company has an investment of Rs. 3,984.00 lacs (31 March 2020: Rs. 3,984.00 lacs) and has also provided a loan of Rs. 543.70 lacs (31 March 2020: Rs. 543.70 lacs) to PCL Hotels Limited (PCL) a 99.60% subsidiary as at 31 March 2021. The Company had also provided loan to Kujjal Hotels Private Limited (KHPL) (Formerly known as Kujjal Builders Private Limited), which is a joint venture of PCL with 50% shareholding, which had been converted into an interest free loan

for a period of 25 years w.e.f. 01 June 2017. As a result, the Company had recognised a deemed investment of Rs. 40,348.54 lacs (31 March 2020: Rs. 40,018.16 lacs) in the form of interest free loan to KHPL and the carrying balance of loan to KHPL amounts to Rs. 4,939.82 lacs (31 March 2020: Rs. 4,330.77 lacs). PCL has entered in to a joint venture for the hotel property at Chandigarh. The audited financial statements of PCL and KHPL show accumulated losses of Rs. 4,512.16 lacs (31 March 2020: Rs. 4,464.82 lacs) and Rs. 22,285.74 lacs (31 March 2020: Rs. 19,547.75 lacs) respectively as at 31 March 2021.

The Company has performed an impairment tests in the value of investment made by the Company in KHPL through PCL by computing value-in-use amount with the carrying value. For the purpose of impairment testing, in accordance with IND AS 36, the Company has made detailed projections and computed the value in use of its investment through Discounted Cash Flow ("DCF") method, which requires the use of various other key assumptions including projections, which are approved by management. Basis their calculation, the Company has recorded an impairment in the value of PCL equity investment of Rs 3,984.00 lacs (31 March 2020: Rs. 3,900.00 lacs). Also, the Company has recognized an impairment in the value of deemed investment in KHPL for Rs. 5,966.00 lacs (31 March 2020: Nil)

Basis on which the recoverable amount has been determined	DCF method with observable market data
Growth rate used for computing terminal value in use	5.00%
Discount rate	13.36%
Management's approach to determining the value assigned to each key assumption	Valuation is as per forecasted business plan, which is backed up by internal and external information available with the management.

- (d) The Company has an investment of Rs. 301.00 lacs (31 March 2020: Rs. 301 Lacs) and had given a loan of Rs. 120.92 lacs (31 March 2020: Rs. 546.06 lacs) to Prima Hospitality Private Limited (PHPL), a 99.99% subsidiary of the Company for execution of Dubai project. PHPL has entered into a joint venture for setting up a Hotel property at Al-Furjan, Dubai with Lost City L.L.C and another related entity. In view of the overall economic situation in Dubai, Al-Furjan LLC has not developed the land. Considering the area had not been developed as per the land purchase agreement, the Company and the related joint venture partner has communicated its intention to exit from the joint venture. Al-Furjan LLC had initiated legal proceedings against the joint venture company. Considering the legal case, the Company had created a provision of Rs. 301.00 lacs as a provision for diminution against investment and provision of Rs. 529.02 lacs against the loan advanced to Prima Hospitality Private Limited. During the year, the Company has received Rs. 429.00 lacs accordingly, the Company has recognized the provision of Rs. 117.06 (31 March 2020: Rs. 86.20 lacs) against the loan advance to PHPL.
- (e) As per the terms of the land allocation agreement of Ahmedabad property, the Company was required to complete the construction within two years from the date of allotment i.e. by 23 March 2010. During the year, the Company had applied to the State Government of Gujarat for an extension of the construction period upto May 2022. The management does not anticipate any concern in obtaining extension of the completion deadline for the project. Further, during the year the Company has obtained fair market valuation of the property to assess the impairment since the FMV of the asset is higher than the carrying value of the CWIP of Ahmedabad property of Rs. 17,690.36 lacs.



## Note 60 : REVENUE FROM CONTRACTS WITH CUSTOMERS

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contracts with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

### A. Disaggregation of revenue

(All amounts Rs. in Lacs)

#### I. Based on product and services

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>(A) Sale of services and product</b>		
Revenue from hospitality services	10,732.98	44,228.91
Revenue from membership programme	275.15	600.66
Revenue from sale of traded goods	12.10	68.00
<b>(B) Other ancillary revenue</b>		
Rent and maintenance	1,313.46	1,322.29
Consultancy/management fee	128.14	627.36
<b>Total revenue from continuing operation (A + B)</b>	<b>12,461.83</b>	<b>46,847.22</b>
Revenue from discontinuing operation in the nature of hospitality service	3,545.00	14,917.37
	<b>16,006.83</b>	<b>61,764.59</b>

#### II. Based on segment

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
Hotel operations*	14,065.16	58,767.11
Aircraft charter operations*	76.19	475.86
Other activities	1,865.48	2,521.62
	<b>16,006.83</b>	<b>61,764.59</b>

\* Includes revenue from discontinuing operation

### B. Contract balances

The following tables present information about trade receivables, contract assets, and contract liabilities:

Description	As at 31 March 2021	As at 31 March 2020
Trade receivables (refer note 10)	2,602.70	4,291.38
Contract assets (unbilled revenue) (refer note 14)	101.22	38.85
Contract liabilities		
Provision for membership programme (refer note 27)	138.20	138.20
Advance from customers (refer note 28)	1,298.45	1,517.73
Deferred revenue of membership programme (refer note 28)	112.43	372.87

## Bharat Hotels Limited

A trade receivable is recorded when the Company has issued an invoice and has an unconditional right to receive payment. In respect of revenues from hospitality services, the invoice is typically issued as the related performance obligations are satisfied.

### **Contract assets**

An entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. The table does not include amounts which were received and recognised as revenue in the year.

Description	(All amounts Rs. in Lacs)	
	As at 31 March 2021	As at 31 March 2020
Opening balance	38.85	206.50
Less : Recognised as revenue	(62.37)	167.65
<b>Closing balance</b>	<b>101.22</b>	<b>38.85</b>
Current	101.22	38.85
Non current	-	-
<b>Total</b>	<b>101.22</b>	<b>38.85</b>

### **Contract liabilities**

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

#### **Advance from customers**

Advance from customer is recognised when payment is received before the related performance obligation is satisfied. The table does not include amounts which were received and recognised as revenue in the year.

Description		
	As at 31 March 2021	As at 31 March 2020
Opening balance	1,517.73	1,190.44
Less : Recognised as revenue	219.28	(327.29)
<b>Closing balance</b>	<b>1,298.45</b>	<b>1,517.73</b>
Current	1,298.45	1,517.73
Non current	-	-
<b>Total</b>	<b>1,298.45</b>	<b>1,517.73</b>

### **Deferred revenue**

Deferred revenue is recognised when payment is received before the related performance obligation is satisfied. The main categories of deferred revenue relate to the Loyalty and Membership programme. The table does not include amounts which were received and recognised as revenue in the year.



(All amounts Rs. in Lacs)

Description	As at	As at
	31 March 2021	31 March 2020
Opening balance	511.07	547.36
Net Increase/(decrease) in deferred revenue during the year	(260.44)	(36.29)
<b>Closing balance</b>	<b>250.63</b>	<b>511.07</b>

### C. Significant changes in contract assets and liabilities

There has been no significant changes in contract assets/contract liabilities during the year.

**Note 61 :** The Company has incurred a net loss of Rs. 10,551.47 lacs (31 March 2020: Rs. 6,635.99 lacs) and the Company's current liabilities exceeded its current assets by Rs. 3,752.68 lacs as at 31 March 2021. However, the Company has already taken various measures with an aim to improve its financial condition, inter-alia, restructuring of the existing borrowings, as mentioned in Note 19, monetization of the various assets as identified as "asset held for sale" and deploy funds available with the Company in form undrawn facility of existing borrowings for the operation of the Company. Based on these measures and continuous efforts to improve the business performance, the management believes that it would be able to generate sustainable cash flows, discharge its obligations as they fall due and therefore the financial results have been prepared on going concern basis. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of these financial statements. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.

COVID-19 pandemic has impacted and continues to impact business operations of the Company due to lockdown, travel bans, and other emergency measures. With respect to operations of the Company, it has impacted its business by way of reduction in occupancy rate of hotel and average realization rate per room starting from the month of March 2020 and management has undertaken/in undertaking various cost savings initiatives to conserve cash. Further, the Company submitted its resolution plan for restructuring of its existing borrowings dated 20 February 2021 under 'Resolution Framework for COVID-19-related stress' dated 06 August 2021 ('COVID Framework' as amended from time to time) issued by Reserve Bank of India which is approved by their board of directors and has been subsequently signed and approved by the lender subsequent to the year end. Accordingly, the principal and interest payments repayable within next 12 months have been deferred as per the framework agreement.

In evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying value of its major assets comprising of Property, Plant and Equipment ('PPE') as at the balance sheet date. In this regard, the management has carefully considered the circumstances and risk exposures arising from the COVID-19 situation for developing estimates on the basis of all available information in its assessment of impact thereof in its financial reporting.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N\N500013

Sd/-  
**Rohit Arora**  
Partner  
Membership No. 504774

Place : New Delhi  
Date: 8 October, 2021

For and on behalf of the Board of Directors of  
**Bharat Hotels Limited**

Sd/-  
**Dr. Jyotsna Suri**  
Chairperson and  
Managing Director  
DIN - 00004603

Sd/-  
**Gopal Jagwan**  
Chief Financial Officer

Place : New Delhi  
Date: 8 October, 2021

Sd/-  
**Divya Suri Singh**  
Executive Director  
DIN-00004559

Sd/-  
**Himanshu Pandey**  
Company Secretary  
and Head - Legal



## INDEPENDENT AUDITOR'S REPORT

**To the Members of Bharat Hotels Limited**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

1. We have audited the accompanying consolidated financial statements of Bharat Hotels Limited ('the Holding Company') and its subsidiaries (including an entity registered as Trust under the Indian Trust Act, 1882) (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries (including an entity registered as Trust under the Indian Trust Act, 1882), the aforesaid consolidated 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matters**

4. We draw attention to the following matters:
  - (a) Note 61 to the accompanying consolidated financial statements, which describes that the Holding Company has received a termination letter from New Delhi Municipal Corporation ('NDMC') dated 13 February 2020 terminating the land license of the commercial establishment (including hotel and commercial towers) of the Holding Company situated at New Delhi. The Holding Company has filed a writ petition with Hon'ble High Court of Delhi and vide order dated 4 March 2020, Hon'ble High Court of Delhi has directed NDMC not to take any coercive action against the Holding Company. Based on the legal assessment of the outcome of the aforesaid matter, the management is of the view that no adjustment is required to the consolidated financial statements;
  - (b) Note 64 of the accompanying consolidated financial statements, which describes the uncertainties relating to COVID 19 pandemic and management's evaluation of its impact on the Group's operations and the accompanying consolidated financial statements of the Group, the extent of which is significantly dependant on future developments

Our opinion is not modified in respect of these matters.

## **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

5. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements**

6. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

9. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.



10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated 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 Holding 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. 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.

#### **Other Matter**

12. We did not audit the financial statements of four subsidiaries and a trust, whose financial statements reflects total assets of Rs. 48,752.88 lacs and net assets of Rs. 17,130.91 lacs as at 31 March 2021, total revenues of Rs. 2,399.76 lacs and net cash inflows amounting to Rs. 0.30 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

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

13. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 12, on separate financial statements of the subsidiaries, we report



that the Holding Company and 4 subsidiary companies, covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of the Holding Company and such subsidiary companies.

14. As required by section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) in our opinion, for all the companies covered under the act proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
  - e) the matters described in paragraph 4 of the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Holding Company;
  - f) on the basis of the written representations received from the directors of the Holding Company, its subsidiary Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2021 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 Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and
  - h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and trust:
    - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 60 to the consolidated financial statements;
    - ii. the Holding Company, its subsidiaries and trust did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021; and
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sd/-**

**Rohit Arora**

Partner

Membership No.: 504774

UDIN: 21504774AAAAIX1818

Place: New Delhi

Date: 8 October 2021





## ANNEXURE I

### **Independent Auditor's Report of even date to the members of Bharat Hotels Limited on the Consolidated Financial Statements for the year ended 31 March 2021**

List of subsidiaries included in the Consolidated Financial Statements of Bharat Hotels Limited for the year ended 31 March 2021

<b>Name of the Entity</b>	<b>Nature of Relationship</b>
Bharat Hotels Limited	Holding Company
Lalit Great Eastern Kolkata Hotel Limited (formerly known as Apollo Zipper India Limited)	Subsidiary company
Prima Hospitality Private Limited (formerly known as Prima Buildwell Private Limited)	Subsidiary company
Jyoti Limited	Subsidiary company
PCL Hotels Limited (formerly known as Prime Cellular Limited)	Subsidiary company
Kujjal Hotels Private Limited (formerly known as Kujjal Builders Private Limited)	Step-down subsidiary company
The Lalit Suri Educational and Charitable Trust	Entity under control of the Holding Company

### **Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Bharat Hotels Limited ('the Holding Company') and its subsidiaries (including an entity registered as Trust under the Indian Trusts Act, 1882) (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

### **Responsibilities of Management and those charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, 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 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. 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 includes 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the holding company and its subsidiary companies as aforesaid.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. 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**

7. 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.

### **Opinion**

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, 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.

### **Other Matter**

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to four subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of Rs. 36,676.62 lacs and net assets of Rs. 14,194.80 lacs as at 31 March 2021, total revenues of Rs.2,038.35 lacs and net cash inflows amounting to Rs. 4.39 lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Sd/-**  
**Rohit Arora**  
Partner  
Membership No.: 504774  
UDIN: 21504774AAAAIX1818

Place: New Delhi  
Date: 8 October 2021

# Bharat Hotels Limited

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(All amounts Rs. in Lacs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, plant and equipment	2(i)	130,786.65	175,975.52
b) Right-of-use assets	2(ii)	15,852.25	16,288.56
c) Capital work-in-progress	2(iii)	32,349.63	30,827.31
d) Goodwill		8,425.48	8,425.48
e) Other intangible assets	3	53.14	96.80
f) Financial assets			
(i) Investments	4	2.82	3.60
(ii) Loans	5	779.67	1,167.95
(iii) Other financial assets	6	2,435.53	2,099.27
g) Deferred tax liabilities (net)	22	5,599.77	-
h) Non-current tax assets (net)	7	2,429.30	4,409.18
i) Other non-current assets	8	1,065.47	1,119.40
<b>Total non current assets</b>		<b>199,779.70</b>	<b>240,413.07</b>
<b>Current Assets</b>			
a) Inventories	9	1,781.22	2,221.33
b) Financial assets			
(i) Trade receivables	10	2,435.82	4,653.42
(ii) Cash and cash equivalents	11	2,025.46	3,405.26
(iii) Other bank balances	12	1,630.86	1,836.17
(iv) Loans	13	131.17	122.52
(v) Other financial assets	14	330.49	760.55
c) Other current assets	15	1,659.59	1,722.62
<b>Total current assets</b>		<b>9,994.61</b>	<b>14,721.87</b>
Assets held for sale	16	43,875.98	5,899.14
<b>Total assets</b>		<b>253,650.29</b>	<b>261,034.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	17	7,599.17	7,599.17
b) Other equity	18	77,236.50	84,525.91
<b>Equity attributable to owners of Group</b>		<b>84,835.67</b>	<b>92,125.08</b>
<b>Non controlling interest</b>	57	(6,531.71)	(5,162.52)
<b>Total equity</b>		<b>78,303.96</b>	<b>86,962.56</b>



(All amounts Rs. in Lacs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>Non-current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	19	141,753.10	123,743.67
(ii) Lease liabilities	53 (ii)	9,219.69	9,479.38
(iii) Other financial liabilities	20	1,600.20	459.30
b) Provisions	21	938.84	971.83
c) Deferred tax liabilities (net)	22	-	1,880.32
d) Other non-current liabilities	23	3,137.29	3,268.72
<b>Total non current liabilities</b>		<b>156,649.12</b>	<b>139,803.21</b>
<b>Current liabilities</b>			
a) Financial liabilities			
(i) Borrowings	24	1,695.08	11,155.41
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	25	1,192.94	283.69
- total outstanding dues of creditors other than micro enterprises and small enterprises	25	7,553.98	7,994.21
(iii) Lease liabilities	53 (ii)	243.72	845.74
(iv) Other financial liabilities	26	3,967.31	9,469.47
b) Provisions	27	802.10	1,001.24
c) Other current liabilities	28	2,107.91	3,264.91
<b>Total current liabilities</b>		<b>17,563.04</b>	<b>34,014.68</b>
Liabilities directly associated with the assets held for sale	16	1,134.17	253.63
<b>Total equity and liabilities</b>		<b>253,650.29</b>	<b>261,034.08</b>

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

As per our report of even date

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

Sd/-  
**Rohit Arora**  
Partner  
Membership No. 504774

For and on behalf of the Board of Directors of  
**Bharat Hotels Limited**

Sd/-  
**Dr. Jyotsna Suri**  
Chairperson and  
Managing Director  
DIN - 00004603

Sd/-  
**Divya Suri Singh**  
Executive Director  
DIN-00004559

Sd/-  
**Gopal Jagwan**  
Chief Financial Officer

Sd/-  
**Himanshu Pandey**  
Company Secretary  
and Head -Legal

Place : New Delhi  
Date : 8 October 2021

Place : New Delhi  
Date : 8 October 2021

# Bharat Hotels Limited

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(All amounts Rs. in Lacs)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	29	14,992.54	56,856.04
Other income	30	2,198.18	1,070.11
<b>Total income</b>		<b>17,190.72</b>	<b>57,926.15</b>
<b>Expenses</b>			
Cost of food and beverages consumed	31	1,732.99	6,740.56
Purchase of traded goods		3.96	39.08
Change in inventories of traded goods	32	5.12	(3.42)
Employee benefits expense	33	4,379.99	10,565.12
Other expenses	34	8,120.38	23,641.81
<b>Total expenses</b>		<b>14,242.44</b>	<b>40,983.15</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>2,948.28</b>	<b>16,943.00</b>
Finance income	35	3,834.16	882.63
Finance costs	36	15,632.11	16,611.80
Depreciation and amortisation expense	37	7,473.63	8,294.58
<b>Loss before exceptional items and tax</b>		<b>(16,323.30)</b>	<b>(7,080.75)</b>
<b>Exceptional Items</b>	45 i	-	2,470.24
<b>Loss after exceptional items</b>		<b>(16,323.30)</b>	<b>(9,550.99)</b>
<b>Loss before tax</b>		<b>(16,323.30)</b>	<b>(9,550.99)</b>
<b>Tax expense:</b>	40		
Current tax		(0.38)	207.95
Deferred tax charge		(6,140.89)	(1,550.29)
Minimum alternate tax (MAT) credit		1,285.60	1,480.22
<b>Total tax expense</b>		<b>(7,426.87)</b>	<b>137.88</b>
<b>Loss for the year from continuing operation</b>	<b>A</b>	<b>(8,896.43)</b>	<b>(9,688.87)</b>
<b>(Loss)/profit before tax from discontinuing operation</b>		(230.65)	3,565.26
Tax expense of discontinued operation		(73.83)	1,256.26
<b>(Loss)/profit for the year from discontinued operation</b>	<b>B</b>	<b>(156.82)</b>	<b>2,309.00</b>
<b>Loss for the year</b>	<b>(A + B)</b>	<b>(9,053.25)</b>	<b>(7,379.87)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss in subsequent years</b>			
Remeasurement gains on defined benefit plans		64.13	71.83
Income tax effect on above		(20.23)	(24.69)
<b>Other comprehensive income</b>		<b>43.90</b>	<b>47.14</b>
<b>Total comprehensive loss for the year</b>		<b>(9,009.35)</b>	<b>(7,332.73)</b>
<b>Loss for the year</b>			
Attributable to:			
- Owners of the company		(7,684.06)	(6,340.20)
- Non-controlling interests	56	(1,369.19)	(1,039.67)
		<b>(9,053.25)</b>	<b>(7,379.87)</b>



(All amounts Rs. in Lacs)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Other comprehensive income for the year</b>			
Attributable to:			
- Owners of the company		43.90	47.14
- Non-controlling interests		-	-
		<b>43.90</b>	<b>47.14</b>
<b>Total comprehensive loss for the year</b>			
Attributable to:			
- Owners of the company		(7,640.16)	(6,293.06)
- Non-controlling interests		(1,369.19)	(1,039.67)
		<b>(9,009.35)</b>	<b>(7,332.73)</b>

**Loss per equity share**

1) Loss per equity share from continuing operations (fair value of Rs. 10 each) Basic & Diluted (in Rs.)	41	(9.91)	(11.38)
2) Loss per equity share from discontinued operations (fair value of Rs. 10 each) Basic & Diluted (in Rs.)	41	(0.21)	3.04
3) Loss per equity share from continuing & discontinued operations (fair value of Rs. 10 each) Basic & Diluted (in Rs.)	41	(10.11)	(8.34)

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

As per our report of even date

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Sd/-

**Rohit Arora**

Partner

Membership No. 504774

For and on behalf of the Board of Directors of  
**Bharat Hotels Limited**

Sd/-

**Dr. Jyotsna Suri**

Chairperson and

Managing Director

DIN - 00004603

Sd/-

**Divya Suri Singh**

Executive Director

DIN-00004559

Sd/-

**Gopal Jagwan**

Chief Financial Officer

Sd/-

**Himanshu Pandey**

Company Secretary

and Head -Legal

Place : New Delhi

Date : 8 October 2021

Place : New Delhi

Date : 8 October 2021

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Particulars	(All amounts Rs. in Lacs)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash flow from operating activities</b>		
(Loss)/profit before tax from continuing operations	(16,323.30)	(9,550.99)
(Loss)/profit before tax from discontinuing operations	(230.65)	3,565.26
<b>Profit before tax</b>	<b>(16,553.95)</b>	<b>(5,985.73)</b>
<b>Exceptional items:</b>		
- Impairment loss on leasehold building	-	1,340.97
- Impairment of Aircraft	99.13	767.85
- Initial public offer expenses written off	-	969.02
Balance written back	-	(442.82)
Depreciation and amortisation expenses	7,945.40	9,119.21
Bad debts written off	6.38	11.96
Employee stock option expense	3.86	31.10
Provision for doubtful debts	327.13	542.65
Excess provision/ credit balances written back	(1,160.97)	(117.09)
Loss on sale of property, plant and equipment (net)	(4.07)	39.85
Advances written off	25.32	286.35
Unwinding of discount on security deposits	(49.30)	(44.01)
Amortisation of deferred lease rent	(38.31)	(37.12)
Interest income	(3,785.51)	(839.33)
Interest expense	15,671.74	16,645.81
Government grant income	(101.09)	(159.92)
Unrealized foreign exchange loss	58.62	620.81
<b>Operating profit before working capital changes:</b>	<b>2,444.38</b>	<b>22,749.57</b>
Movements in working capital:		
Decrease/(Increase) in other financial and other assets	527.33	1,203.04
Decrease in trade receivable	1,802.78	376.65
(Increase) in inventories	440.11	(243.89)
(Decrease)/Increase in trade payable	1,572.27	(131.66)
(Decrease)/Increase in other current and non-current liabilities	3,159.54	(271.45)
<b>Cash generated from operations</b>	<b>9,946.42</b>	<b>23,682.25</b>
<b>Tax paid (net)</b>	<b>1,980.27</b>	<b>830.18</b>
<b>Net cash flow from operating activities (a)</b>	<b>11,926.69</b>	<b>24,512.43</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment including movement in capital advances and capital creditors	(775.00)	(4,028.58)
Proceeds from sale of property, plant and equipment	36.59	15.04
Proceeds from investment	0.78	-
Interest received and finance lease income	958.25	791.62
Investment in bank deposits	99.18	(901.68)
<b>Net cash (used in) investing activities (b)</b>	<b>319.80</b>	<b>(4,123.60)</b>
<b>C Cash flow from financing activities</b>		
Repayment of long term borrowings	(4,132.69)	(2,314.97)
Proceeds from long term borrowings, net	18,115.03	-
Repayment of short term borrowings, net	(9,401.71)	(1,882.17)
Repayment of Lease Liabilities	(1,989.76)	485.62
Interest paid	(16,169.93)	(14,524.12)
Deferred payment liabilities	(47.36)	(73.31)
Dividend paid	-	(759.91)
Tax on dividend paid	-	(156.20)
<b>Net cash (used in) financing activities (c)</b>	<b>(13,626.42)</b>	<b>(19,225.06)</b>





(All amounts Rs. in Lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net (decrease)/increase in cash and cash equivalents from continuing operation	(1,017.85)	2,328.69
Cash and cash equivalents at the beginning of the year	3,405.26	2,246.06
Effect of change differences on translation of foreign currency cash and cash equivalents	0.14	(4.58)
Net (decrease)/increase in cash and cash equivalents from discontinued operation	(362.08)	(1,164.92)
Cash and cash equivalents at the end of the year	<b>2,025.46</b>	<b>3,405.26</b>

#### Components of cash and cash equivalents

Balances with banks:-

On current accounts	1,971.27	3,249.13
On EEFC accounts	5.43	55.54
Deposits with original maturity of less than three months	-	23.00
Cheques/drafts on hand	-	6.54
Cash on hand	48.76	71.05
	<b>2,025.46</b>	<b>3,405.26</b>

#### Notes:

1. The figures in bracket indicates outflows.
2. The cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

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

As per our report of even date

#### For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Sd/-

**Rohit Arora**

Partner

Membership No. 504774

For and on behalf of the Board of Directors of  
**Bharat Hotels Limited**

Sd/-

**Dr. Jyotsna Suri**

Chairperson and  
Managing Director

DIN - 00004603

Sd/-

**Divya Suri Singh**

Executive Director  
DIN-00004559

Sd/-

**Gopal Jagwan**

Chief Financial Officer

Sd/-

**Himanshu Pandey**

Company Secretary  
and Head -Legal

Place : New Delhi

Date : 8 October 2021

Place : New Delhi

Date : 8 October 2021

## Consolidated statement of changes in equity for the year ended 31 March 2021

## A. Equity Share Capital

(All amounts Rs. in Lacs)

	Notes	Amount
<b>As at 1 April 2019</b>	<b>17</b>	<b>7,599.17</b>
Changes in equity share capital		-
<b>As at 31 March 2020</b>	<b>17</b>	<b>7,599.17</b>
Changes in equity share capital		-
<b>As at 31 March 2021</b>	<b>17</b>	<b>7,599.17</b>

(All amounts Rs. in Lacs)

Particulars	Attributable to owners of the Group					Total attributable to owners of the Holding Company
	Securities premium	Retained earnings	General reserve	Equity component of Financial instruments	Share based payment reserve	Capital reserve
<b>Balance as at 01 April 2019</b>	<b>29,034.73</b>	<b>43,014.40</b>	<b>8,289.35</b>	-	<b>80.44</b>	<b>11,285.05</b>
Compensation options granted during the year (refer note 55)	-	-	-		31.10	-
Loss for the year	-	(6,340.20)	-	-	-	-
Other comprehensive income (net of tax)	-	47.14	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(6,293.06)</b>	<b>-</b>	<b>-</b>	<b>31.10</b>	<b>-</b>
<b>Transactions with owners in their capacity as owners :</b>						
Dividends	-	(759.90)	-		-	-
Dividend tax	-	(156.20)	-		-	-
<b>Balance as at 31 March 2020</b>	<b>29,034.73</b>	<b>35,805.24</b>	<b>8,289.35</b>	<b>-</b>	<b>111.54</b>	<b>11,285.05</b>
Compensation options granted during the year (refer note 55)	-	-	-		3.87	-
Changes during the year				346.88		
Loss for the year	-	(7,684.06)	-		-	-
Other comprehensive income (net of tax)	-	43.90	-		-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(7,640.16)</b>	<b>-</b>	<b>346.88</b>	<b>3.87</b>	<b>-</b>
						<b>(7,289.41)</b>



(All amounts Rs. in Lacs)

Particulars	Attributable to owners of the Group					Total attributable to owners of the Holding Company
	Securities premium	Retained earnings	General reserve	Equity component of Financial instruments	Share based payment reserve	Capital reserve
Transactions with owners in their capacity as owners :						
Dividends	-	-	-	-	-	-
Dividend tax	-	-	-	-	-	-
Balance as at 31 March 2021	29,034.73	28,165.08	8,289.35	346.88	115.41	11,285.05
						77,236.50

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

As per our report of even date

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Sd/-

**Rohit Arora**

Partner

Membership No. 504774

For and on behalf of the Board of Directors of

**Bharat Hotels Limited**

Sd/-

**Dr. Jyotsna Suri**

Chairperson and

Managing Director

DIN - 00004603

Sd/-

**Divya Suri Singh**

Executive Director

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**Gopal Jagwan**

Chief Financial Officer

Sd/-

**Himanshu Pandey**

Company Secretary

and Head -Legal

Place : New Delhi

Date : 8 October 2021

Place : New Delhi

Date : 8 October 2021

## Notes forming part of Consolidated financial statements for the year ended 31 March 2021

### 1. Corporate Information

The consolidated financial statements comprise financial statements of Bharat Hotels Limited (hereinafter referred as the "Holding Company" or "Parent" or "Company"), its subsidiaries and entity controlled by the Company (including an entity registered as trust under Indian Trusts Act, 1882 (Trust)) (collectively, the Group) for the year ended 31 March 2021. The Group entities are engaged in the business of operating hotels other than the Trust which is engaged in promoting education, training and operating schools, colleges, universities, research and development centre, e-learning centers for hospitality industry development. The Holding Company has its principal place of business located at Barakhamba Lane, New Delhi -110001.

#### Description of Group and its interest in joint venture:

Name	Country of incorporation	Shareholding/ Control (%age)	
		31 March 2021	31 March 2020
<b>Subsidiaries:</b>			
Jyoti Limited	India	99.99%	99.99%
Lalit Great Eastern Kolkata Hotel Limited (formerly known as Apollo Zipper India Limited)	India	90.00%	90.00%
PCL Hotels Limited (formerly known as Prime Cellular Limited)	India	99.60%	99.60%
Prima Hospitality Private Limited (formerly known as Prima Buildwell Private Limited)	India	100%	100%
Kujjal Hotels Private Limited (formerly known as Kujjal Builders Private Limited)	India	50.00%	50.00%
<b>Entity controlled by the Company</b>			
The Lalit Suri Educational & Charitable Trust	India	100%	100%
<b>Joint Venture</b>			
Cavern Hotel & Resorts FZ Co.	United Arab Emirates	-	16.67%

#### 1.1. Basis of Preparation

The consolidated financial statements have been prepared by the management in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The consolidated financial statements have been prepared for the Group on a going concern basis using historical cost convention and on an accrual method of accounting, except for the following assets and liabilities which have been measured at fair value / amortised cost:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Property, plant and equipment and intangible assets have been carried at deemed cost (which includes revalued amount of land and building at certain locations) on the date of transition using the optional exemption allowed under Ind AS 101.

The consolidated financial statements are presented in Indian National Rupees (Rs.), which is the Group's presentation currency as well as the functional currency for all its operations and all financial information are presented in Rs. in lacs, unless stated otherwise.

**a) Basis of consolidation:**

The consolidated financial statements comprise the financial statements of the Group as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group voting rights and potential voting rights; and
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e. year ended on 31 March 2021.

**Consolidation procedure:**

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Policy of goodwill on consolidation explains how to account for any related goodwill.
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-

controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

- (d) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary
  - Derecognises the carrying amount of any non-controlling interests
  - Derecognises the cumulative translation differences recorded in equity
  - Recognises the fair value of the consideration received
  - Recognises the fair value of any investment retained
  - Recognises any profit or loss in the Statement of profit and loss
  - Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### **b) Business combinations**

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate IND AS.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

### **Common control business combinations**

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

## 1.2. Significant Accounting Policies

### a) Investment in joint ventures:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether the Company has significant influence or joint control, are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill, if any, relating to joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

If Group's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit or loss of a joint venture' in the Statement of profit or loss.

### b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

## c) **Property, plant and equipment**

### *Recognition and initial measurement*

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method using the rates arrived on the basis of the useful life which coincides with the useful life prescribed under Schedule II of the Companies Act, 2013, except for furniture and fixtures and some items of plant and machinery in which useful lives are different from those prescribed under Schedule II of the Companies Act, 2013. In respect of these furniture and fixtures and some items of plant and machinery, 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 identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. Leasehold buildings are amortised on a straight line basis over the unexpired period of lease or useful life, whichever is lower.

<b>Tangible assets</b>	<b>Useful life as per the Schedule II (years)</b>	<b>Useful economic lives estimated by the management (years)</b>
Freehold building	60	40-60
Plant & machinery	15	5-15
Furniture & fixtures	10	10
Vehicles	8	8
Office equipment	5	5
Computers	5	3

Non RCC structures for conference halls are depreciated over the period of eight years or their estimated useful life, whichever is lower.

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

### *De-recognition*

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



and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

#### **d) Intangible Assets**

##### *Recognition and initial measurement*

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

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 unless such expenditure forms part of carrying value of another asset.

##### *Subsequent measurement*

The Group has capitalised computer software in the nature of software licenses as intangible assets and the cost of software is amortised over the license period or three years, being their expected useful economic life, whichever is lower.

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.

#### **e) Goodwill on Consolidation**

- Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.
- Goodwill arising from the acquisition of joint ventures is included in the carrying value of the investment in joint ventures.
- Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Statement of Profit and Loss.

#### **f) Impairment of non-financial Assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

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

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

### **g) Foreign Currencies**

#### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

The Group had elected to continue with the policy on exchange differences arising on long term foreign currency monetary items existing as on 31 March 2016 as allowed under Ind AS 101.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### **h) 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

The principal or the most advantageous market must be accessible by the Group.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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 indirectly 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 consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group 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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments

#### **i) Revenue recognition**

Revenue is recognised at an amount that reflects the consideration to which the Group 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.

## **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**

Rental 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 (Minor Operating Departments)**

In relation to 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.

- **Management and Operating fees**

Management fees earned from hotel managed by the Group are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Group's performance obligation is to provide hotel management services and a license to use the Group'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.

- **Membership fees**

Membership fee income majorly consists of membership fees received from the loyalty programme and chamber membership fees. Income is earned when the customer enrolls 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.

- **Loyalty programme**

The Group operates loyalty programme, which provides a material right to customers that they would not exercise without entering into a contract and the eligible customers earns points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and a contract liability is created and on redemption/ expiry of such award points, revenue is recognised at pre-determined rates. Membership fees received from the loyalty programme is recognised as revenue on time-proportion basis.

- **Sale of traded goods**

For transfer of goods, the Group recognizes revenue when the customers obtain the control of goods. This usually happens when the customer gains right to direct the use of and obtained substantially all benefits from the goods. For the goods sold, the Group receives amount majorly in advance from the customers and therefore there are not any significant financing components involved.

## **Contract balances**

- **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group 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.

- **Contract liabilities**

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

- **Interest**

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

**j) Borrowing Costs**

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**k) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

*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 Group commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments at fair value through profit or loss (FVTPL)

**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 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 statement of profit and loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade, security deposits and other receivables.

## **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the interest income, impairment losses & reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

## **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized 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 recognized in the P&L.

## **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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 when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset,

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

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Group 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, trade receivables and bank balance
- b) Lease receivables under Ind AS 116
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.
- d) Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.



- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates the following provision matrix at the reporting date, except to the individual cases where recoverability is certain:

	Less than or equal to 365 days	More than 365 days
Default rate	0%	100%

ECL impairment loss allowance or its reversal during the period, is recognised in the statement of profit and loss. This amount is reflected under the head 'Other expenses' in the statement of profit and loss. The balance sheet presentation for financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### Financial liabilities

#### 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 Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 borrowings.

#### Financial guarantee contracts

Financial guarantees issued by the Holding Company on behalf of group companies are designated as 'Insurance Contracts'. The Group assess at the end of each reporting period whether its recognised



insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts.

### 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 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 or loss.

### Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

### Offsetting of financial instruments

Financial assets and financial liabilities are off-set 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.

## **l) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable to the Provided Fund.

The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

### **Other Employee Benefits**

#### *Compensated absences*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains or losses are recognised in the Statement of profit and loss. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

## **m) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## **n) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## **o) Leases**

Effective 01 April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01 April 2019 using the modified retrospective method, comparative figures are not restated and the cumulative effect of initially applying the standard is recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial

application. The weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 was 10.5 % for all leases.

### **The Group as a lessee**

The Group's lease asset classes consist of leases for Land. The Group assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

### **The Group as a lessor**

The Group's accounting policy under Ind AS 116 has not been changed from the comparative period. As a lessor, the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For finance leases, lease receivables are recognised at the commencement of the lease at the inception date at the present value of the minimum lease payments to be received from and consequentially the underlying leased asset is derecognised in the consolidated financial statements with resulting difference is recognised as selling profit or loss in the Statement of profit and loss. Finance income on unwinding of lease receivables are recognised in 'Other income' in the Statement of profit or loss.

## **p) Taxes**

### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted

or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI 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.

### **Deferred tax**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. 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, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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 have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **q) Non-current assets held for sale**

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the

sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchange of non-current assets for other non-current assets when the exchange has commercial substance. The criteria held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

**r) Discontinued operations**

A discontinued operation is a component of entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Statement of profit and loss from discontinued operations comprise the post-tax Statement of profit and loss from discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale. Any Statement of profit and loss arising from sale or re-measurement of discontinued operations is presented as a part of single line item. Statement of profit and loss from discontinued operations separately in the Statement of profit and loss.

**s) Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Stores and spares inventory comprises cutlery, crockery, linen, other store items food and beverage, liquor and wine items in hand: Cost is determined on first in first out basis. Circulating stock of crockery and cutlery issued for more than two months is charged to the profit and loss account as consumption.

*Trading goods*

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.

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

Inventory of food and beverage items in hand includes items used for staff cafeteria and is charged to consumption, net of recoveries, when issued.

**t) Government grants and subsidies**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as

income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### **u) Use of estimates**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in note 42. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### **v) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) [Chairperson and Chief Financial Officer].

#### **Identification of segments:**

In accordance with Ind AS 108– Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group’s CODM to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. Results of the operating segments are reviewed regularly by the CODM (Chairperson and Chief Financial Officer, which has been identified as the CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

#### **Allocation of common costs**

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

#### **Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

#### **Segment accounting policies**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.



**w) Cash and cash equivalents**

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

**x) Measurement of EBITDA**

The Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group excludes depreciation and amortization expense, interest income, finance cost and tax expense from the profit/(loss) from continuing operations.

**y) Cash dividend distribution to equity holders**

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.



(All amounts Rs. in Lacs)

**Note 2: PROPERTY, PLANT AND EQUIPMENT**

Particulars	Freehold land	Freehold building	Leasehold building	Plant and machinery	Office equipments	Furniture and fixtures	Computers	Aircrafts	Vehicles	Total
<b>For the year ended 31 March 2020</b>										
<b>Gross carrying amount</b>										
As at 01 April 2019	43,790.82	41,688.53	84,486.86	41,653.46	523.71	4,885.21	1,040.96	5,059.53	633.46	223,762.54
Additions for the year	-	17.21	105.81	332.77	30.87	86.96	81.91	-	10.06	665.57
Exchange differences	-	68.01	154.59	-	-	-	-	-	-	222.60
Assets included in a disposal group classified as held for sale (refer note 45(ii))	(2,938.48)	-	-	-	-	-	-	(5,059.53)	-	(7,998.01)
Disposals	-	-	(33.23)	(104.07)	(3.22)	(14.54)	(10.41)	-	(1.85)	(167.32)
<b>Gross carrying amount as at 31 March 2020</b>	<b>40,852.34</b>	<b>41,773.75</b>	<b>84,714.03</b>	<b>41,882.16</b>	<b>551.36</b>	<b>4,957.63</b>	<b>1,112.46</b>	<b>-</b>	<b>641.67</b>	<b>216,485.39</b>
<b>Accumulated depreciation</b>										
As at 01 April 2019	-	2,822.24	5,446.94	18,964.11	289.73	2,628.71	727.38	1,282.84	142.40	32,304.35
Depreciation charge for the year	-	724.61	2,154.61	4,512.16	55.69	594.68	133.60	324.71	85.70	8,585.76
Impairment charge for the year	-	-	1,340.97	-	-	-	-	767.85	-	2,108.83
Assets included in a disposal group classified as held for sale (refer note 45(ii))	-	-	-	-	-	-	-	(2,375.41)	-	(2,375.41)
Disposals	-	-	(3.50)	(84.28)	(2.26)	(11.93)	(9.35)	-	(1.11)	(112.43)
Exchange differences	-	-	-	(0.88)	(0.35)	-	-	-	-	(1.23)
<b>Closing accumulated depreciation as at 31 March 2020</b>	<b>-</b>	<b>3,546.85</b>	<b>8,939.02</b>	<b>23,391.11</b>	<b>342.81</b>	<b>3,211.46</b>	<b>851.63</b>	<b>-</b>	<b>226.99</b>	<b>40,505.87</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>40,852.34</b>	<b>38,226.90</b>	<b>75,775.00</b>	<b>18,491.05</b>	<b>208.55</b>	<b>1,746.17</b>	<b>260.82</b>	<b>-</b>	<b>414.68</b>	<b>175,975.52</b>
<b>For the year ended 31 March 2021</b>										
<b>Gross carrying amount</b>										
As at 01 April 2020	40,852.34	41,773.75	84,714.03	41,882.16	551.36	4,957.63	1,112.46	-	641.67	216,485.39
Additions for the year	-	-	156.25	137.77	9.27	5.15	10.01	-	-	318.45
Exchange differences	-	(13.41)	-	-	-	-	-	-	-	(13.41)
Assets included in a disposal group classified as held for sale (refer note 45(ii))	(23,382.56)	(15,423.90)	-	(1,526.34)	(59.81)	(388.47)	(102.67)	-	(45.86)	(40,929.61)
Disposals	-	-	-	(444.04)	(6.22)	(1.59)	(11.96)	-	-	(463.81)
<b>Gross carrying amount as at 31 March 2021</b>	<b>17,469.78</b>	<b>26,336.43</b>	<b>84,870.28</b>	<b>40,049.57</b>	<b>494.60</b>	<b>4,572.72</b>	<b>1,007.84</b>	<b>-</b>	<b>595.81</b>	<b>175,397.01</b>



(All amounts Rs. in Lacs)

Particulars	Freehold land	Freehold building	Leasehold building	Plant and machinery	Office equipments	Furniture and fixtures	Computers	Aircrafts	Vehicles	Total
<b>Accumulated depreciation</b>										
As at 01 April 2020	-	3,546.85	8,939.02	23,391.11	342.81	3,211.46	851.63	-	226.99	<b>40,509.87</b>
Depreciation charge for the year	-	1,430.40	1,432.10	3,913.33	50.68	446.19	96.62	-	93.30	<b>7,462.62</b>
Impairment charge for the year	-	-	-	-	-	-	-	-	-	-
Assets included in a disposal group classified as held for sale (refer note 45(ii))	-	(1,779.03)	-	(759.92)	(25.15)	(239.19)	(88.16)	-	(39.39)	<b>(2,930.84)</b>
Disposals	-	-	-	(412.44)	(5.93)	(1.51)	(11.40)	-	-	<b>(431.28)</b>
<b>Closing accumulated depreciation as at 31 March 2021</b>	-	<b>3,198.22</b>	<b>10,371.12</b>	<b>26,132.08</b>	<b>362.41</b>	<b>3,416.95</b>	<b>848.69</b>	-	<b>280.90</b>	<b>44,610.37</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>17,469.78</b>	<b>23,138.22</b>	<b>74,499.15</b>	<b>13,917.49</b>	<b>132.19</b>	<b>1,155.76</b>	<b>159.15</b>	-	<b>314.91</b>	<b>130,786.64</b>

#### Capitalised borrowing costs

The borrowing cost capitalized during the year ended 31 March 2021 was Rs. 923.70 lacs (net of interest earned Rs. Nil) 31 March 2020 was Rs. 875.09 lacs (net of interest earned Rs. Nil). The Company capitalized this borrowing cost to the capital work-in-progress (refer note 38).

#### Assets under construction

Capital work in progress as at 31 March 2021 comprises expenditure for the hotels in the course of construction. Total amount of CWIP is Rs.32,349.63 lacs (31 March 2020: Rs. 30,827.31 lacs).

#### Note (a):

1. Certain property, plant and equipment are pledged against borrowings, the details to which have been described in note 19 and 24.
2. Refer note 37 for the amount of depreciation and amortisation expense
3. The amount of contractual commitments for the acquisitions of property, plant and equipments are disclosed in note 53(i).

#### Note (b):

1. In previous year, the Holding Company in accordance with the requirement of IND AS 36 "Impairment of assets" has estimated the recoverable amount of its hotel situated in Mangar. For the purpose of calculating the value in use of the said hotel, the Holding Company had appointed an Independent Valuer. As per the valuation, the value in use of the hotel was Rs. 7,953.00 lacs which was lower than the carrying value of Rs 9,293.97 lacs of the hotel as at 31 March 2020. Accordingly, the Holding Company had recognized impairment loss of Rs. 1,340.97 lacs.
2. The Holding Company has estimated the value in use on the basis of Discounted cash flow technique (DCF) with observable market data. The valuation is backed up by the internal and external information available with the management.
3. The compounding annual growth rate forecasted by the Holding Company is 33.00% with the terminal growth rate of 5.00%. The discount rate used for the valuation is based on the weighted average cost of capital which is 11.59%.

# Bharat Hotels Limited

## Note 2(ii) - RIGHT-OF-USE ASSETS

	(All amounts Rs. in Lacs)
Particulars	Amount
<b>For the year ended 31 March 2020</b>	
<b>Gross carrying amount</b>	
As at 01 April 2019	8,687.82
Reclassified on adoption of Ind AS 116 (refer Note 53(ii))	8,423.81
<b>Gross carrying amount as at 31 March 2020</b>	<b>17,111.63</b>
<b>Accumulated amortisation</b>	
As at 01 April 2019	385.70
Amortisation for the year	437.37
<b>Closing accumulated amortisation as at 31 March 2020</b>	<b>823.07</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>16,288.56</b>
<b>For the year ended 31 March 2021</b>	
<b>Gross carrying amount</b>	
As at 01 April 2020	17,111.63
Additions for the year	-
<b>Gross carrying amount as at 31 March 2021</b>	<b>17,111.63</b>
<b>Accumulated amortisation</b>	
As at 01 April 2020	823.07
Amortisation for the year	436.31
<b>Closing accumulated amortisation as at 31 March 2021</b>	<b>1,259.38</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>15,852.25</b>

## Note 3: OTHER INTANGIBLE ASSETS

Particulars	Software
<b>For the year ended 31 March 2020</b>	
<b>Gross carrying amount</b>	
As at 01 April 2019	746.70
Additions for the year	14.72
<b>Gross carrying amount as at 31 March 2020</b>	<b>761.42</b>
<b>Accumulated amortisation</b>	
As at 01 April 2019	568.54
Depreciation charge for the year	96.08
<b>Closing accumulated amortisation as at 31 March 2020</b>	<b>664.62</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>96.80</b>
<b>For the year ended 31 March 2021</b>	
<b>Gross carrying amount</b>	
As at 01 April 2020	761.42
Additions for the year	8.75
Assets included in a disposal group classified as held for sale (refer note 45(ii))	(39.63)
<b>Gross carrying amount as at 31 March 2021</b>	<b>730.54</b>
<b>Accumulated amortisation</b>	
As at 01 April 2020	664.62
Depreciation charge for the year	46.51
Assets included in a disposal group classified as held for sale (refer note 45(ii))	(33.73)
<b>Closing accumulated amortisation as at 31 March 2021</b>	<b>677.40</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>53.14</b>



(All amounts Rs. in Lacs)

<b>Note 4 : INVESTMENTS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
28,200 (31 March 2020: 36,000) equity shares of Rs. 10 each fully paid up in Green Infra Wind Power Generation Limited	2.82	3.60
	<b>2.82</b>	<b>3.60</b>
<b>Aggregate value of unquoted investments</b>	<b>2.82</b>	<b>3.60</b>

<b>Note 5 : LOANS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Unsecured, considered good unless otherwise stated)		
<b>A. Loans to related party</b>		
-Considered good	-	442.82
-Considered doubtful	-	235.21
	-	678.03
Less: Provision for credit impairment	-	(235.21)
	-	<b>442.82</b>
<b>B. Security deposits</b>	779.67	725.13
<b>Total (A + B)</b>	<b>779.67</b>	<b>1,167.95</b>

<b>Note 6 : OTHER NON CURRENT FINANCIAL ASSETS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Unsecured, considered good unless otherwise stated)		
<b>Balances with banks:</b>		
- Deposits with original maturity of more than 12 months	374.59	137.72
- Margin money deposited	990.22	884.09
Interest accrued on deposits with banks	117.17	123.63
Finance lease receivable	953.55	953.83
	<b>2,435.53</b>	<b>2,099.27</b>
<b>*Break up of margin money deposit held as security</b>		
Held as bank guarantee	44.47	42.64
Held as bank guarantee by bank against bank loans	945.75	841.45

<b>Note 7 : NON CURRENT TAX ASSETS (NET)</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Income tax receivable (net)	2,429.30	4,409.18
	<b>2,429.30</b>	<b>4,409.18</b>

<b>Note 8 : OTHER NON CURRENT ASSETS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Unsecured, considered good unless otherwise stated)		
Capital advances	1,042.51	1,072.76
Prepaid expenses	22.96	46.64
	<b>1,065.47</b>	<b>1,119.40</b>

# Bharat Hotels Limited

(All amounts Rs. in Lacs)

## Note 9 : INVENTORIES

	As at 31 March 2021	As at 31 March 2020
(Valued at cost or net realisable value which ever is lower)		
Traded goods	118.06	126.67
Food and beverage (excluding liquor and wine)	159.33	334.78
Liquor and wine	832.22	960.61
Stores, cutlery, crockery, linen, provisions and others	671.61	799.27
	<b>1,781.22</b>	<b>2,221.33</b>

### Notes:

- Inventories are pledged against borrowing the detail of which have been described in note 19 and 24.
- The cost of inventories recognised as an expense during the year is disclosed in note 31 and 32.
- Inventory as at 31 March 2020 is after write off amounting to Rs 51.29 lacs owing to lockdown situation arising due to the global pandemic Covid19.
- This amount includes inventory of Rs. 367.68 lacs on account of Mumbai hotels presented as asset held for sale.

## Note 10 : TRADE RECEIVABLES\*

	As at 31 March 2021	As at 31 March 2020
Secured, considered good	-	0.19
Unsecured, considered good	2,697.41	4,827.13
Unsecured, considered doubtful	2,002.86	1,693.89
	<b>4,700.27</b>	<b>6,521.21</b>
Less : Impairment allowance	(2,002.86)	(1,693.89)
<b>Total</b>	<b>2,697.41</b>	<b>4,827.32</b>
Less : Reclassified to asset held for sale (refer note 45(ii))	261.59	173.90
	<b>2,435.82</b>	<b>4,653.42</b>

- Trade receivable are pledged against borrowing the detail of which have been described in note 19 and 24.
- All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. All of the Group's trade receivables in the comparative periods have been reviewed for indicators of impairment.
- Trade receivable includes dues from directors or other officers of the Group or from private companies and firms in which Group's any director is a partner or director (refer note 51).

\* Refer note 44 and 47

## Note 11 : CASH AND CASH EQUIVALENTS

	As at 31 March 2021	As at 31 March 2020
Balances with banks:-		
In current accounts	1,971.27	3,249.13
In EEFC accounts	5.43	55.54
In deposits with original maturity of less than three months	-	23.00
Cheques/drafts on hand	-	6.54
Cash on hand	48.76	71.05
	<b>2,025.46</b>	<b>3,405.26</b>

### Notes:

- Available undrawn committed borrowings facilities
- The Group has pledged a part of its short-term deposits to fulfil the collateral requirements. Refer note 24 for details.



(All amounts Rs. in Lacs)

<b>Note 12 : OTHER BANK BALANCES</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Balances with banks:-		
Margin money (held against bank guarantee)	1,599.45	1,801.95
Deposits with original maturity of more than three months but less than twelve months from the reporting date.	7.27	7.27
Unpaid dividend account*	24.14	26.95
	<b>1,630.86</b>	<b>1,836.17</b>

\* These balances are not available for use by the Holding Company and corresponding balance is disclosed as unpaid dividend in note 26.

<b>Note 13 : LOANS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Unsecured, considered good unless otherwise stated)		
Security deposits	131.17	122.52
	<b>131.17</b>	<b>122.52</b>

<b>Note 14 : OTHER CURRENT FINANCIAL ASSETS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Unbilled revenue	106.04	42.35
Interest accrued on deposits with banks	142.19	125.38
Subsidy receivable*	80.09	548.92
Other advances recoverable	2.17	43.90
	<b>330.49</b>	<b>760.55</b>

\* The Group has complied with all the conditions attached to the grant and the receivables have been recognized with a reasonable assurance that the grants will be received.

<b>Note 15 : OTHER CURRENT ASSETS*</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	253.13	425.90
Balance with statutory authorities	668.27	376.36
Services export incentive (refer note 38)	204.97	113.06
Advance to supplier		
- considered good	533.22	807.30
- considered doubtful	28.37	28.37
	<b>1,687.96</b>	<b>1,750.99</b>
Less: Allowance for expected credit loss	(28.37)	(28.37)
	<b>1,659.59</b>	<b>1,722.62</b>

\* All amounts are short-term. The net carrying value of other receivables is considered a reasonable approximation of fair value. All of the Group's other receivables in the comparative periods have been reviewed for indicators of impairment.

(All amounts Rs. in Lacs)

Note 16 : ASSETS CLASSIFIED AS HELD FOR SALE	As at	As at
	31 March 2021	31 March 2020
Discontinued Operations {Refer Note 45 (i) and (ii)}*	40,851.26	2,858.03
Freehold land {Refer Note 45 (iii)}	3,019.72	3,019.72
Others	5.00	21.39
	<b>43,875.98</b>	<b>5,899.14</b>
<b>Liabilities directly associated with the assets held for sale</b>		
Discontinued Operations {Refer Note 45 (i) and (ii)}	1,134.17	53.63
Freehold land {Refer Note 45 (iii)}	-	200.00
	<b>1,134.17</b>	<b>253.63</b>

It mainly comprise of property, plant and equipment, intangible assets of hotel situated at Mumbai and aircraft operation and other assets of aircraft operation.

Note 17 : SHARE CAPITAL	As at	As at
	31 March 2021	31 March 2020
<b>Authorised</b>		
100,000,000 (31 March 2020: 100,000,000) equity shares of Rs. 10 each fully paid up	10,000.00	10,000.00
<b>Issued, subscribed &amp; paid up</b>		
75,991,199 (31 March 2020: 75,991,199) equity shares of Rs 10 each fully paid up	7,599.17	7,599.17
	<b>7,599.17</b>	<b>7,599.17</b>

**a Reconciliation of the Authorised and issued equity shares at the beginning and at the the end of the period**

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amounts	No. of Shares	Amounts
Authorised share capital at the beginning of the period	100,000,000	10,000.00	100,000,000	10,000.00
Change during the period	-	-	-	-
<b>Authorised share capital at the end of the period</b>	<b>100,000,000</b>	<b>10,000.00</b>	<b>100,000,000</b>	<b>10,000.00</b>

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amounts	No. of Shares	Amounts
Issued share capital at the beginning of the period	75,991,199	7,599.12	75,991,199	7,599.12
Change during the period	-	-	-	-
<b>Issued share capital at the end of the period</b>	<b>75,991,199</b>	<b>7,599.12</b>	<b>75,991,199</b>	<b>7,599.12</b>

**b Terms/ Rights attached to equity shares.**

The Holding Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends 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.



(All amounts Rs. in Lacs)

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by the shareholders.

**c Details of shareholders holding more than 5% shares in the Holding Company**

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Percentage	No. of Shares	Percentage
<b>Equity shares of Rs. 10 fully paid up</b>				
Deeksha Holding Limited	30,717,301	40.42%	30,717,301	40.42%
Mr. Jayant Nanda	19,991,198	26.32%	19,991,198	26.32%
Dr. Jyotsna Suri	7,255,935	9.55%	7,255,935	9.55%
Responsible Holding Private Limited	7,106,400	9.35%	7,106,400	9.35%
Mr. Keshav Suri	3,880,596	5.11%	3,880,596	5.11%

As per the records of the Holding Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownerships of shares.

**d Share reserved for issue under option**

The Holding Company has reserved an option for the permanent employees of the Holding Company and its subsidiaries, including directors under "Employee Stock Option Plan, 2017" and has issued 700,600 options to the permanent employees.

**e Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

The Group has not issued any shares pursuant to contract without payment being received in cash, nor allotted as fully paid up by way of bonus shares or bought back any shares during the period of five years immediately preceding the reporting date.

<b>Note 18 : OTHER EQUITY</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>A. Surplus:</b>		
Securities premium account	29,034.73	29,034.73
Retained earnings	28,165.08	35,805.24
Share based payment reserve	115.41	111.54
General reserve	8,289.35	8,289.35
Capital reserve	11,285.05	11,285.05
<b>B. Equity component of financial instrument (refer note 20)</b>	346.88	-
<b>Total (A + B)</b>	<b>77,236.50</b>	<b>84,525.91</b>

\* For change in balance of reserves refer to the consolidated statement of changes in equity.

**Nature & purpose of other reserves :**

**Securities premium:** Comprises premium received on issue of equity shares

**Retained earnings:** Comprises of balance of profit and loss at each year end.

**Capital reserve:** Comprise increase in value of asset acquired out of amalgamation of Udaipur Hotels Limited and Khajuraho Hotels Limited, as compared to book value of assets and on forfeiture of share application money.

# Bharat Hotels Limited

**General reserve:** Under erstwhile Companies Act, 1956, General reserves was created through an annual transfer of net income at specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a divided distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distribution results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserves has been withdrawn.

**Equity component of Financial Instruments:** Terms attached to 6% loan from Deeksha Holding Limited, Jyotsna Holding Limited & Responsible Holdings Private Limited.

The Holding Company has obtained loans from above companies which are to be repayable on 31 March 2034 pursuant to the framework agreement. The Holding Company has recognised the difference between the loan amount and the fair value of the instrument as equity component of financial instrument. Also refer note 24.

(All amounts Rs in Lacs)		
<b>Note 19: BORROWINGS</b>		
	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Non current borrowings</b>		
<b>Term loans</b>		
<b>Secured</b>		
Rupee loans from banks (refer note 1 to 12, 16 and 17 below)	128,088.85	125,703.88
Rupee loan from banks - FITL (refer note 26 to 34)	7,518.64	-
Foreign currency loan from a bank (refer note 18 below)	446.08	771.11
<b>Unsecured</b>		
Loan from related parties (refer note 13 to 15, 19 to 22 & 24 below)	4,962.10	977.57
Loan from a director (refer note 23 and 25 below)	2,035.00	1,622.00
	<b>143,050.67</b>	<b>129,074.56</b>
Less: Current maturities (refer note 26)	1,297.57	5,330.89
	<b>141,753.10</b>	<b>123,743.67</b>

## Net debt reconciliation\*

Company's movement in its net debts during the year is as follows:

<b>31 March 2021</b>				
	<b>Non current borrowings</b>	<b>Current borrowings</b>	<b>Interest accrued on borrowings</b>	<b>Total</b>
Net debt as on 1 April 2020	129,074.56	11,155.41	1,298.95	141,528.92
Cash flows, net	13,982.34	(9,401.71)	-	4,580.63
Foreign exchange adjustments	(13.42)	(58.62)	-	(72.04)
Interest expense*	-	-	15,306.58	15,306.58
Interest paid	-	-	(16,169.93)	(16,169.93)
Other non-cash movements				
Equity component of financial instruments	(346.88)	-	-	(346.88)
Fair value adjustments	354.07	-	(354.07)	-
Capitalisation of interest	-	-	-	-
<b>Net debt as on 31 March 2021</b>	<b>143,050.67</b>	<b>1,695.08</b>	<b>81.53</b>	<b>144,827.28</b>





31 March 2020

(All amounts Rs in Lacs)

	Non current borrowings	Current borrowings	Interest accrued on borrowings	Total
Net debt as on 1 April 2019	130,555.04	12,416.79	997.08	143,968.91
Cash flows, net	(2,314.97)	(1,882.17)	-	(4,197.14)
Foreign exchange adjustments	222.60	620.79	-	843.39
Interest expense	-	-	15,437.88	15,437.88
Interest paid	-	-	(14,524.12)	(14,524.12)
Other non-cash movements				
Fair value adjustments	611.89	-	(611.89)	-
<b>Net debt as on 31 March 2020</b>	<b>129,074.56</b>	<b>11,155.41</b>	<b>1,298.95</b>	<b>141,528.92</b>

**Notes:**

- 1 Term Loan from Axis Bank aggregating to Rs. 10,420.54 lacs (31 March 2020: Rs. 10,395.59 lacs) carries interest @ 10.35% per annum. The loan was earlier repayable in 44 structured quarterly installments starting from November 2015 after a moratorium of 1 year from the date of first disbursement. Pursuant to resolution framework as stated in note 26, loan is repayable in 22 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by first pari-passu charge by way of hypothecation of movable fixed assets of Mumbai, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by Company (both present and future) and first pari-passu charge by way of mortgage over immovable fixed assets of Mumbai and Ahmedabad hotels.
- 2 Term Loan from Yes Bank aggregating to Rs. 42,262.67 lacs (31 March 2020: Rs. 42,111.30 lacs) carries interest @ 10.85% per annum till September'20, 10.45% per annum from October'20 to November'20 & afterwards 10.85% per annum. The loan was repayable in 44 structured quarterly installments starting from February 2016 after a moratorium of 1 year from the date of first disbursement. Pursuant to resolution framework as stated in note 26, loan is repayable in 22 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by first pari-passu charge on land and building of Mumbai and Ahmedabad hotels and first pari-passu charge on movable fixed assets of Mumbai, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company.
- 3 Term Loan from ICICI Bank aggregating to Rs. 3,024.94 lacs (31 March 2020: Rs. 3,111.21 lacs) (sanctioned amount Rs. 3,600.00 lacs) carries interest @ 12.24% per annum. The loan is repayable was 40 quarterly installments after a moratorium of 8 quarters from the date of first disbursement i.e. 25 June 2015. Pursuant to resolution framework as stated in note 26, loan is repayable in 39 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by first pari-passu charge on Jaipur and Khajuraho property and routing of cash flows of Jaipur and Srinagar property through the designated accounts.
- 4 Term Loan from Tamilnad Mercantile Bank (TMB) aggregating to Rs. 2,007.55 lacs (31 March 2020: Rs. 1,914.37 lacs), (sanctioned amount Rs. 2,500.00 lacs) carries interest @ 11.60 % per annum. The loan was repayable in 44 structured quarterly installments starting from February 2016 after a moratorium of 1 year from the date of first disbursement. Pursuant to resolution framework as stated in note 26, loan is repayable in 23 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by first pari-passu charge on land and building of Mumbai and Ahmedabad hotels and first pari-passu charge on movable fixed assets of Mumbai, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company.
- 5 Term Loan from Yes Bank aggregating to Rs. 4,734.22 lacs (31 March 2020: Rs. 4,706.93 lacs) carries interest @ 10.45% per annum. The loan was repayable in 52 structured quarterly installments starting from February 2017. Pursuant to resolution framework as stated in note 26, loan is repayable in 33 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by extension of first pari-passu charge on land and building of Mumbai hotel and extension of first pari-passu charge on movable fixed assets of Mumbai, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company.

- 6 Term Loan from Axis Bank aggregating to Rs. 3,538.21 lacs (31 March 2020: Rs. 3,556.25 lacs) carries interest @ 10.35% per annum. The loan was repayable in 42 structured quarterly installments starting from October 2017 after a moratorium of 1 year from the date of first disbursement. Pursuant to resolution framework as stated in note 26, loan is repayable in 27 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by extension of first pari-passu charge by way of hypothecation of movable fixed assets of Mumbai, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by Company (both present and future) and extension of first pari-passu charge by way of mortgage over immovable fixed assets of Mumbai and Ahmedabad hotels.
- 7 Term Loan from The Jammu & Kashmir Bank aggregating to Rs. 14,754.69 lacs (31 March 2020: Rs. 14,416.80 lacs) carries interest @ 10% per annum. The loan was repayable in 32 structured quarterly installments starting from June 2019 after a moratorium of 2 years from the date of first disbursement. Pursuant to resolution framework as stated in note 26, loan is repayable in 29 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by way of equitable mortgage on exclusively first charge over land and building of Srinagar hotel of the Company.
- 8 Term Loan from The Jammu & Kashmir Bank aggregating to Rs. 3,278.19 lacs (31 March 2020: Rs. 4,371.86) carries interest @ 10% per annum. The loan was repayable in 8 structured quarterly installments starting from December 2019 after a moratorium of 1 year from the date of first disbursement. Pursuant to resolution framework as stated in note 26, loan is repayable in 7 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by way of equitable mortgage on exclusively first charge over land and building of Srinagar hotel of the Company.
- 9 Term Loan from Yes Bank aggregating to Rs. 5,148.32 lacs (31 March 2020: Rs. 5,136.86 lacs) carries interest @ 10.45% per annum. The loan was repayable in 40 structured quarterly installments from the date of first disbursement. Pursuant to resolution framework as stated in note 26, loan is repayable in 28 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by exclusive charge on land and building of Udaipur Hotel and current assets of the Company except those of Jaipur and Goa hotels.
- 10 Term Loan from Standard Chartered Bank aggregating to Rs. 15,154.32 lacs (31 March 2020: Rs. 14,482.12 lacs) (sanctioned amount Rs. 20,500.00 lacs) carries interest @ 10.50% till November'20 & afterwards 9.95% per annum. The loan was repayable in 144 monthly installments. Pursuant to resolution framework as stated in note 26, loan is repayable in 123 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by first charge over land (to the extent of land licensed by Deeksha Holding Ltd), building and receivables of Goa Hotel and corporate guarantee by Deeksha Holding Limited.
- 11 Term Loan from ICICI Bank aggregating to Rs. 3,339.88 lacs (31 March 2020: Rs. 3,828.45 lacs) (sanctioned amount Rs. 5,500.00 lacs) carries interest @ 10.85% per annum. The loan was repayable in 9 quarterly installments. Pursuant to resolution framework as stated in note 26, loan is repayable in 7 installments starting from May 2023 after a moratorium of 2 years. The loan is secured by equitable mortgage on the movable and immovable fixed and current assets and the cash flows, both present and future, of Jaipur and also secured by exclusive charges on movable and immovable fixed assets of Khajuraho hotel, both present and future.
- 12 Packing Credit Foreign Currency ('PCFC') Loan from Yes Bank Limited amounting to Rs. 2,423.45 lacs {(equivalent to USD 32.97 lacs at an exchange rate of 73.5047 per USD); (31 March 2020: Rs. 2,609.86 lacs (equivalent to USD 34.62 lacs at an exchange rate of 75.3859 per USD))} carries interest @ LIBOR + 400 basis points. The loan is secured by first pari-passu charge on current assets (including receivables) of all the hotels of the Company (both present and future), except those of hotel situated in Jaipur and Goa of the Company.
- 13 Unsecured loan taken from Deeksha Holding Ltd amounting to Rs. 1,600.00 lacs (31 March 2020: Nil) during the year as per mutual agreement which carried interest @ 6.00% per annum.
- 14 Unsecured loan taken from Jyotsna Holding Pvt Ltd amounting to Rs. 500.00 lacs (31 March 2020: Nil) during the year as per mutual agreement which carried interest @ 6.00% per annum.

- 15 Unsecured loan taken from Responsible Holding Pvt Ltd amounting to Rs. 500.00 lacs (31 March 2020: Nil) during the year as per mutual agreement which carried interest @ 6.00% per annum.

**Lalit Great Eastern Kolkata Hotel Limited (Formerly known as Apollo Zipper India Limited), a subsidiary of the Company**

- 16 Term Loan from Yes Bank Limited aggregating Rs. 8,454.98 lacs carries interest @ 9.55% per annum payable monthly (31 March 2020: Rs. 8,176.30 lacs carries interest @ 10.45% per annum payable monthly). The balance loan is repayable in 38 installments. The loan is secured by first pari-passu charge on movable fixed assets (both present and future) of the hotel, first pari-passu charge on land and building of the hotel by way of mortgage, second pari-passu charge on current assets (including receivables) of the hotel and corporate guarantee of Bharat Hotels Limited, the Holding company.

**Kujjal Hotels Private Limited (formerly known as Kujjal Builders Private Limited), a subsidiary of the Company**

- 17 Term Loan from Axis Bank Ltd aggregating to Rs. 9,480.07 lacs carries interest @ 10.2% per annum (31 March 2020: Rs. 9,495.83 lacs carries interest @ 11.10% per annum), sanctioned amount of Rs. 100 crores. The loan is repayable in 12 years in 35 structured quarterly installments beginning from 31 August 2019. The loan is secured by exclusive charge by way of equitable mortgage on land and building and exclusive charge on all the moveable fixed and current assets of the company (both present and future).

**Lalit Great Eastern Kolkata Hotel Limited (formerly known as Apollo Zipper India Limited), a subsidiary of the Company**

- 18 Foreign Currency Loan from ICICI Bank Ltd, Bahrain, aggregating to Rs. 446.07 lacs (equivalent to USD 6.09 lacs converted at an exchange rate of 75.3859 per USD) (31 March 2020: Rs. 771.11 lacs (equivalent to USD 10.23 lacs converted at an exchange rate of 75.3859 per USD) carries interest @ 5% margin on USD 6-months LIBOR. The balance loan is repayable in 9 installments. The loan is secured by first pari-passu charge on Kolkata property and Corporate guarantee of Bharat Hotels Limited, the Holding company.

**Kujjal Hotels Private Limited (formerly known as Kujjal Builders Private Limited), a subsidiary of the Company**

- 19 Unsecured loan taken from Eila Holding Limited (formerly known as Eila Builders & Developers Private Limited) aggregating to Rs. 57.98 lacs carries interest @ 6.00% per annum (31 March 2020: Rs. 102.57 lacs carries interest @ 10% per annum) and is repayable after 3 years.

**Lalit Great Eastern Kolkata Hotel Limited (formerly known as Apollo Zipper India Limited), a subsidiary of the Company**

- 20 Unsecured loan taken from Deeksha Holding Limited carries interest @6.00% per annum amounting to Rs. 1,305.00 lacs (31 March 2020: Rs. 500.00 lacs carries interest @ 7.25% per annum) is repayable in two years, the period may be reduced/extended between lenders and borrower as mutually agreed. The lender reserve the right to recall the loan in full or in part after giving 60 clear days notice.
- 21 Unsecured loan taken from Responsible Holding Private Limited carries interest @6% per annum amounting to Rs. 191.00 lacs (31 March 2020: Nil) is repayable in two years, the period may be reduced/extended between lenders and borrower as mutually agreed. The lender reserve the right to recall the loan in full or in part after giving 60 clear days notice.
- 22 Unsecured loan taken from Jyotsna Holding Private Limited carries interest @6% per annum amounting to Rs. 110.00 lacs (31 March 2020: Nil) is repayable within two years, the period may be reduced/extended between lenders and borrower as mutually agreed. The lender reserve the right to recall the laon in full or in part thereof giving 60 clear days notice.
- 23 Unsecured laon taken from Director Dr. Jyotsna Suri carries interest @6% per annum amounting to Rs. 105.00 lacs (31 March 2020: Rs. 167.00 lacs) is repayable within two years, the period may be reduced/extended between lenders and borrower as mutually agreed. The lender reserve the right to recall the loan in full or in part after giving 30 clear days notice.

## **The Lalit Suri Educational & Charitable Trust, an entity controlled by the Company**

- 24 Unsecured loan taken from Deeksha Holding Limited Rs. 1,045.00 lacs carries interest @ 6.00% per annum (31 March 2020: Rs 375.00 lacs carries interest @ 7.25% per annum) and is repayable as per mutual agreement.
- 25 Loan taken from Dr. Jyotsna Suri amounting to Rs. 1,930.00 lacs carries interest @ 6% per annum (31 March 2020: Rs. 1455 lacs carries interest @ 7.25 to 8% per annum) and is repayable as per mutual agreement.
- 26 **Resolution Framework for COVID 19 related stress - Funded Interest Term Loan (FITL)** - The company has availed the Resolution framework for Covid 19 related stress as provided by Reserve Bank of India wide circular no RBI/2020-21/16/DOR.NO.BP.BC/3/21.04.048/2020-21 dated 6 August 2020. Accordingly the Interest on Interest from March'20 to August'20 has been converted into the Term Loan which will be payable as per their respective repayment schedule after a moratorium of 2 years. Other terms and conditions of the FITL will be equivalent to the respective main Term loan. Also as per the resolution framework, the Company become eligible for additional loan amounting to Rs. 4,078.73 lacs (refer note 14 to 20 for disbursement). Also as part of the restructuring agreement interest amounting to Rs. 2,988.94 lacs is currently not disbursed.

## **Bharat Hotels Limited**

- 27 Axis Bank aggregating to Rs. 531.74 lacs (31 March 2020: Nil) carries interest @ 10.35% per annum. The loan is repayable in 22 installments starting from May 2023 after a moratorium of 2 years.
- 28 Axis Bank aggregating to Rs. 282.07 lacs (31 March 2020: Nil) carries interest @ 10.35% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 29 Yes Bank aggregating to Rs. 2,399.66 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum till January'21 & afterwards 10.85% per annum. The loan is repayable in 23 installments starting from May 2023 after a moratorium of 2 years.
- 30 Yes Bank aggregating to Rs. 1,255.74 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 31 ICICI Bank aggregating to Rs. 197.60 lacs (31 March 2020: Nil) carries interest @ 12.24% per annum. The loan is repayable in 29 installments starting from December 2022 after a moratorium of 2 years.
- 32 ICICI Bank aggregating to Rs. 99.54 lacs (31 March 2020: Nil) carries interest @ 12.24% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 33 Yes Bank aggregating to Rs. 269.15 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum. The loan is repayable in 33 installments starting from August 2023 after a moratorium of 2 years.
- 34 Yes Bank aggregating to Rs. 126.73 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 35 Axis Bank aggregating to Rs. 185.56 lacs (31 March 2020: Nil) carries interest @ 10.35% per annum. The loan is repayable in 27 installments starting from July 2023 after a moratorium of 2 years.
- 36 Axis Bank aggregating to Rs. 96.89 lacs (31 March 2020: Nil) carries interest @ 10.35% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 37 Yes Bank aggregating to Rs. 283.16 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum. The loan is repayable in 28 installments starting from June 2023 after a moratorium of 2 years.
- 38 Yes Bank aggregating to Rs. 139.24 lacs (31 March 2020: Nil) carries interest @ 10.45% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 39 ICICI Bank aggregating to Rs. 211.86 lacs (31 March 2020: Nil) carries interest @ 10.85% per annum. The loan is repayable in 7 installments starting from March 2023 after a moratorium of 2 years.
- 40 ICICI Bank aggregating to Rs. 98.86 lacs (31 March 2020: Nil) carries interest @ 10.85% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.



- 41 Jammu & Kashmir Bank aggregating to Rs. 355.71 lacs (31 March 2020: Nil) carries interest @ 10.00% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 42 Jammu & Kashmir Bank aggregating to Rs. 93.55 lacs (31 March 2020: Nil) carries interest @ 10.00% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 43 Standard Chartered Bank aggregating to Rs. 386.69 lacs (31 March 2020: Nil) carries interest @ 10.50% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.
- 44 Tamilnad Mercantile Bank (TMB) aggregating to Rs. 53.92 lacs (31 March 2020: Nil) carries interest @ 11.60% per annum. The loan is repayable in 16 installments starting from April 2023 after a moratorium of 2 years.

**Kujjal Hotels Private Limited (formerly known as Kujjal Builders Private Limited), a subsidiary of the Company**

- 45 Axis Bank aggregating to Rs. 517.78 lacs (31 March 2020: Nil) carries interest @ 10.2% per annum. The loan is repayable in 31 installments which is payable over 6 years period.

**Loan covenants**

Bank loans contain certain covenants, compliance for which has been waived till 31 March 2021 as per FITL.

- 46 The company has not defaulted in the repayment of loans and interest as at balance sheet date.
- 47 **Asset Monetisation Plan :** As pursuant to framework agreement the Company has identified its Mumbai hotel & Land parcel at Dehradun and Ahmedabad for monetisation, the proceed for which to be utilised for repayment of term loan by 31 March 2022.
- 48 **Personal Guarantee Provided :** As pursuant to framework agreement, Dr. Jyotsna Suri & Deeksha Holding Limited has jointly provided guarantee against the borrowing facility.
- 49 The Company has certain delays and defaults, in repayment of loan installments on borrowings, have occurred during the year, which are described as below:

Particulars	Amount of installment	Due date	Paid on#
Rupee loan from banks	1,014.85	07-11-2020	28-01-2021
	816.18	07-12-2020	28-01-2021
	141.06	07-12-2020	20-02-2021
	1,002.90	07-01-2021	31-03-2021
Rupee loan from banks - FITL	38.46	07-11-2020	28-01-2021
	35.08	07-12-2020	28-01-2021
	6.36	07-01-2021	28-01-2021
	31.38	07-01-2021	31-03-2021

However, there is no default as on 31 March 2021 pursuant to the Resolution framework for Covid-19 related stress availed by the company (refer note 13 above).

(All amounts Rs. in Lacs)

Note 20 : OTHER NON CURRENT FINANCIAL LIABILITIES	As at	As at
	31 March 2021	31 March 2020
<b>Financial liabilities at amortised cost</b>		
Liability component of financial instrument*	1,194.23	-
Deposits received against assets given under finance lease	117.72	114.71
Sundry deposits	288.25	344.59
	<b>1,600.20</b>	<b>459.30</b>

\* Further to note 18 (B) the financial instrument are presented as above.

# Bharat Hotels Limited

(All amounts Rs. in Lacs)		
<b>Note 21 : LONG TERM PROVISIONS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Gratuity (refer note 46)	938.84	971.83
	<b>938.84</b>	<b>971.83</b>
<b>Note 22 : DEFERRED TAX LIABILITIES (Net)</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Deferred tax liability</b>		
Accelerated depreciation for tax	26,575.61	27,541.66
Re-measurement gains on defined benefit plans	20.23	24.69
Others	2,312.90	3,092.34
	<b>28,908.74</b>	<b>30,658.69</b>
<b>Deferred tax asset</b>		
Losses available for offsetting against future taxable income	21,487.93	18,687.81
Deferred government grant	2,328.30	3,885.68
Interest Converted into Loan	265.53	-
Impact of expenditure charged to statement of profit and loss in current period/earlier years but allowable for tax purposes on payment basis	3,829.13	831.49
Provision for doubtful debts and advances	744.75	637.47
MAT credit entitlement	4,965.73	3,725.01
Fair value of financial instruments	842.27	1,010.91
	<b>34,463.64</b>	<b>28,778.37</b>
<b>Net deferred tax liability reflected in the balance sheet</b>	<b>(5,554.90)</b>	<b>1,880.32</b>
<b>Note 23 : OTHER NON CURRENT LIABILITIES</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Deferred lease rent	2,990.36	3,057.27
Deferred government grant (refer note 39)	146.93	211.45
	<b>3,137.29</b>	<b>3,268.72</b>
<b>Note 24 : BORROWINGS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>From related parties (unsecured)</b>		
Loan from associates companies (refer note 5,6 and 10 to 12 below)	500.12	1,567.55
Loan from a director (refer note 4,8 and 13 below)	170.00	583.00
<b>From banks</b>		
<b>Secured</b>		
Cash credit facilities (refer note 1,7 and 9)	1,024.96	2,173.39
Short term loan (refer note 2 below)	-	2,609.86
Short term loan (refer note 3 below)	-	4,221.61
	<b>1,695.08</b>	<b>11,155.41</b>



**Notes:**

1. Cash credit facilities from Yes Bank Limited amounting to Rs. 726.32 lacs (31 March 2020: Rs. 1,583.11 lacs) carries interest @ 9.90% per annum. The loan is secured by first pari-passu charge on current assets (including receivables) of all the hotels of the Company (both present and future), except those of hotel situated at Jaipur and Goa of the Company.
2. Pursuant to framework agreement, Packing Credit Foreign Currency ('PCFC') Loan from Yes Bank Limited amounting to Rs. 2,423.45 lacs {(equivalent to USD 32.97 lacs at an exchange rate of 73.5047 per USD) has been converted into working capital term loan which is repayable by 30 April 2023; (31 March 2020: Rs. 2,609.86 lacs (equivalent to USD 34.62 lacs at an exchange rate of 75.3859 per USD)}. The loan is secured by first pari-passu charge on current assets (including receivables) of all the hotels of the Company (both present and future), except those of hotel situated in Jaipur and Goa of the Company.
3. During the year Barclays bank has encashed the guarantee issued by guarantor, Premium Holdings Limited (amounting to Rs. 4,094.54 lacs equivalent to USD 56.03 lacs at an exchange rate of 73.5047 per USD). The Company shall reimburse the amount to the guarantor as per the terms of loan arrangements agreed with the lender. It has been presented as other non current financial liabilities under note 20.

**The Lalit Suri Educational & Charitable Trust, an entity controlled by the Company**

4. Loan taken from Dr. Jyotsna Suri is fully repaid; (31 March 2020: Rs. 475.00 lacs carries interest @ 7.25% to 8.00% per annum) and is repayable as per mutual agreement (refer note 51).
5. Unsecured loan taken from Deeksha Holding Ltd is fully repaid which carries interest @ 6.00% per annum (31 March 2020: Rs. 160.00 lacs carried interest @ 7.25% per annum) during the year as per mutual agreement.

**Kujjal Hotels Private Limited (formerly known as Kujjal Builders Private Limited), a subsidiary of the Company**

6. Unsecured loan taken from Eila Holding Limited (formerly known as Eila Builders & Developers Limited) amounting to Rs. 0.12 lacs (31 March 2020: Rs. 1.55 lacs) is repayable as per mutual agreement (refer note 51).
7. Cash Credit facilities from Axis Bank Ltd Rs. 100.13 lacs (31 March 2020 : Rs. 229.83 lacs) carries interest @ 12.5%. The loan is secured by exclusive charge by way of equitable mortgage on land and building and exclusive charge on all the moveable fixed and current assets of the company (both present and future).

**Lalit Great Eastern Kolkata Hotel Limited (formerly known as Apollo Zipper India Limited), a subsidiary of the Company**

8. Unsecured loan taken from Dr. Jyotsna Suri amounting to Rs. 167.00 lacs carries interest @ 6% per annum; (31 March 2020: Rs. 105.00 lacs carries interest @ 8% per annum) and is repayable within one year, the period may be reduced/extended between lenders and borrower as mutually agreed. The lender reserve the right to recall the loan in full or in part after giving 30 clear days notice (refer note 51).
9. Cash Credit facilities from Yes Bank Limited amounting to Rs. 198.51 lacs (31 March 2020: Rs. 360.46 lacs) carries interest rate @ 10.80% per annum payable monthly. The loan is secured by first pari-passu charge on current assets (including receivables) of the hotel, second pari-passu charge on land and building of the Hotel by way of mortgage, second pari-passu charge on movable fixed assets (both present and future) of the hotel and Corporate guarantee of Bharat Hotels Ltd., the Holding company.
10. Unsecured loan taken from Responsible Holding Private Limited is fully repaid (31 March 2020: Rs. 191.00 lacs carried interest @ 7% to 7.25% per annum) during the year.
11. Unsecured loan taken from Jyotsna Holding Private Limited is fully repaid (31 March 2020: Rs. 110.00 lacs which carried interest @ 7% to 7.25% per annum) during the year.
12. Unsecured loan taken from Deeksha Holding Limited carries interest @ 6.00% per year amounting to Rs. 500.00 lacs (31 March 2020: Rs. 1,105 lacs carries interest @ 7.25% per annum) is repayable in one year, the period may be reduced/extended between lenders and borrower as mutually agreed. The lender reserve the right to recall the loan in full or in part after giving 60 clear days notice.

**Jyoti Limited, a subsidiary of the company**

13. Unsecured interest free loan taken from Dr. Jyotsna Suri amounting to Rs. 3.00 lacs (31 March 2020 : Rs. 3.00 lacs) is repayable as per mutual agreement (refer note 51).

# Bharat Hotels Limited

(All amounts Rs. in Lacs)

<b>Note 25 : TRADE PAYABLES*</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
- total outstanding dues of micro and small enterprises (refer note 49)	1,192.94	283.69
- total outstanding dues of creditors other than micro and small enterprises	7,678.15	8,047.84
<b>Total</b>	<b>8,871.09</b>	<b>8,331.53</b>
Less : Reclassified to asset held for sale (refer note 45(ii))	124.17	53.63
	<b>8,746.93</b>	<b>8,277.90</b>

\* All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.

<b>Note 26 : OTHER CURRENT FINANCIAL LIABILITIES</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Financial liabilities at amortised cost</b>		
Current maturities of long term borrowings (refer note 19)	1,297.57	5,330.89
Interest accrued	81.53	1,298.95
Sundry deposits	145.53	233.80
Creditor's for capital expenditure	389.06	274.91
Unpaid dividend*	24.14	26.95
Other payables	369.72	338.16
Employee related liabilities	1,216.11	1,512.14
Retention payable	443.65	453.67
	<b>3,967.31</b>	<b>9,469.47</b>

1. Not due for deposit to Investor Education and Protection Fund.

2. All amounts are short-term. The carrying values of other payables are considered to be a reasonable approximation of fair value.

<b>Note 27 : SHORT TERM PROVISIONS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Provision for employee benefits</b>		
Gratuity (refer note 46)	368.81	410.16
Compensated absences	278.00	435.79
<b>Others provisions</b>		
Provision for membership programme (refer note 48)	155.29	155.29
	<b>802.10</b>	<b>1,001.24</b>

<b>Note 28 : OTHER CURRENT LIABILITIES</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Deferred revenue of membership programme	150.94	459.55
Deferred lease rent	120.02	69.41
Advances from customers	1,513.01	1,719.22
Other payable	-	14.71
Statutory dues payable	259.42	900.93
Advance against sale of property, plant and equipment	1,010.00	200.00
Deferred government grant (refer note 39)	64.52	101.09
<b>Total</b>	<b>3,117.91</b>	<b>3,464.91</b>
Less : Reclassified as liability relating to asset held for sale (refer note 45(ii))	1,010.00	200.00
	<b>2,107.91</b>	<b>3,264.91</b>





(All amounts Rs. in Lacs)

<b>Note 29 : REVENUE FROM OPERATIONS</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
<b>Sale of services and products</b>		
- Room and apartment	6,838.46	26,313.38
- Food and beverage	4,885.02	18,811.39
- Liquor and wine	574.46	4,279.42
- Banquet and equipment rentals	273.60	1,818.31
- Other services	441.67	3,086.43
- Membership programme revenue	359.49	784.30
- Traded goods	12.24	71.88
<b>Other operating revenues</b>		
- Rent and maintenance income	1,330.03	1,351.06
- Consultancy/management fee	-	94.83
- Tution and application fees	277.55	245.05
	<b>14,992.54</b>	<b>56,856.04</b>

<b>Note 30 : OTHER INCOME*</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Excess provision/ credit balances written back	1,132.34	74.54
Net gain on disposal of property, plant and equipment	9.14	-
Exchange differences (net)	7.74	-
Amortisation of deferred lease rental	14.41	14.79
Donation income	-	7.00
Government grant income (refer note 39)*	660.27	538.58
Miscellaneous income	281.98	414.99
Reversal of compensated absences provision	92.30	20.21
	<b>2,198.18</b>	<b>1,070.11</b>

\* It includes Rs. 559.18 lacs (31 March 2020: Rs. 323.90 lacs on account of revenues realised from export of services in foreign currency and Rs. 97.02 lacs under "RIPS Scheme 2010") as government subsidy for setting up new units or existing enterprise for making investment for expansion.

<b>Note 31 : CONSUMPTION OF FOOD AND BEVERAGES</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
<b>Consumption of food and beverages (excluding liquor and wine)</b>		
Inventory at the beginning of the year	302.26	260.31
Add: Purchases	1,390.97	5,592.68
Less: Inventory at the end of the year	(142.04)	(302.26)
<b>Cost of food and beverage consumed (excluding liquor and wine)</b>	<b>1,551.19</b>	<b>5,550.73</b>
<b>Consumption of liquor and wine</b>		
Inventory at the beginning of the year	698.28	551.27
Add: Purchases	74.51	1,336.84
Less: Inventory at the end of the year	(590.99)	(698.28)
<b>Cost of liquor and wine consumed</b>	<b>181.80</b>	<b>1,189.83</b>
<b>Consumption of food and beverages (including liquor and wine)</b>	<b>1,732.99</b>	<b>6,740.56</b>

(All amounts Rs. in Lacs)

<b>Note 32 : CHANGE IN INVENTORIES OF TRADED GOODS</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
<b>Traded goods</b>		
Inventory at the beginning of the year	110.82	107.40
Less: Inventory at the end of the year	105.70	110.82
	<b>5.12</b>	<b>(3.42)</b>

<b>Note 33 : EMPLOYEE BENEFIT EXPENSES</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Salaries, wages and allowances (refer note 38)	3,929.44	9,475.53
Contribution to provident and other funds (refer note 38)	295.52	735.10
Gratuity expense (refer note 46)	124.90	190.75
Staff welfare expenses (refer note 38)	26.27	132.65
Employee stock option expense	3.86	31.10
	<b>4,379.99</b>	<b>10,565.12</b>

<b>Note 34 : OTHER EXPENSES</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Consumption of stores, cutlery, crockery, linen, provisions and others	396.91	1,844.71
Lease rent (refer note 53)	306.37	823.97
Power and fuel	2,780.78	5,787.65
Aircraft fuel	12.43	27.53
Banquet and decoration expenses	101.97	1,273.58
Membership programme expenses	1.42	18.02
Repairs to:		
- Buildings	255.17	651.08
- Plant and machinery	723.82	1,502.19
- Others	199.25	519.10
Rates and taxes	720.18	1,151.24
Insurance	282.44	315.28
Communication costs	129.61	337.62
Printing and stationery	76.67	318.92
Travelling and conveyance	159.53	1,352.36
Advertisement and business promotion	119.00	937.92
Commission -other than sole selling agent	259.85	1,886.08
Security and cleaning expenses (sub contracting expenses)	498.68	1,933.07
Membership and subscriptions	57.85	152.11
Legal & professional fees (refer note below)	505.25	915.28
Advances written off	25.32	286.35
Freight and cartage	19.53	82.21
Exchange differences (net)	-	365.75
Loss on sale/ discard of property, plant and equipment (net)	-	39.73
Donations (refer note 52 for details of CSR expenditure)	17.83	18.11
Bad debts written off	6.38	11.96



(All amounts Rs. in Lacs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision for doubtful debts	223.16	431.06
Directors fees and commission	17.45	23.30
Bank charges	105.92	410.02
Miscellaneous expenses	117.61	228.97
	<b>8,120.38</b>	<b>23,641.81</b>

**Payment to auditor**

**As Auditor:**

- Audit fee	50.00	52.17
- Out of pocket expenses	4.04	3.41
- Other services	0.40	0.40
<b>Total</b>	<b>54.44</b>	<b>55.98</b>

**Note 35 : FINANCE INCOME**

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest income on</b>		
- Bank deposits	233.59	182.12
- others	443.33	545.71
Finance lease income	109.19	110.79
Gain on extinguishment of liability (refer note 24)	2,937.14	-
Unwinding of discount on security deposits	49.30	44.01
Exchange difference on foreign currency borrowings	61.61	-
	<b>3,834.16</b>	<b>882.63</b>

**Note 36 : FINANCE COSTS**

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest on:</b>		
- on loan from related parties	173.80	193.97
- loans from banks	13,917.80	14,466.92
- loans from financial institutions	-	0.99
- credit facilities from banks	36.21	349.38
- others	257.78	18.93
Other borrowing cost (refer note 38)	55.00	41.29
Unwinding of finance cost from financial instruments at amortised cost	14.87	10.62
Interest on defined benefit plans (refer note 46)	48.58	77.88
Interest expense on lease liabilities (refer note 53(ii))	1,128.06	1,170.84
Exchange difference on foreign currency borrowings	-	280.98
	<b>15,632.11</b>	<b>16,611.80</b>

**Note 37 : DEPRECIATION AND AMORTISATION EXPENSE**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	6,993.26	7,761.13
Amortisation of right-of-use assets	436.31	437.37
Amortisation of intangible assets	44.06	96.08
	<b>7,473.63</b>	<b>8,294.58</b>

(All amounts Rs. in Lacs)

<b>Note 38 : PREOPERATIVE EXPENDITURE PENDING ALLOCATION</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
<b>Balance as per last account</b>	15,414.82	14,315.04
Additions during the year:		
<b>Personnel expenses</b>		
Salaries, wages and allowances	49.21	139.44
<b>Operating and other expenses</b>		
Power and fuel	36.00	36.00
- Others	-	0.04
Insurance	-	2.36
Travelling and conveyance	-	0.21
Security and cleaning expenses (sub contracting expenses)	0.88	8.20
Legal charges	0.13	30.63
Professional fees	0.56	5.92
Freight and cartage	-	0.65
Miscellaneous expenses	0.07	0.07
Interest on term loan	923.70	875.09
Bank charges	0.89	1.17
<b>Closing balance</b>	<b>16,426.26</b>	<b>15,414.82</b>

<b>Note 39 : GOVERNMENT GRANTS</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
At the beginning of the year	312.54	472.46
Released to the statement of profit and loss	(101.09)	(159.92)
At the end of the year	211.45	312.54
Current (refer note 28)	64.52	101.09
Non current (refer note 23)	146.93	211.45
	<b>211.45</b>	<b>312.54</b>

\* Government grants have been received for the purchase of certain items of property, plant and equipment.

## Service Exports from India Scheme (SEIS):

The Company under SEIS receives an entitlement / credit to be sold separately or utilised against future imports.

The Company recognises income in respect of duty credit entitlement arising from export sales under the SEIS of the Government of India in the year of exports, provided there is no significant uncertainty regarding the entitlement and availment of the credit and the amount thereof.

	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Opening Balance</b>	113.06	434.75
Add: Received	559.18	323.90
Less: Utilisation	113.06	88.81
Less: Realised during the year	354.21	556.78
<b>Closing Balance (Refer note 15)</b>	<b>204.97</b>	<b>113.06</b>
Income recognised in Statement of Profit and Loss on account of SEIS (A)*	559.18	323.90
Income recognised in Statement of Profit and Loss on account of Other Schemes (B)	101.09	214.68
<b>Total income recognised in the Statement of Profit and Loss (A + B) (Refer note 30)</b>	<b>660.27</b>	<b>538.58</b>

\* Of the above, the Company has recognized Rs. 559.18 lacs (31 March 2020: Rs. 323.90 lacs) on sales of SEIS license.



(All amounts Rs. in Lacs)

Note 40 : INCOME TAX	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>The income tax expense consists of the following:</b>		
<b>From continuing operations:</b>		
Current tax	(0.38)	207.95
Deferred tax	(6,140.89)	(1,550.29)
Minimum alternate tax ('MAT') credit	(1,285.60)	1,480.22
<b>Total (a)</b>	<b>(7,426.87)</b>	<b>137.88</b>
<b>From discontinued operations:</b>		
Current tax	-	-
Deferred tax	(73.83)	1,256.26
<b>Total (b)</b>	<b>(73.83)</b>	<b>1,256.26</b>
<b>Total tax expense (a + b)</b>	<b>(7,500.70)</b>	<b>1,394.14</b>

**Reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:**

Loss before income taxes from continuing operations	(16,323.30)	(9,550.99)
Loss before income taxes from discontinued operations	(230.65)	3,565.26
<b>Loss before income taxes</b>	<b>(16,553.95)</b>	<b>(5,985.73)</b>
At Holding Company's statutory income tax rate of 34.94% (31 March 2020: 34.94%)	(5,783.95)	(2,091.41)
<b>Adjustments</b>		
Indexation benefits	(195.66)	(146.74)
Income tax expense reported in the statement of profit and losses before losses of subsidiary for which no DTA has been recognized	658.62	1,760.90
Adjustment due to difference in tax rates	417.41	241.33
Reversal of deferred tax on uncertain positions	-	1,675.98
Other adjustments	(2,597.12)	(45.92)
<b>Total</b>	<b>(7,500.70)</b>	<b>1,394.14</b>

**Movement in deferred tax assets and liabilities for the year ended 31 March 2021:**

Particulars	Opening deferred tax asset / (liability)	Income tax (expense) / credit recognized in profit or loss	Income tax (expense) / credit recognized in other comprehensive income	Closing deferred tax asset / (liability)
<b>Deferred tax liabilities arising on account of</b>				
Accelerated depreciation for tax	27,541.66	(966.06)	-	26,575.61
Remeasurement gain on defined benefit plans	24.69	(24.68)	20.23	20.23
Others	3,092.34	(779.44)	-	2,312.90
<b>Total deferred tax liabilities</b>	<b>30,658.69</b>	<b>(1,770.18)</b>	<b>20.23</b>	<b>28,908.74</b>

# Bharat Hotels Limited

(All amounts Rs. in Lacs)

Particulars	Opening deferred tax asset / (liability)	Income tax (expense) / credit recognized in profit or loss	Income tax (expense) / credit recognized in other comprehensive income	Closing deferred tax asset / (liability)
<b>Deferred tax assets arising on account of</b>				
Losses available for offsetting future taxable income	18,687.81	2,800.12	-	21,487.93
Deferred lease rent and lease liability	3,885.68	(1,557.38)	-	2,328.30
Impact of expenditure charged to statement of profit and loss in current year/earlier years but allowable for tax purposes on payment basis	831.49	3,308.04	-	4,139.53
Provision for doubtful debts/ advances	637.47	107.28	-	744.75
MAT credit entitlement	3,725.01	1,240.72	-	4,965.73
Fair value of financial instruments	1,010.91	(168.64)	-	842.27
<b>Total deferred tax assets</b>	<b>28,778.37</b>	<b>5,730.14</b>	<b>-</b>	<b>34,508.51</b>
<b>Total deferred tax assets (net)</b>	<b>1,880.32</b>	<b>(7,500.32)</b>	<b>20.23</b>	<b>(5,599.77)</b>

## Movement in deferred tax assets and liabilities for the year ended 31 March 2020:

Particulars	Opening deferred tax asset / (liability)	Adjustment on account of Ind AS 116	Income tax (expense) / credit recognized in profit or loss	Income tax (expense) / credit recognized in other comprehensive income	Closing deferred tax asset / (liability)
<b>Deferred tax liabilities arising on account of</b>					
Accelerated depreciation for tax	27,820.78	-	(279.11)	-	27,541.66
Remeasurement gain on defined benefit plans	52.96	-	(52.96)	24.69	24.69
Others	447.55	-	2,644.79	-	3,092.34
<b>Total deferred tax liabilities</b>	<b>28,321.29</b>	<b>-</b>	<b>2,312.72</b>	<b>24.69</b>	<b>30,658.69</b>
<b>Deferred tax assets arising on account of</b>					
Losses available for offsetting future taxable income	18,888.49	-	(200.68)	-	18,687.81
Deferred lease rent and lease liability	10.88	1,691.61	2,183.19	-	3,885.68



(All amounts Rs. in Lacs)

Particulars	Opening deferred tax asset / (liability)	Adjustment on account of Ind AS 116	Income tax (expense) / credit recognized in profit or loss	Income tax (expense) / credit recognized in other comprehensive income	Closing deferred tax asset / (liability)
Impact of expenditure charged to statement of profit and loss in current year/earlier years but allowable for tax purposes on payment basis	882.44	-	(50.95)	-	831.49
Provision for doubtful debts/advances	607.42	-	30.05	-	637.47
MAT credit entitlement	5,205.23	-	(1,480.22)	-	3,725.01
Fair value of financial instruments	365.77	-	645.14	-	1,010.91
<b>Total deferred tax assets</b>	<b>25,960.23</b>	<b>1,691.61</b>	<b>1,126.53</b>	<b>-</b>	<b>28,778.37</b>
<b>Net deferred tax liability reflected in the balance sheet</b>	<b>2,361.06</b>	<b>(1,691.61)</b>	<b>1,186.19</b>	<b>24.69</b>	<b>1,880.32</b>

**Note:**

The Group had unused MAT credit at the year end. Such tax credit has not been recognised on the basis that recovery is probable in the foreseeable future within the specified period i.e. the period for which MAT credit is allowed to be carried forward.

**Unused tax losses**

**Capital losses**

The Group has not recognised deferred tax assets of Rs. 1,683.77 lacs on loss under the head 'Capital Gain' as the Company is not likely to generate taxable income under the same head in foreseeable future. The significant portion of these losses will expire in Financial year ending 31 March 2022.

**Note 41 : EARNING PER SHARE (EPS)**

Basic earning per share amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

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

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

(All amounts Rs. in Lacs)

Basic and Diluted	As at 31 March 2021	As at 31 March 2020
Loss attributable to equity share holders of continuing operations	(7,527.24)	(8,649.20)
(Loss)/profit attributable to equity share holders of discontinued operations	(156.82)	2,309.00
Weighted average number of equity shares*	75,991,199	75,991,199

Basic and Diluted	(All amounts Rs. in Lacs)	
	As at 31 March 2021	As at 31 March 2020
Basic and diluted from continuing operation- Rs.	(9.91)	(11.38)
Basic and diluted from discontinued operation- Rs.	(0.21)	3.04
Total Basic and diluted from continuing and discontinued operation- Rs.	(10.11)	(8.34)

\* The EPS would have decreased if holders of the ESOP had exercised their right to convert their options into equity. This would have an anti-dilutive impact on the number of shares and earnings/loss and thus basic and diluted loss per equity shares are considered as same.

## Note 42 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the ac Grouping disclosures, of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

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

#### Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group included the renewal period as part of the lease term for leases of land. The Group typically exercises its option to renew for these leases because there will be a significant negative effect on operations if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### Property lease classification – Group as lessor

The Group has entered into commercial property leases on its corporate office. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

### 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 Group 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 Group. Such changes are reflected in the assumptions when they occur.



### **Defined benefit plans (gratuity benefits)**

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. 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. Further details about gratuity obligations are given in note 46.

### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Group's consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. 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.

### **Impairment of non-financial assets**

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

### **Impairment of financial assets**

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

### **Useful lives of property, plant and equipment and intangible assets:**

The Group 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 Group 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 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 CGU 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.

## Litigation:

From time to time, the Group 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.

## Note 43: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is

- to maximise the shareholder value
- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services in a way that reflects the level of risk involved in providing those goods and services.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 30% and 65%. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, other bank balances and other financial assets (not under lien with any other party).

(All amounts Rs. in Lacs)		
	As at 31 March 2021	As at 31 March 2020
Borrowings (note 19, 24 and 26)	144,745.75	140,229.97
Less: Cash and cash equivalents (note 11)	(2,025.46)	(3,405.26)
Less: Other bank balances (note 12)	(1,630.86)	(1,836.17)
Less: Other financial assets (note 6)	(1,364.81)	(1,021.81)
Net debt	<b>139,724.62</b>	<b>133,966.73</b>
Equity (refer note 17 and 18)	84,835.67	92,125.08
<b>Capital and Net Debts</b>	<b>224,560.29</b>	<b>226,091.81</b>
Gearing Ratio	62.22%	59.25%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

However, pursuant to framework agreement executed on 27 April 2021, the penal interest/additional interest levied by lenders upon breach of covenants by the borrower on account of circumstances arising from Covid-19 between 01 March 2020 and the date on which the financial covenants are achieved to the satisfaction of the lenders or till 31 March 2022, whichever is earlier, shall be waived.



No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2021 and 31 March 2020.

#### Note 44: FAIR VALUE MEASUREMENT

(All amounts Rs. in Lacs)

##### a. Financial instruments by category

Particulars	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial assets</b>				
Investments in equity instruments	2.82	-	3.60	-
Loans	-	910.84	-	1,290.47
Trade receivables	-	2,697.41	-	4,827.32
Cash and cash equivalents	-	2,025.46	-	3,405.26
Other bank balances	-	1,630.86	-	1,836.17
Others	-	2,766.02	-	2,859.82
<b>Total financial assets</b>	<b>2.82</b>	<b>10,030.59</b>	<b>3.60</b>	<b>14,219.04</b>
<b>Financial liabilities</b>				
Borrowings including lease liabilities	-	144,745.75	-	140,229.97
Lease liabilities	-	9,463.41	-	10,325.12
Trade payables	-	8,746.92	-	8,277.90
Others	-	4,269.94	-	4,597.88
<b>Total financial liabilities</b>	<b>-</b>	<b>167,226.03</b>	<b>-</b>	<b>163,430.87</b>

Note: The assets included above has been considered at cost as there is immaterial change in the value of aforesaid investment.

##### b. Fair value measurement hierarchy for assets and liabilities

###### 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 Group categorizes 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:

###### i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

###### ii) Level 2

Inputs are observable inputs, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

###### iii) Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

(All amounts Rs. in Lacs)

## Financial assets and liabilities measured at fair value

	31 March 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments as FVTPL</b>				
Unquoted equity instruments	-	-	2.82	2.82
	31 March 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments as FVTPL</b>				
Unquoted equity instruments	-	-	3.60	3.60

\*On account of materiality, no further disclosures have been made

## Financial assets and liabilities measured at amortised cost for which fair values are disclosed

	31 March 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Loans			910.84	910.84
Others	-	-	953.55	953.55
	-	-	<b>1,864.39</b>	<b>1,864.39</b>
<b>Financial liabilities</b>				
Borrowings including lease liabilities	-	-	144,745.75	144,745.75
Others	-	-	995.15	995.15
	-	-	<b>145,740.90</b>	<b>145,740.90</b>
	31 March 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Loans	-	-	1,290.47	1,290.47
Others	-	-	953.83	953.83
	-	-	<b>2,244.30</b>	<b>2,244.30</b>
<b>Financial liabilities</b>				
Borrowings	-	-	140,229.97	140,229.97
Deposits (including retention payable)	-	-	1,146.77	1,146.77
	-	-	<b>141,376.74</b>	<b>141,376.74</b>

## c. Fair value of financial assets and liabilities measured at amortised cost

1. The management assessed that fair values of cash and cash equivalents, trade receivables, other receivables, trade payables, bank overdrafts, Interest accrued on bank deposits with banks, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.
2. The fair values of loans, security deposits, borrowings and other remaining financial assets and liabilities is determined using the discounted cash flow analysis.
3. There are no transfers between level 1, 2 and 3 during the year.

**Note 45(i) : EXCEPTIONAL ITEMS**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Expenses items</b>		
Impairment loss {refer note (i)}	-	1,340.97
Initial public offer expenses written off	-	969.00
Rates and taxes {refer note (ii)}	-	603.08
<b>Total (A)</b>	<b>-</b>	<b>2,913.05</b>
<b>Income items</b>		
Excess provisions written back {refer note (iii)}	-	442.81
<b>Total (B)</b>	<b>-</b>	<b>442.81</b>
<b>Total (A-B)</b>	<b>-</b>	<b>2,470.24</b>

**Notes:**

- (i) Impairment loss includes loss allowance on:
  - Carrying value of property, plant and equipment at Hotel property at Mangar location of Rs. Nil (31 March 2020: Rs. 1,340.97 lacs).
- (ii) Rates and taxes expense includes:
  - Charges accrued on account of license fees payable to NDMC in lieu of interim order issued by Hon'ble High Court of Delhi of Rs. Nil (31 March 2020: Rs. 130.00 lacs).
  - Reversal of input of goods and service tax on liquor sales for Rs. Nil (31 March 2020: Rs. 473.08 lacs) pertaining to previous years in respect of exempted sales considering the prudent accounting principle. The management of the Group is evaluating various options based on which relevant information filed with regulators would be revised.
- (iii) Provision written back on account of loans given to its subsidiary Prima Hospitality Private Limited for Rs. Nil (31 March 2020: Rs. 442.81 lacs). Refer Note 59(d) for further details.

**Note 45(ii) : ASSETS HELD FOR SALE/ LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE:**

- (i) The Board of Directors of the Group vide its approval dated 24 March 2021, has approved its restructuring resolution plan ('Resolution plan') for restructuring the outstanding under the existing facilities of the Group under the 'Resolution Framework for COVID-19-related stress' dated 6 August 2020 ('Circular' amended from time to time) issued by the Reserve Bank of India. An 'Asset monetisation plan' also forms part of the aforesaid 'Resolution plan' which proposes to reduce the Group outstanding debt position through sale of the existing hotel. The Resolution plan was approved by the lending bankers of the Group, subsequent to the year end.  
Therefore, in accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations', the results related to the proposed disposal of the Group existing hotel for the period 1 April, 2020 to 31 March, 2021 have been included in the consolidated financial statements as discontinued operations.
- (ii) During the previous year, the Group has discontinued its 'Aircraft Charter operations' under which it currently owns two aircrafts. The Group has entered into an agreement to sell for these aircrafts for a sale price which is below their existing carrying values. Accordingly, the Group has further recognized an 'Impairment loss' of Rs. 99.13 lacs in the Consolidated financial statements for the year ended 31 March 2021 included below in the results of discontinued operations.

## Bharat Hotels Limited

(a) The results of the discontinued operations for the year are presented below:

Particulars	(All amounts Rs. in Lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Revenue</b>		
Revenue from operations	3,545.01	14,917.37
Other income	70.11	126.77
<b>Total income</b>	<b>3,615.12</b>	<b>15,044.14</b>
<b>Expenses</b>		
Cost of food and beverages consumed	287.51	1,445.43
Purchase of traded goods	0.56	14.09
Changes in inventories of traded goods	(0.12)	0.01
Employee benefits expense	844.32	2,082.73
Other expenses	2,103.62	6,310.84
<b>Total expenses</b>	<b>3,235.89</b>	<b>9,853.10</b>
<b>Earnings before interest, tax, depreciation and amortisation ('EBITDA')</b>	<b>379.23</b>	<b>5,191.04</b>
Finance income	0.65	0.71
Finance costs	39.63	34.02
Depreciation and amortisation expense	471.77	824.62
<b>Total expenses</b>	<b>510.75</b>	<b>857.93</b>
<b>(Loss)/profit before tax and exceptional item</b>	<b>(131.52)</b>	<b>4,333.11</b>
Exceptional item	99.13	767.85
<b>(Loss)/profit before tax</b>	<b>(230.65)</b>	<b>3,565.26</b>
Tax expense:		
Deferred tax (credit)/expense	(73.83)	1,256.26
<b>(Loss)/profit from discontinued operations</b>	<b>(156.82)</b>	<b>2,309.00</b>

(b) The major classes of assets and liabilities as at 31 March 2021 are as follows:

Particulars	(All amounts Rs. in Lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Non-current assets</b>		
Property, plant and equipment	40,583.77	2,684.13
Other intangible assets	5.90	-
<b>Total non-current assets</b>	<b>40,589.67</b>	<b>2,684.13</b>
<b>Current assets</b>		
Trade receivables	261.59	173.90
<b>Total current assets</b>	<b>261.59</b>	<b>173.90</b>
<b>Total assets (A)</b>	<b>40,851.26</b>	<b>2,858.03</b>



Particulars	(All amounts Rs. in Lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Current liabilities</b>		
Trade payables	124.17	53.63
Other current liabilities	1,010.00	-
<b>Total current liabilities</b>	<b>1,134.17</b>	<b>53.63</b>
<b>Total liabilities (B)</b>	<b>1,134.17</b>	<b>53.63</b>

c) **Net cash flows attributable to discontinued operations are as follows:**

Net cash used in operating activities	(380.70)	(1,104.69)
Net cash generated from investing activities	18.62	(60.22)
Net cash used in financing activities	-	-
<b>Net cash outflows</b>	<b>(362.08)</b>	<b>(1,164.92)</b>

iii) **Assets held for sale**

Management has committed to a plan to sell the following assets in near future:

Freehold land\*

Gross carrying value	2,938.48	2,938.48
Capital work in progress	81.24	81.24
	<b>3,019.72</b>	<b>3,019.72</b>

Plant and machinery

Gross carrying value	5.00	21.39
Less: Accumulated depreciation	-	-
<b>Total</b>	<b>5.00</b>	<b>21.39</b>

**Liabilities directly associated with the assets held for sale**

Other current liabilities	-	200.00
	<b>-</b>	<b>200.00</b>

\*The management of the Group has decided to sell land parcels situated in India at multiple places and accordingly has initiated the process of identifying a potential buyer. Hence, these land parcels are disclosed as 'Assets held for sale' during the reporting period and are measured at lower of its carrying amount and fair value less cost to sell. Fair value of the assets were determined using the market approach.

\*\*The Holding Company has identified only property, plant and equipment of the existing hotel location as assets held for sale as the management of the Company is of the view that the related assets and liabilities to the hotel location will be realised by the management in the course of the its continuing operations.

**Note 46 : EMPLOYEE BENEFITS OBLIGATIONS**

**A. Defined benefit plan**

**Risks associated with plan provisions**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

Salary escalation rate	The rate at which salaries are expected to escalate in future and is used to determine the accrued gratuity based on salary at the date of separation.
Discount rate	The rate at which liabilities of future costs/payouts are discounted back to the valuation date.

## Gratuity (funded)

The Group provides for gratuity for employees in India as per the Payments of Gratuity Act, 1972 to employees who are in continuous service for a period of 5 years. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan, the Group makes contributions to recognised funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The weighted average duration of the defined benefit obligation as at 31 March 2021 is 4.24 years (31 March 2020: 7.23 years).

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	(All amounts Rs. in Lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>a. Reconciliation of present value of defined benefit obligation and the fair value of plan assets</b>		
Present value of defined benefit obligation as at the end of the year	1,307.65	1,381.99
<b>Net liability position recognised in balance sheet</b>	<b>1,307.65</b>	<b>1,381.99</b>
<b>b. Changes in defined benefit obligation</b>		
<b>Present value of defined benefit obligation at the beginning of the year</b>	1,381.99	1,339.77
Current service cost	139.23	180.13
Interest cost	60.47	85.42
Employer contributions	(224.90)	(151.50)
Actuarial gain on defined benefit obligations	(47.16)	(71.83)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>1,309.63</b>	<b>1,381.99</b>
<b>c. Amount recognised in the statement of profit and loss*</b>		
Current service cost	139.23	180.13
Interest cost	60.47	85.42
<b>Amount recognised in the statement of profit and loss</b>	<b>260.17</b>	<b>350.97</b>
* It includes amount on account of asset held for sale		
<b>d. Other comprehensive income</b>		
Actuarial loss on arising from change in demographic assumption	-	10.67
Actuarial gain on arising from change in financial assumption	7.38	34.77
Actuarial gain on arising from experience adjustment	(54.54)	(117.27)
<b>Total actuarial gain for the year</b>	<b>(47.16)</b>	<b>(71.83)</b>
<b>e. Actuarial assumptions</b>		
Discount rate	5.40%	5.55%
Future salary increase	5.00%	5.00%





Particulars	(All amounts Rs. in Lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>f. Demographic Assumption:</b>		
Retirement age (years)	58.00	58.00
Mortality table	IALM (2012-14) Ultimate Table	
<b>Withdrawal Rate (%)</b>		
<b>Ages</b>		
Up to 30 years	38.00%	38.00%
From 31 to 44 years	23.00%	23.00%
Above 44 years	12.00%	12.00%
<b>g. Sensitivity analysis for gratuity liability:</b>		
<b>Impact of the change in discount rate</b>		
a) Impact due to increase of 0.50%	1,185.08	1,348.11
b) Impact due to decrease of 0.50%	1,234.63	1,405.27
<b>Impact of the change in salary increase</b>		
a) Impact due to increase of 0.50%	1,234.61	1,405.28
b) Impact due to decrease of 0.50%	1,184.87	1,347.84
<b>h. Maturity profile of defined benefit obligation:</b>		
Within next 12 months	238.77	297.57
Between 1-5 years	520.81	552.61
Beyond 5 years	550.05	531.80

**B.** The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

#### **C. Defined contribution plans**

The Group contribution to state governed provident fund, employees' state insurance and labour welfare fund schemes are considered as defined contribution plans. The contribution for the current year is Rs. 344.80 lacs (31 March 2020 : Rs. 863.26 lacs) and under the schemes is recognised as an expense, when an employee renders the related service. There are no other obligations of the Group, other than the contribution payable to the respective funds.

#### **Note 47: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. This financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as 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 three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates. The Group is carrying its borrowings primarily at variable rate. The Group expects the variable rate to decline, accordingly the Group is currently carrying its loans at variable interest rates.

	(All amounts Rs. in Lacs)	
	31 March 2021	31 March 2020
Variable rate borrowings	132,930.03	134,354.66
Fixed rate borrowings	11,815.72	7,381.28

## Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect of Profit before tax	
	31 March 2021	31 March 2020
Increase by 50 basis points	(664.65)	(671.77)
Decrease by 50 basis points	664.65	671.77

## Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure in foreign currency is in loans, debtors and advances denominated in foreign currency. The Group is not restricting its exposure of risk in change in exchange rates. The Group expects the Indian Rupee to strengthen and accordingly the Group is carrying the risk of change in exchange rates.

			31 March 2021	31 March 2020
<b>Trade creditors</b>	USD	Buy	0.34	0.57
	EUR	Buy	0.03	0.02
<b>Trade receivables</b>	GBP	Sell	0.99	0.99
<b>FDR</b>	USD	Sell	0.55	3.27
<b>EEFC Bank Balance</b>	USD	Sell	0.07	0.74



(All amounts Rs. in Lacs)

			31 March 2021	31 March 2020
<b>Unsecured loans</b>				
	USD	Buy	-	56.00
<b>Secured loans</b>				
	USD	Buy	39.07	44.94

### Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD-INR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material. If the INR had strengthened against the USD by 5% (31 March 2020: 5%), then this would have had the following impact:

	Effect on profit before tax*	
	31 March 2021	31 March 2020
<b>USD Sensitivity</b>		
Increase by 5%	(142.58)	(177.25)
Decrease by 5%	142.58	177.25

Most of the Group's transactions are carried out in INR. Exposures to currency exchange rates arise from the Group's overseas borrowings, which are partly denominated in US dollars (USD). Sensitivity of GBP & EUR has not been considered on account of immaterial exposure.

### Foreign currency risks

The Group exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet as fair value through profit and loss are considered immaterial keeping in view of the fact that these are unquoted investments and are measured at cost.

\*In accordance with exemption allowed under Ind AS 101, the Group capitalises exchange differences arising on long term foreign currency monetary items. Accordingly, the profit before tax will not be impacted to that extent.

### 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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including loans to related parties, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The most significant input being the discount rate that reflects the credit risk of counterparties.

The Group continuously monitors the credit quality of customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The Group's policy is to deal only with credit worthy counterparties. The credit terms range between 30 and 180 days.

#### (a) Trade receivables

Customer credit risk is managed by each business location subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

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 maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 10. The Group does not hold collateral as security.

## (b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Group's maximum exposure to credit risk for the components of the balance sheet at respective reporting date is the carrying amount.

### Gross carrying amount of trade receivables

Ageing	31 March 2021	31 March 2020
Not due	6.30	28.39
0-60 days past due	1,092.28	2,436.70
61-120 days past due	552.47	784.33
121-180 days past due	121.65	1,021.68
180-365 days past due	1,138.87	773.98
More than 365 days	1,788.70	1,476.13
	<b>4,700.27</b>	<b>6,521.21</b>

### Provision for doubtful debts

Ageing	31 March 2021	31 March 2020
180-365 days past due	214.16	217.76
More than 365 days	1,788.70	1,476.13
	<b>2,002.86</b>	<b>1,693.89</b>

### Reconciliation of provision for doubtful debts - Trade receivables

	31 March 2021	31 March 2020
<b>Provision at beginning</b>	1,693.89	1,167.87
Addition during the year	394.97	556.19
Reversal during the year	(67.24)	(12.81)
Utilised during the year	(18.76)	(17.36)
<b>Provision at closing</b>	<b>2,002.86</b>	<b>1,693.89</b>

The Group applies simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers. Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 365 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.



(All amounts Rs. in Lacs)

#### Reconciliation of provision for doubtful debts - Loans and deposits

	31 March 2021	31 March 2020
<b>Provision at beginning</b>	706.40	706.40
Addition during the year	-	-
Reversal during the year	(410.05)	-
Utilised during the year	(267.98)	-
<b>Provision at closing</b>	<b>28.37</b>	<b>706.40</b>

#### Liquidity risk

The Group monitors its risk of a shortage of funds by estimating the future cash flows. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Group had access to the following undrawn borrowing facilities at the end of the reporting periods -

#### Floating rate

##### (a) Expiring within one year (Bank overdraft and other facilities)

##### Secured

-Cash credit facilities	4,475.30	3,624.37
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The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments-

<b>Contractual maturities of borrowings</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Upto one year	4,540.68	31,160.91
Between 1 and 2 years	17,931.31	25,319.42
Between 2 and 5 years	91,056.57	76,833.50
More than 5 years	31,709.46	90,275.77

<b>Contractual maturities of trade payables</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Upto one year	8,746.92	8,277.90

<b>Contractual maturities of security deposits</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Upto one year	34.83	160.97
Between 1 and 2 years	67.10	44.68
Between 2 and 5 years	289.57	285.38
More than 5 years	4,875.82	4,888.03

<b>Contractual maturities of other financial liabilities</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Upto one year	8,871.09	2,597.42

(All amounts Rs. in Lacs)

## Note 48: LALIT LOYALTY AND MEMBERSHIP PROGRAMME

### (a) Points for Lalit Connect

	31 March 2021	31 March 2020
Accrued points	1.35	2.34
Redeemed points	-	0.68
Redemption percentage	0.00%	29.21%
Unexpired points	1.35	1.66

### (b) Points for Lalit Plus

	31 March 2021	31 March 2020
Accrued points	10.27	5.68
Redeemed points	-	(5.90)
Redemption percentage	0.00%	-103.94%
Unexpired points	10.27	11.59

### (c) Points for Lalit Engage

	31 March 2021	31 March 2020
Accrued points	1.52	2.14
Redeemed points	-	0.34
Redemption percentage	0.00%	15.89%
Unexpired points	1.52	1.80

### (d) Movement in provision

	31 March 2021	31 March 2020
At the beginning of the year	155.29	141.01
Arising during the year	-	(107.70)
Utilised during the year	-	(121.98)
At the end of the year	155.29	155.29

### (e) Movement in membership programme

	31 March 2021	31 March 2020
At the beginning of the year	459.55	514.76
Arising during the year	359.49	1,076.86
Utilised during the year	668.10	1,132.07
At the end of the year	150.94	459.55

## Note 49: DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

On the basis of confirmations obtained from suppliers who have registered themselves under the MSMED Act, and based on the information available with the Company, the disclosures pursuant to the said MSMED Act are as follows:

	31 March 2021	31 March 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	1,192.94	283.69
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-



(All amounts Rs. in Lacs)

	31 March 2021	31 March 2020
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 Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	57.71	5.81
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

**Note 50: DIVIDEND MADE AND PROPOSED****Cash dividends on equity shares declared and paid:**

	31 March 2021	31 March 2020
Final dividend for the year ended on 31 Mar 2021: Nil per share (31 March 2020: Rs. 1 per share)	-	759.91
Dividend distribution tax on final dividend	-	156.20
	-	<b>916.11</b>

**Proposed dividends on equity shares:**

Final cash dividend for the year ended on 31 Mar 2021: Nil per share (31 March 2020: Nil per share)	-	-
Dividend distribution tax on proposed dividend	-	-
	-	-

\* In view of the lockdown and the present business conditions and to conserve cash and maintain liquidity for future, the Board of Directors of the Group have decided not to recommend dividend for the financial year 2020-21 & 2019-20.

**Note 51: RELATED PARTY DISCLOSURES****a) Name of the related parties and their relationship:****Key Management Personnel**

Dr. Jyotsna Suri, Chairperson & Managing Director  
 Ms. Divya Suri Singh, Executive Director  
 Ms. Deeksha Suri, Executive Director  
 Mr. Keshav Suri, Executive Director  
 Mr. Ramesh Suri, Non Executive Director  
 Mr. Arvind Kumar Sharma, Chief Financial Officer (w.e.f. 11 March 2019, till 7 February 2020)  
 Mr. Gopal Jagwan, Chief Financial Officer (w.e.f. 01 May 2020)  
 Mr. Himanshu Pandey, Head Legal and Company Secretary (w.e.f. 16 October 2017)  
 Mr. M.Y. Khan, Non Executive Director  
 Mr. Dhruv Prakash, Non Executive Director (w.e.f. 21 July 2017)  
 Mr. Ranjan Mathai, Non Executive Director (w.e.f. 29 August 2017 till 31 October 2020)  
 Mr. Vivek Mehra, Non Executive Director (w.e.f. 21 July 2017)  
 Ms. Shovana Narayan, Non Executive Director (w.e.f. 16 October 2017)

## Joint Venture

Cavern Hotel and Resorts FZCO

## Enterprises owned or significantly influenced by key management personnel or their relatives

Deeksha Holding Limited (DHL)

Deeksha Human Resource Initiatives Limited (DHRIL)

Subros Limited

Jyotsna Holding Private Limited

Mercantile Capital & Financial Services Private Limited

Cargo Hospitality Private Limited

Cargo Motors Delhi Private Limited

Cargo Motors Private Limited

Cargo Motors Rajasthan Private Limited

Eila Holding Limited (formerly known as Eila Builders & Developers Limited)

FIBCOM India Limited

Global Autotech Limited

Grand Hotel & Investments Limited

L.P. Hospitality Private Limited

Premium Exports Limited

Premium Farm Fresh Produce Limited

Premium Holdings Limited

Prima Realtors Private Limited

Prima Telecom Limited

Responsible Holding Private Limited (formerly known as Responsible Builders Private Limited)

Rohan Motors Limited

Hemkunt Service Station Private Limited

Tempo Automobiles Private Limited

Godawari Motors Private Limited

St. Olave's Limited

## Relatives of Key Managerial Personnel Mr. Jayant Nanda (refer note 17)

- b) Loans made to the joint venture are on mutually agreed terms.
- c) The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balance at the year-end are unsecured and interest free and settlement occurs through banking channels.
- d) The short term loans facilities (as discussed in note 24) from bank availed by the Company have been secured by way of guarantee given by Premium Holding Limited.
- e) The guarantees for the related parties are given in the ordinary course of business and related parties have provided counter guarantees for such guarantees.





(All amounts Rs. in Lacs)

**Note 51: (f) The following tables provides the total amount of transactions that have been entered into with related parties for the relevant period**

**Key Management Personnel:**

	31 March 2021	31 March 2020
<b>Dr. Jyotsna Suri</b>		
- Salary and Wages	-	77.00
- Post employment benefits	3.14	3.14
- Lease rent paid	30.00	30.00
- Interest paid on deposits	124.77	142.28
- Guarantee/ Undertaking (received)	82.65	261.59
- Loan (received)	(725.00)	(1,495.00)
- Loan repaid	-	775.00
- Sitting Fees	1.00	1.00
- Corporate guarantee provided to bank	117,880.97	-
<b>Ms. Divya Suri Singh</b>		
- Salary and Wages	-	66.00
- Post employment benefits	2.91	4.55
- Lease rent paid	24.00	24.00
<b>Ms. Deeksha Suri</b>		
- Salary and Wages	-	66.00
- Post employment benefits	2.92	5.52
- Lease rent paid	24.00	24.00
<b>Mr. Keshav Suri</b>		
- Salary and Wages	-	66.00
- Post employment benefits	2.85	4.72
- Sitting Fees	0.70	1.50
<b>Mr. Gopal Jagwan</b>		
- Salary and Wages	15.63	-
- Employee stock option expense	0.70	-
<b>Mr. Arvind Kumar Sharma</b>		
- Salary and Wages	-	50.08
<b>Mr. Himanshu Pandey</b>		
- Salary and Wages	9.78	23.94
- Employee stock option expense	0.42	0.86
- Post employment benefits	0.51	0.43
<b>Mr. Ramesh Suri</b>		
- Sitting Fees	2.70	4.20

# Bharat Hotels Limited

(All amounts Rs. in Lacs)		
	31 March 2021	31 March 2020
<b>Dr. M.Y. Khan</b>		
- Sitting Fees	2.10	3.10
<b>Mr. Dhruv Prakash</b>		
- Sitting Fees	2.10	3.10
<b>Mr. Ranjan Mathai</b>		
- Sitting Fees	0.70	2.10
<b>Mr. Vivek Mehra</b>		
- Sitting Fees	1.90	2.60
<b>Ms. Shovana Narayan</b>		
- Sitting Fees	1.40	2.10
<b>Mr. Narendra Dhruv Batra</b>		
- Sitting Fees	0.50	0.25

(All amounts Rs. in Lacs)		
	31 March 2021	31 March 2020
<b>Transaction with Enterprises owned or significantly influenced by key management personnel or their relatives:</b>		
<b>Deeksha Holding Limited</b>		
- Sale of goods / services	69.85	39.10
- Purchase of goods	6.72	7.40
- Commission paid on corporate guarantee	76.88	84.86
- Lease rent paid	93.02	148.02
- Maintenance charges received	8.58	8.97
- Expenditure incurred for BHL, reimbursement paid by BHL	-	-
- Loan (received)	(200.00)	(1,105.00)
- Loan paid	-	700.00
- Interest paid on deposits	97.27	99.96
- Corporate guarantee provided to bank	117,880.97	-
<b>Jyotsna Holding Private Limited</b>		
- Sale of goods / services	-	22.81
- Lease rent paid	-	-
- Loan received	-	(30.00)
- Interest paid on Deposits	6.68	6.86
<b>Mercantile Capital &amp; Financial Services Private Limited</b>		
- Maintenance charges received	1.12	1.04
<b>Prima Telecom Limited</b>		
- Sale of goods / services	4.29	5.06



	(All amounts Rs. in Lacs)	
	31 March 2021	31 March 2020
<b>Responsible Holding Private Limited (formerly known as Responsible Builders Private Limited)</b>		
- Maintenance charges received	4.78	4.77
- Loan (received)	-	(70.00)
- Sale of goods / services	-	-
- Interest paid on deposits	11.54	11.90
- Donation received	0.44	0.44
<b>Rohan Motors Limited</b>		
- Sale of goods / services	8.45	16.02
- Services received	1.50	1.08
- Maintenance charges received	1.93	1.78
<b>Subros Limited</b>		
- Sale of goods / services	203.23	65.23
- Maintenance charges received	19.64	18.91
<b>FIBCOM India Limited</b>		
- Sale of goods / services	0.12	1.75
<b>L.P. Hospitality Private Limited</b>		
- Consultancy services provided	-	6.46
<b>Global Autotech Limited</b>		
- Maintenance charges received	0.59	0.58
<b>Cargo Hospitality Private Limited</b>		
- Loan (received)	(85.00)	(85.00)
- Loan paid	385.00	385.00
<b>Cargo Motors Delhi Private Limited</b>		
- Purchase of goods	-	1.94
balance write off	2.50	2.50
Balance Write off	2.50	2.50
<b>Cargo Motors Private Limited</b>		
- Sale of goods / services	2.06	5.74
<b>Eila Holding Limited (formerly known as Eila Builders &amp; Developers Limited)</b>		
- Loan paid	44.58	40.50
- Interest paid on deposits	5.42	11.68
<b>Hemkunt Service Station Private Limited</b>		
- Sale of goods / services	-	0.22
- Purchase of goods	57.72	91.62

## Bharat Hotels Limited

	(All amounts Rs. in Lacs)	
	31 March 2021	31 March 2020
<b>Tempo Automobile Private Limited</b>		
- Sale of goods / services	-	0.08
- Services received	0.39	0.38
<b>Godawari Motors Private Limited</b>		
- Maintenance charges received	2.42	2.23
<b>St. Olave's Limited</b>		
- Consultancy Services provided	-	89.36
<b>Cargo Motors Rajasthan Private Limited</b>		
- Sale of goods / services	-	0.15

### (g) Balance outstanding as at year end

**Balance receivable from Enterprises owned or significantly influenced by key management personnel or their relatives:**

	(All amounts Rs. in Lacs)	
	31 March 2021	31 March 2020
Cargo Motors Delhi Private Limited	106.44	106.44
Cargo Motors Private Limited	43.20	36.27
Cargo Motors Rajasthan Private Limited	7.75	7.75
Deeksha Holding Limited	15.29	26.17
FIBCOM India Limited	11.36	11.31
Grand Hotel & Investments Limited	53.65	53.65
L. P. Hospitality Private Limited	-	1.49
Mercantile Capital & Financial Services Private Limited	0.07	0.20
Prima Telecom Limited	6.03	3.95
Responsible Holding Private Limited (formerly known as Responsible Builders Private Limited)	0.13	0.14
Rohan Motors Limited	2.53	5.58
Subros Limited	80.78	31.27
Hemkunt Service Station Private Limited	-	0.43
Godawari Motors Private Limited	4.22	1.22
St. Olave's Limited	130.91	130.91

### **Balance payable to Key Management Personnel:**

Dr. Jyotsna Suri	2,207.52	2,227.90
Ms. Divya Suri	(0.05)	9.18
Ms. Deeksha Suri	-	9.18
Mr. Keshav Suri	-	5.58
Mr. Ramesh Suri	1.36	0.45
Dr. M.Y. Khan	1.92	0.81
Mr. Dhruv Prakash	1.92	0.81
Mr. Vivek Mehra	1.74	0.63



(All amounts Rs. in Lacs)

31 March 2021 31 March 2020

**Balance payable to Enterprises owned or significantly influenced by key management personnel or their relatives:**

Deeksha Holding Limited	3,427.86	2,352.10
Eila Holding Limited (formerly known as Eila Builders & Developers Limited)	58.11	104.12
Global Autotech Limited	0.33	0.27
Jyotsna Holding Private Limited	609.99	112.55
Premium Holdings Limited	1,157.32	-
Responsible Holding Private Limited (formerly known as Responsible Builders Private Limited)	690.97	196.98
Rohan Motors Limited	0.98	0.19
Subros Limited	0.02	-
Hemkunt Service Station Private Limited	18.93	14.68
Tempo Automobiles Private Limited	0.23	0.10

**Guarantees / Undertaking (received)/payable :**

Dr. Jyotsna Suri	(7,690.77)	(7,608.11)
Premium Holdings Limited	-	(4,221.61)
Dr. Jyotsna Suri *	117,880.97	
Deeksha Holding Limited *	117,880.97	

\* Guarantee jointly given by Dr. Jyotsna Suri & Deeksha Holding Limited against the borrowing facility, refer note 19)

**Note 51: (h) Maximum amount outstanding at any time during the year**

(All amounts Rs. in Lacs)

Particulars	Subsidiaries		Entities controlled by the company		Key management personnel (KMPs)		Enterprises owned or significantly influenced by KMPs or their relatives		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Receivables</b>										
Dr. Jyotsna Suri	-	-	-	-	-	-	-	-	-	-
Cargo Motors Delhi Private Limited	-	-	-	-	-	-	106.44	106.44	106.44	106.44
Cargo Motors Private Limited	-	-	-	-	-	-	43.20	36.27	43.20	36.27
Cargo Motors Rajasthan Private Limited	-	-	-	-	-	-	7.75	7.75	7.75	7.75
Deeksha Holding Limited	-	-	-	-	-	-	26.17	169.53	26.17	169.53
Deeksha Human Resource Initiatives Limited	-	-	-	-	-	-	0.00	0.00	0.00	0.00
FIBCOM India Limited	-	-	-	-	-	-	11.36	11.31	11.36	11.31
Global Autotech Limited	-	-	-	-	-	-	-	0.42	-	0.42
Grand Hotel & Investments Limited	-	-	-	-	-	-	53.65	53.65	53.65	53.65
Kronokare Cosmetics Pvt Ltd	-	-	-	-	-	-	-	-	-	-
L. P. Hospitality Private Limited	-	-	-	-	-	-	1.49	1.89	1.49	1.89
Mercantile Capital & Financial Services Private Limited	-	-	-	-	-	-	0.20	0.20	0.20	0.20
Prima Telecom Limited	-	-	-	-	-	-	6.03	3.95	6.03	3.95
Responsible Holding Private Limited (formerly known as Responsible Builders Private Limited)	-	-	-	-	-	-	0.14	0.21	0.14	0.21
Rohan Motors Limited	-	-	-	-	-	-	5.58	5.58	5.58	5.58
Subros Limited	-	-	-	-	-	-	80.78	42.51	80.78	42.51
Hemkunt Service Station Private Limited	-	-	-	-	-	-	0.43	0.43	0.43	0.43
Tempo Automobiles Private Limited	-	-	-	-	-	-	-	-	-	-
Godawari Motors Private Limited	-	-	-	-	-	-	4.22	1.22	4.22	1.22
St. Olave's Limited	-	-	-	-	-	-	130.91	130.91	130.91	130.91
Ramesh Suri (HUF)	-	-	-	-	-	-	-	0.02	-	0.02
<b>Payables</b>										
Dr. Jyotsna Suri	-	-	-	-	2,227.90	2,227.90	-	-	2,227.90	2,227.90
Ms. Divya Suri	-	-	-	-	9.18	10.66	-	-	9.18	10.66
Ms. Deeksha Suri	-	-	-	-	9.18	10.66	-	-	9.18	10.66

(All amounts Rs. in Lacs)

Particulars	Subsidiaries		Entities controlled by the company		Key management personnel (KMPs)		Enterprises owned or significantly influenced by KMPs or their relatives		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Mr. Keshav Suri	-	-	-	-	5.58	8.86	-	-	5.58	8.86
Mr. Ramesh Suri	-	-	-	-	1.36	0.45	-	-	1.36	0.45
Dr. M.Y. Khan	-	-	-	-	1.92	0.81	-	-	1.92	0.81
Mr. Dhruv Prakash	-	-	-	-	1.92	0.81	-	-	1.92	0.81
Mr. Vivek Mehra	-	-	-	-	1.74	0.63	-	-	1.74	0.63
Deeksha Holding Limited	-	-	-	-	-	-	3,427.86	2,352.10	3,427.86	2,352.10
Deeksha Human Resource Initiatives Limited	-	-	-	-	-	-	-	-	-	-
Eila Holding Limited (formerly known as Eila Builders & Developers Limited)	-	-	-	-	-	-	104.12	134.11	104.12	134.11
Global Autotech Limited	-	-	-	-	-	-	0.33	0.27	0.33	0.27
IT Sounds Chics Pvt Ltd	-	-	-	-	-	-	-	1.21	-	1.21
Jyotsna Holding Private Limited	-	-	-	-	-	-	609.99	112.55	609.99	112.55
Kronokare Cosmetics Private Limited	-	-	-	-	-	-	-	-	-	-
L.P. Hospitality Private Limited	-	-	-	-	-	-	-	-	-	-
Responsible Holding Private Limited (formerly known as Responsible Builders Private Limited)	-	-	-	-	-	-	690.97	196.98	690.97	196.98
Rohan Motors Limited	-	-	-	-	-	-	0.98	0.33	0.98	0.33
Hemkunt Service Station Private Limited	-	-	-	-	-	-	18.93	25.99	18.93	25.99
Tempo Automobiles Private Limited	-	-	-	-	-	-	0.23	0.10	0.23	0.10
Godawari Motors Private Limited	-	-	-	-	-	-	-	0.04	-	0.04

(All amounts Rs. in Lacs)

## Note 52 : CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted CSR Committee. The details for CSR activities is as follows:-

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Gross amount required to be spent by the Company during the year	1.67	75.60
b) Amount spent during the year on the following		
1. Construction / Acquisition of any asset	-	50.00
2. On purpose other than 1 above	17.79	17.14

The details of amount remaining unspent during the year under sub section (5), pursuant to an activity other than ongoing project is as follows:

Particulars	For the year ended 31 March 2021
<b>Opening Balance at the beginning of the year</b>	<b>8.46</b>
Amount deposited in specified fund of Schedule VII	-
Amount required to spent during the year	1.67
Amount spent during the year	17.79
Amount to be spent on ongoing project	-
<b>Closing Balance at the end of the year</b>	<b>-</b>

Based on the recommendation of CSR Committee, the Board of Directors of the Company during the financial year 2020-21, had considered and approved the CSR Project for spending the amount of Rs. 15.09 lacs on horticulture & housekeeping services at Jantar Mantar, Albert Hall and Hawamahal at CSR identified projects for preserving natural heritage, art and culture at Jaipur and Rs. 2.54 lacs on food distribution to poor and LGBTQ Community at Mumbai, Delhi and Chandigarh, also Rs. 0.16 lacs were spent on mask and sanitizer distribution at Delhi and Mumbai to contain the spread of COVID-19. The details of ongoing project and amount unspent during the year.

(All amounts Rs. in Lacs)

Particulars	For the year ended 31 March 2021
<b>Opening Balance at the beginning of the year</b>	
- With the Company	-
- In Separate CSR unspent account	-
Amount required to be spend during the year	1.67
Amount Spent during the year	
- From the Company Account	17.79
- From Separate CSR unspent account	-
Amount transferred to Unspent to CSR account	-
Amount deposited in specified fund of Schedule VII	-
<b>Closing balance at the end of the year</b>	
- With the Company	-
- In Separate CSR unspent account	-





(All amounts Rs. in Lacs)

**Note 53(i): CAPITAL COMMITMENTS**

Commitments relating to estimated amount of completion of property, plant & equipment are as follows:

	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed and not provided for	5,219.28	5,009.10

**Note 53(ii): LEASES**

**A Right-of-use asset**

**Balance at the beginning of the year**  
Adjustment on transition to Ind AS 116 'Leases'  
Less: Amortisation expense for the year  
**Balance at the end of the year**

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	8,083.03	-
Adjustment on transition to Ind AS 116 'Leases'	-	8,423.81
Less: Amortisation expense for the year	339.94	340.78
<b>Balance at the end of the year</b>	<b>7,743.09</b>	<b>8,083.03</b>

**B Lease liabilities**

Lease liabilities are presented in the statement of financial position as follows:

Non-current	9,219.69	9,479.38
Current	243.72	845.74
<b>Total</b>	<b>9,463.41</b>	<b>10,325.12</b>

The lease liabilities are secured by the related assets/land taken on lease.

**C The following are amounts recognised in profit or loss with respect to leasing arrangements:**

Particulars	As at 31 March 2021	As at 31 March 2020
Amortisation expense on right-of-use assets	339.94	340.78
Interest expense on lease liabilities	1,128.06	1,170.84
Expense relating to variable lease payments not included in lease liabilities	-	581.51
Expense relating to leases of low-value asset and short-term leases	306.37	256.00
<b>Total cash outflow in respect of leases</b>	<b>1,774.37</b>	<b>2,349.13</b>

Total lease payments considered for accounting of IND AS 116 is Rs. 1,989.76 lacs (31 March 2020: Rs. 832.25 lacs)

\*It includes amount on account of asset held for sale.

**D Details about arrangement entered as a lessor**  
**Operating lease**

The Group gives shops located at various hotels an other space on operating lease arrangements. These leases are generally cancellable in nature and may generally be terminated by either party by serving notice. The future minimum lease payments recoverable by the company are as under

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Not later than one year	2.11	9.96
(b) Later than one year and not later than five years	8.44	10.55
(c) Later than five years	134.06	136.57

The operating lease arrangements related to asset held for sale has not been included above.

## Finance lease

The Group had entered into various sub licensing agreements for commercial space which are based on identical terms vis a vis its land lease arrangement, therefore these sublicensing agreements are accounted for as finance leases on adoption of Ind AS 116 with respect to corresponding right-of-use asset. The following table represents maturity analysis of future cashflows to be received from such agreements by the Company over the sub license term ending on 10 March 2080:

Particulars	(All amounts Rs. in Lacs)	
	As at 31 March 2021	As at 31 March 2020
(a) Not later than one year	296.94	296.94
(b) Later than one year and not later than five years	1,187.76	1,187.76
(c) Later than five years	21,262.41	21,559.35

## E Lease liabilities

The following is the movement in lease liabilities during the year ended 31 March 2021:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Balance at the beginning of the year</b>	10,325.12	-
Reclassified on account of adoption of Ind AS 116	-	9,986.54
Finance cost accrued during the year	1,128.06	1,170.84
Payment of Lease liabilities	1,989.76	832.26
<b>Balance at the end of the year</b>	<b>9,463.42</b>	<b>10,325.12</b>

## Note 54: SEGMENTAL INFORMATION

(All amounts Rs. in Lacs)

### Business segments:

For management purposes, the Group is organised into business units based on its services rendered and products sold. The leadership team (chief financial officer and chairman) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss. No operating segments have been aggregated to form the above reportable operating segments. The Group has four reportable segments, as follows:

### Hotel operations

It represents sale of rooms and apartments, food and beverages, banquet rentals and other services relating to hotel operations including telecommunication, laundry, business centre, health centre and other related services

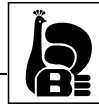
### Aircraft charter operations

It represents services rendered to customers who hire aircraft for travel.

### Other activities

It represents operations relating to renting of shops located within hotel premises and separate business towers operated by the Group and Income and expenses arising out of training and education activities carries out by the Group.

Particulars	Hotel operations		Aircraft charter operations		Other activities		Unallocated Corporate		Total	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue</b>										
External sales	16,373.79	69,068.15	76.19	475.86	2,087.56	2,229.43	-	-	18,537.54	71,773.44
Other income	2,144.60	974.67	-	-	123.71	222.18	-	-	2,268.31	1,196.85
Finance income	106.72	109.15	-	-	109.19	110.81	3,618.89	663.38	3,834.80	883.34
<b>Total Income</b>	<b>18,625.11</b>	<b>70,151.97</b>	<b>76.19</b>	<b>475.86</b>	<b>2,320.46</b>	<b>2,562.42</b>	<b>3,618.89</b>	<b>663.38</b>	<b>24,640.65</b>	<b>73,853.63</b>
Less : revenue from discontinued operations	3,539.58	14,568.99	76.19	475.86	-	-	-	-	3,615.77	15,044.85
<b>Total</b>	<b>15,085.53</b>	<b>55,582.98</b>	-	-	<b>2,320.46</b>	<b>2,562.42</b>	<b>3,618.89</b>	<b>663.38</b>	<b>21,024.88</b>	<b>58,808.78</b>
Segment result	(3,267.22)	17,962.14	(266.37)	(1,355.75)	552.54	322.63	-	-	(2,981.05)	16,929.02
Expenses	-	-	-	-	-	-	(13,572.90)	(22,914.75)	13,572.90	(22,914.75)
	(3,267.22)	17,962.14	(266.37)	(1,355.75)	552.54	322.63	(13,572.90)	(22,914.75)	(16,553.95)	(5,985.73)
Tax expense	-	-	(93.07)	(473.70)	-	-	-	-	(7,500.70)	1,394.14
<b>Profit/(Loss) for the year</b>	<b>(3,267.22)</b>	<b>17,962.14</b>	<b>(173.30)</b>	<b>(882.05)</b>	<b>552.54</b>	<b>322.63</b>	<b>(13,572.90)</b>	<b>(22,914.75)</b>	<b>(9,053.25)</b>	<b>(7,379.87)</b>



(All amounts Rs. in Lacs)

Particulars	Hotel operations		Aircraft charter operations		Other activities		Unallocated Corporate		Total	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Less: loss from discontinued operation	16.48	3,191.05	(173.30)	(882.05)	-	-	-	-	(156.82)	2,309.00
<b>Profit for the year</b>	<b>(3,283.70)</b>	<b>14,771.09</b>	-	-	552.54	322.63	(13,572.90)	(22,914.75)	(8,896.43)	(9,688.87)
<b>Segment assets</b>	2,14,857.51	2,25,351.90	2,846.59	2,858.03	13,711.26	13,404.16	22,234.93	19,419.99	2,53,650.29	2,61,034.08
Transferred to discontinued operation (refer note 45)	38,004.67	-	2,846.59	2,858.03	-	-	-	-	40,851.26	2,858.03
Reclassified as assets held for sale (refer note 45)	5.00	21.39	-	-	-	-	3,019.72	3,019.72	3,024.72	3,041.11
<b>Total</b>	<b>176,847.84</b>	<b>225,330.51</b>	<b>-</b>	<b>-</b>	<b>13,711.26</b>	<b>13,404.16</b>	<b>19,215.21</b>	<b>16,400.27</b>	<b>209,774.31</b>	<b>255,134.94</b>
<b>Segment liabilities</b>	13,284.47	14,177.38	124.17	53.63	4,728.01	5,019.17	158,343.85	154,821.34	176,480.50	174,071.52
Transferred to discontinued operation (refer note 45)	-	-	1,134.17	53.63	-	-	-	200.00	1,134.17	253.63
Reclassified as assets held for sale (refer note 45)	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13,284.47</b>	<b>14,177.38</b>	<b>(1,010.00)</b>	<b>-</b>	<b>4,728.01</b>	<b>5,019.17</b>	<b>158,343.85</b>	<b>154,621.34</b>	<b>175,346.33</b>	<b>173,817.89</b>
<b>Capital expenditure</b>	1,284.53	2,156.12	-	-	551.58	1,804.77	-	-	1,836.11	3,960.89
<b>Depreciation/ amortization</b>	6,730.52	7,560.65	-	324.71	1,137.04	1,143.03	-	-	7,867.56	9,028.39
<b>Non cash expenses other than depreciation and amortization</b>	443.91	1,498.70	-	-	-	-	-	-	443.91	1,498.70

Note: Capital expenditure includes exchange differences that have been capitalised.

## Geographical information

The operating interests of the Company are confined to India since all the operational activities exists in India only. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical location i.e. India.



(All amounts Rs. in Lacs)

#### Note 55: INTEREST IN JOINT-VENTURES

The Group has a 16.67% interest in Cavern Hotel & Resorts Fz Co., joint venture involved in business of operation of Hotels. The Group's interest in the joint venture is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on their Ind AS financial statements, and reconciliation with the carrying amount of the investment in restated consolidated financial statements are set out below:

Particulars	Cavern Hotel & Resorts FZ Co.	
	31 March 2021	31 March 2020
Total current assets	-	2,512.74
Total non-current assets	-	5,647.40
Total current liabilities	-	(2,454.64)
Total non-current liabilities	-	192,329.29
Equity share capital	-	(65.20)
<b>Surplus</b>	<b>-</b>	<b>197,969.59</b>
Proportion of the Group's ownership	0.00%	16.67%
Group's share of loss*	-	33,001.53

\*Loss for Cavern Hotel & Resorts FZ Co. has not been recognised for all the periods presented since the Group's share of losses exceeds its interest in the joint venture.

#### Reconciliation to carrying amounts

	Cavern Hotel & Resorts FZ Co.	
	31 March 2021	31 March 2020
Gross investment in joint ventures	-	10.85
Less: Provision for diminution	-	(10.85)
<b>Net Investment in joint ventures</b>	<b>-</b>	<b>-</b>
Loan to joint ventures	-	678.03
Less: Provision for doubtful loan	-	(678.03)
Less: Share of loss for previous years	-	-
	<b>-</b>	<b>-</b>

#### Summarised statement of profit and loss

Particulars	Cavern Hotel & Resorts FZ Co.	
	31 March 2021	31 March 2020
Revenue	-	-
Interest and other income	-	-
	<b>-</b>	<b>-</b>
Cost of material consumed	-	-
Employee benefits expense	-	-
Depreciation and amortisation	-	-
Other expenses	-	0.27
Finance cost	-	-
<b>Loss before tax</b>	<b>-</b>	<b>(0.27)</b>
Income tax expense	-	-
<b>Loss for the year</b>	<b>-</b>	<b>(0.27)</b>
<b>Group's share of loss for the year*</b>	<b>-</b>	<b>-</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>(0.27)</b>
<b>Group's share of total comprehensive income for the year*</b>	<b>-</b>	<b>-</b>

\*Loss for Cavern Hotel & Resorts FZ Co. has not been recognised for all periods presented since the Group's share of losses exceeds its interest in the joint venture.

**Note 56: ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEULDE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES**

**31 March 2021**

(All amounts Rs. in Lacs)

Particulars	Net Assets, i.e. total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	Rupees	As % of Consolidated net assets	Rupees	As % of Consolidated net assets	Rupees	As % of Consolidated net assets	Rupees	As % of Consolidated net assets
<b>Parent</b>								
Bharat Hotels Limited	90,805.87	116%	(10,551.47)	137%	30.68	70%	(10,520.79)	137.70%
<b>Subsidiaries</b>								
Lalit Great Eastern Kolkata Hotel Limited	16,319.35	21%	(1,636.49)	21%	5.93	14%	(1,630.56)	21%
Jyoti Limited	(6.39)	0%	(11.80)	0%	-	0%	(11.80)	0%
Prima Hospitality Private Limited	(124.46)	0%	421.76	-5%	-	0%	421.76	-6%
PCL Hotels Limited	(512.16)	-1%	(47.34)	1%	-	0%	(47.34)	1%
The Lalit Suri Educational & Charitable Trust	2,936.11	4%	(1,021.67)	13%	3.50	8%	(1,018.17)	13%
Kujjal Hotels Private Limited	14,837.80	19%	(2,741.80)	36%	3.79	9%	(2,738.01)	36%
Non controlling interest	(6,531.71)	-8%	1,369.19	-18%	-	0%	1,369.19	-18%
<b>Consolidation/Adjustment/ Elimination</b>	(39,420.45)	-50%	6,535.56	-85%	-	0%	6,535.56	-86%
<b>TOTAL</b>	<b>78,303.96</b>	<b>100%</b>	<b>(7,684.06)</b>	<b>100%</b>	<b>43.90</b>	<b>100%</b>	<b>(7,640.16)</b>	<b>100%</b>

31 March 2020

(All amounts Rs. in Lacs)

Particulars	Net Assets, i.e. total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	Rupees	As % of Consolidated net assets	Rupees	As % of Consolidated net assets	Rupees	As % of Consolidated net assets	Rupees	As % of Consolidated net assets
<b>Parent</b>								
Bharat Hotels Limited	100,975.89	116%	(6,635.99)	105%	43.04	91%	(6,592.95)	105%
<b>Subsidiaries</b>								
Lalit Great Eastern Kolkata Hotel Limited	17,115.45	20%	(490.90)	8%	1.38	3%	(489.52)	8%
Jyoti Limited	1.14	0%	22.92	0%	-	0%	22.92	0%
Prima Hospitality Private Limited	(546.20)	-1%	(7.34)	0%	-	0%	(7.34)	0%
PCL Hotels Limited	(464.82)	-1%	(3,976.90)	63%	-	0%	(3,976.90)	63%
The Lalit Suri Educational & Charitable Trust	3,920.58	5%	(1,055.55)	17%	-	0%	(1,055.55)	17%
Kujjal Hotels Private Limited	17,337.34	20%	(2,082.05)	33%	2.72	6%	(2,079.33)	33%
Non controlling interest	(5,162.52)	-6%	1,039.67	-16%	-	0%	1,039.67	-17%
<b>Consolidation/Adjustment/ Elimination</b>	(46,214.30)	-53%	6,845.94	-108%	-	0%	6,845.94	-109%
<b>TOTAL</b>	<b>86,962.56</b>	<b>100%</b>	<b>(6,340.20)</b>	<b>100%</b>	<b>47.14</b>	<b>100%</b>	<b>(6,293.06)</b>	<b>100%</b>

## Note 57: NON-CONTROLLING INTERESTS

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

(All amounts Rs. in Lacs)

### Particulars

#### Non-Controlling Interests (NCI)

#### Summarised Balance Sheet

	As at 31 March 2021	As at 31 March 2020
Current assets	899.02	925.87
Current liabilities	1,439.24	1,439.41
<b>Net current assets/(liabilities)</b>	<b>(540.22)</b>	<b>(513.54)</b>
Non current assets	35,524.21	37,866.94
Non current liabilities	20,146.19	20,016.06
<b>Net non current assets/(liabilities)</b>	<b>15,378.02</b>	<b>17,850.88</b>
<b>Net assets/(liabilities)</b>	<b>14,837.80</b>	<b>17,337.34</b>
<b>Adjustment pertaining to interest free loan*</b>	13,244.15	14,164.59
<b>Accumulated non controlling interest</b>	<b>(5,825.25)</b>	<b>(5,495.92)</b>

#### Summarised Statement of Profit and Loss

	As at 31 March 2021	As at 31 March 2020
Revenue	1,470.55	4,561.37
Profit for the year	(2,741.80)	(2,082.05)
Other comprehensive income	3.80	2.71
<b>Total comprehensive income</b>	<b>(2,738.00)</b>	<b>(2,079.34)</b>
<b>Profit allocated to NCI</b>	<b>(1,369.00)</b>	<b>(1,039.67)</b>

#### Summarised cash flows

Cash flow from operating activities	1,357.02	1,841.45
Cash flow from investing activities	143.42	(25.10)
Cash flow from financing activities	(1,499.58)	(1,825.56)
Net increase/(decrease) in cash and cash equivalents	0.87	(9.21)

#### Lalit Great Eastern Kolkata Hotel Limited

The Company hold 90% equity interest in this subsidiary. As per the agreement with the shareholder of the non controlling interest, such shareholder shall not be responsible for any liabilities of the subsidiary company other than liabilities specifically agreed to.

Also, the subsidiary company had a revaluation reserve of Rs. 597.00 lacs arising out of revaluation exercise of certain fixed assets carried out in earlier years under previous GAAP. Although under Ind AS, such revaluation reserve has been transferred to retained earnings, however, the Group has allocated share of revaluation reserve aggregating to Rs. 597.00 lacs (31 March 2020: Rs. 597.00 lacs) towards non-controlling interest on a conservative basis.





## Note 58: IMPAIRMENT TESTING OF GOODWILL

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows :

Particulars	(All amounts Rs. in Lacs)	
	31 March 2021	31 March 2020
Hotel operations at Kolkata property	5,141.35	5,141.35
Hotel operations at Srinagar property	3,268.10	3,268.10
	<b>8,409.45</b>	<b>8,409.45</b>
Units without significant goodwill	16.02	16.02
	<b>8,425.47</b>	<b>8,425.47</b>

### Hotel operations at Kolkata property

The recoverable amount of this CGU is based on fair value less costs to sell, estimated using discounted cash flows. The fair value measurement has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

(in percent)	31 March 2021	31 March 2020
Discount Rate	13.36	12.00
Average Room revenue (ARR) growth rate	7.00	7.00
Occupancy Rate	6.00	6.00
EBITDA growth rate	25.00	25.00

The discount rate is a post-tax measure estimated based on the weighted-average cost of capital.

The cash flow projections include specific estimates for six years and a terminal growth rate thereafter.

### EBITDA has been estimated taking into account past experience, adjusted as follows:

- Revenue growth has been projected taking into account the average growth levels experienced over the past five years at its either hotel properties and the estimated sales volume and price growth for the next five years. It has been assumed that the average room price would increase in line with forecast inflation over the next five years.
- Cost increase has been factored into the budgeted EBITDA, reflecting various operational costs in which the CGU operates which are assumed to grow in line with inflation over the years.

The estimated recoverable amount of the CGU exceeds its carrying amount by approximately Rs. 5,964.50 lacs (31 March 2020 : Rs.5,439.50 lacs). Management has identified that a reasonably possible change in three key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the percent by which these three assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

(in percent)	Changes required for recoverable amount to equal carrying amount	
	31 March 2021	31 March 2020
Discount Rate	0.28	0.28
Occupancy rate growth rate	(0.35)	(0.35)
Average Room revenue (ARR) growth rate	(0.35)	(0.35)

## Hotel operations at Srinagar property

The recoverable amount of this CGU is based on fair value less costs to sell, estimated using valuation techniques by a registered valuer. The fair value measurement has been categorised as Level 2 fair value based on the inputs to the valuation technique used. For the purpose of valuation, cost approach has been used to determine the value of subject land/leasehold rights. Value in real estate is created by utility of the real estate and capacity to satisfy the needs and wants.

The value of land represents the value in exchange where the valuation of land and development reflects the value in exchange and the additional return for development of the land on account of holding cost, construction execution risk and operating risk for running and maintaining the property. The contributions to the valuation of land parcels are derived from general uniqueness of the land, age of the construction, location of the land, relatively limited supply, heritage value of the property and specific utility of a given site.

## Note 59 : SHARE BASED PAYMENTS

At March 31, 2021, Company had following share-based payment arrangements:

Scheme Name	Number of options authorised and granted	Exercise price	Fair value of option	Vesting requirements
ESOP 2017*	7,00,600	383.28	33.65	Over 4 years service from the date of grant of option as under - -At the end of a period of 1.5 years from the grant date - 10% -At the end of a period of 2 years from the grant date - 20% -At the end of a period of 3 years from the grant date - 30% -At the end of a period of 4 years from the grant date - 40%

\*The exercise price per share is calculated by valuing the equity as on 31 March 2018 and dividing it by number of shares. The fair value of the share option is estimated at the grant date using Black-Scholes-Merton Model. There are no cash settlement alternatives.

## Option activity during the year under the plans is set out below :

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	3,84,165	6,00,200
Granted during the year	-	-
Vested during the year	56,673	42,685
Exercised during the year	-	-
Forfeited/(lapsed) during the year	-	-
Expired during the year	1,00,800	1,73,350
<b>Outstanding at the year end</b>	<b>2,26,692</b>	<b>3,84,165</b>
Options exercisable at the year end	-	-
Remaining contractual life (years) at the end	-	-



#### Effect of Share based payment transaction on the Statement of Profit & Loss:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Expense arising from equity settled share based payment transactions	3.86	31.10

#### Effect of Share based payment transaction on the balance sheet:

Share based payment reserve	8,503.61	8,503.61
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The value of the underlying options has been determined by an independent valuer. The key assumptions used to calculate fair value of grants in accordance with Black Scholes model:

Years	1.5 years	2 years	3 years	4 years
<b>Vesting Schedule</b>	10%	20%	30%	40%
Risk Free Interest Rate	7.30%	7.50%	7.76%	7.92%
Expected Option Life	1.50 years	2 years	3 years	4 years
Stock Volatility	46.10%	46.10%	46.10%	46.10%
Annual Dividend Per Share	-	-	-	-
Maturity date	June 10, 2026	June 10, 2026	June 10, 2026	June 10, 2026
Option Value	100.13	120.14	150.61	176.03
Exit/Attrition Rate	40%	40%	40%	40%
Modified option value	61.28	43.25	32.54	22.81
Weighted average option value	33.65			

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumptions basis assumed future trends, which may not necessarily be the actual outcome.

#### Note 60 : CONTINGENT LIABILITIES NOT PROVIDED FOR:

##### Holding Company:

##### a) Income Tax Matters

##### Assessment year

1997-98 to 2008-09  
2011 - 12 to 2014-15  
2015-16  
2016-17  
2017-18

##### Total

Amounts disputed (Rupees in lacs)	
31 March 2021	31 March 2020
714.91	714.91
67.01	67.01
120.66	120.66
122.91	122.91
66.67	66.67
<b>1,092.16</b>	<b>1,092.16</b>

The above income tax matters include certain disallowances of expenses claimed by the Company and certain other additions made by the assessing officers in respective years. These matters are pending with various judicial/appellate authorities including CIT (A), ITAT and High Court. For some of the matters, judicial/appellate authorities have decided the cases in favor of the Company. However, these are being contested again by the Department of Income tax.

The Company believes that it has merit in these cases and it is only possible, but not probable, that these cases may be decided against the Company. Hence, these have been disclosed as contingent liability and no provision for any liability has been deemed necessary in these financial statements.

During the year 2019-20 on 19.01.2020 a search under section 132 of the Income Tax Act, 1961 was conducted by the Investigation Wing of the Income Tax Department at the business premises of the company and group company and residential premises of the Chairperson cum Managing Director and executive directors of the company.

Further, during the year 2020-21 The Assistant Commissioner of Income Tax, Central Circle-17, Jhandewalan, Delhi-110055 had initiated re-assessment proceedings against the company and issued notices under section 153A of the Income Tax Act, 1961 for the assessment years 2014-15 to 2019-20 to the company. The company had filed its return of income for the relevant assessment years in response to the notices received. Re-assessment proceedings has been concluded by the Assessing Officer and no additional tax demand has arisen against the company in these orders.

Further, during the year 2020-21 The Assistant Commissioner of Income Tax, Central Circle-17, Jhandewalan, Delhi-110055 has also issued notice under section 148 of the Income Tax Act, 1961 for the assessment year 2013-14 to the company for re-assessment of the case. The company had filed its return of income under protest for the relevant assessment year in response to the notice received and requested the Assessing Officer to provide us copy of reasons recorded for re-opening of the case which is already assessed under section 143(3) of the Income Tax Act, 1961. Copy of reasons recorded is yet to be received by the company as on date.

The management believes on the conclusion of the proceedings under section 148 of the Income Tax Act, 1961, no liability would devolve on the Company in respect of these matters.

## b) Demands against the Company

Particulars	As at	As at
	31 March 2021	31 March 2020
Interest on delayed payment of lease management fees (note (ii))	52.28	52.28
Demand for cumulative interest (note (iii))	1,187.83	1,187.83
Demand by Custom Authorities (note(iv))	968.05	968.05
Demand of service tax (note (v))	638.41	638.41
Demand of Urban Development Tax (note (vi))	310.83	212.00
Demand of stamp duty (note vii)	908.20	908.20
Demand of annual room fees (note viii)	63.22	63.22
Demand of luxury tax (note ix)	107.12	0.00
Other claims not acknowledged as debt	180.85	180.85

- Certain employees have filed cases in the courts/ legal forums against termination/ suspension/ assault and have sought relief. The liability, if any, with respect to these claims is not currently ascertainable and in the opinion of the management, would not have material effect on these financial statements.
- Interest on delayed payment of lease management fees for one of the properties taken on lease, under a lease cum management contract, is being contested by the management and based on legal advice, the management is confident that the aforementioned liability shall not devolve on the Company.
- New Delhi Municipal Corporation (NDMC) has raised a demand of cumulative interest towards alleged delays in payments of initial license fees. The Company has responded to NDMC questioning the validity of such demand. NDMC has not provided the Company any basis of these demands. Based on a legal advice, the management is confident that the aforementioned liability shall not devolve on the Company.
- Demand by Custom Authorities against import of aircraft is being challenged by the Company at Customs Excise Service Tax Appellate Tribunal (CESTAT).
- Demand of Service Tax is being challenged by the Company at various forums.



- vi) Municipal Council of Udaipur has raised a demand of Urban Development tax for the financial years 2007-08 to 2018-2019. The demand has been challenged in the Hon'ble High Court at Jodhpur where interim relief was granted by the court. The Company has paid Rs. 40.00 lacs (31 March 2019: Rs. 35.00 lacs) for the said period. Based upon expert analysis, believes that no further provision is necessary at this stage.
- vii) During the year ended 31 March 2002, the Collector of Stamps at Udaipur issued a show cause notice towards stamp duty of approximately Rs. 908.20 lacs upon transfer of Laxmi Vilas Palace Hotel, the erstwhile unit of Indian Tourism Development Corporation (ITDC). The Company had filed a writ with the Hon'ble High Court of Jodhpur. The Hon'ble Court had directed the Collector Stamps not to raise any further order in this regard until the resolution of the transfer matter. The Company is of the view that there is no likelihood of any liability devolving on the Company and accordingly no provision, at this stage, is required in these financial statements.
- viii) Show cause notice (SCN) received from Department of Home (General) Secretariat, Goa demanding Rs. 63.22 lacs towards annual room fees for the period 2006-2011. The Company has filed reply to SCN stating that the Company has already paid their dues of Annual Room fees, and the demand is arbitrary and not appropriate. The matter is pending for disposal before Department of Home (General) Secretariat, Goa. The Company during the year, has received notice of demand of Rs. 53.22 lacs (after adjusting of Rs. 10 lacs paid by Company as security deposits) vide their letter date 13 January 2020. Against the demand order, the Company has filled writ petition with Hon'ble High Court of Bombay at Goa and accordingly, the court vide their order dated 9 March 2020 has ordered that the said demand letter will not be enforced and the earlier issued Show Cause notice dated 16 November 2015 is to be freshly disposed of. Based on the expert analysis, the Company is of the view that there is no likelihood of any liability devolving on the Company and accordingly no provision, at this stage, is required in these financial statements.
- ix) During the year, luxury tax department of Goa has raised a demand of Rs. 107.12 lacs (previous year NIL) towards reassessment of cases for the year 2015-16 and 2016-17 whereby they have denied the off season rebate benefit to the company. The company has paid Rs. 10.71 lacs being 10% of demand and appealed the order. There has been no hearing on the matter so far.

**c) Other Matters**

- i. The Payment of Bonus (Amendment) Act, 2015 enhanced the eligibility limit for payment of bonus of employees from Rs. 0.10 lacs per month to Rs. 0.21 lacs per month from the Financial Year 2014-15. The Company has estimated liability of Rs. 195.28 lacs for the Financial Year 2014-15. The above amendment has been stayed by various High Courts and the management, based on this, has not provided for enhanced bonus for Financial Year 2014-15 in the books of accounts.
- ii. The Company has received notices for playing music without license in the various hotels of the Company, infringement of copyright. Management is confident that it has complied with the license as per the arrangement and therefore do not foresee any liability.
- iii. During the year ended 31 March 2018, the Company had received show cause notice under section 13 of Luxuries Tax Act, 1996, being asked to submit books of accounts and other document pertaining to period from 2014-15 onwards. The Company has responded to the aforesaid notice received. The management believes, based on expert analysis, that no provision is required at this stage.
- iv. During the year ended 31 March 2015, Company had received a notice from the Secretary of the Udma Grama Panchayat on account of property tax revision under the Kerala Panchayat Raj (Property Tax, Service Cess and Surcharge) Rules, demanding differential property tax. The company has deposited the differential property tax, however the same is contested by the management in the Hon'ble High Court of Kerala. Thus, no liability is expected to arise on this account.

## Subsidiary Company

### Jyoti Limited

For the assessment years from 2005-06 to 2014-15, demand orders amounting to Rs. 1,918.76 lacs (31 March 2020: Rs. 1,921.57 lacs) were passed against the Company by relevant assessing officers on account of difference between actual market rent of the property and the license fee received. Appeals and cross appeals were filed with various judicial/appellate authorities including CIT(A) and ITAT. During the course of judicial proceedings, matters were decided in favor of the Company and demand was initially reduced to Rs. 201.08 lacs. The order was further contested by the Company and the demand has been finally reduced to Rs. Nil.

However, some appeal effect orders of the favorable orders to the demand of Rs. 201.08 lacs have been passed by the relevant officers and some are pending. Also, the department has filed appeals with High Court against such favorable orders.

For the assessment years 2016-17 and 2017-18, demand orders amounting to Rs. 304.15 lacs (31 March 2020: Rs. 304.15 lacs) were passed against the company by relevant assessing officers on account of difference between actual market rent of the property and license fee received. Appeals against the orders were filed with CIT(A) which are pending disposal as on date.

The management believes that it has merit in these cases and it is only possible, but not probable, that the case may be decided against the company. Hence, the same have been disclosed as contingent liability and no provision for any liability has been deemed necessary in the financial statements.

## Subsidiary Company

### Lalit Great Eastern Kolkata Hotel Limited

#### i. Contingent liabilities not provided for:

(All amounts Rs. in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Export commitment against EPCG licenses	5,395.56	5,646.99
Duty payable if export commitment not met	710.50	750.40
Service tax demand and penalty	2.33	2.33

ii. Demand of service tax amounting to Rs. 2.33 lacs (31 March 2020: Rs 2.33 lacs) on account of disallowance of service tax input credit for the financial year 2016-17. The Company has filed appeal before the appellate authorities against the demand order received from department. Based on internal evaluation, the management is confident that there would not be any probable outflow of resources in these matters and hence no provision is considered necessary at this stage.

iii. In earlier years, the Company had given certain portion of the premises to various entities and individuals on rent. After acquisition by Bharat Hotels Limited, the renovation of the property was initiated, for which it was necessary to have the afore-mentioned rented out portions vacated. Hon'ble Supreme Court vide its order dated 20 April 2018, had directed the tenant i.e. M/s Newman & Co. to vacate the premises within 6 months from the date of order and they have vacated the premises.

## Subsidiary Company

### Kujjal Hotels Private Limited ('KHPL')

#### Contingent liabilities not provided for:

Particulars	As at 31 March 2021	As at 31 March 2020
Export commitment against EPCG licenses obtained (refer note i)	3,996.12	5,239.34
Duty payable if export commitment not met	732.36	678.97





## Particulars

As at 31 March 2021	As at 31 March 2020
------------------------	------------------------

### Claims against the company not acknowledged as debt

- Estate Office , Chandigarh for delay in commencement of operations *(refer note ii)	1,403.00	1,403.00
- Municipal Corporation , Chandigarh * (refer note iv)	59.08	59.08
- District Court , Chandigarh (refer note iii)	50.00	50.00
- Service tax demand * (refer note v)	135.49	135.49
- Service tax demand * (refer note vi)	23.84	-

- i. The company has obtained the EPCG License to save Custom duty (net of licences surrendered) of Rs. 732.36 lacs corresponding obligation imposed was Rs. 3,996.12 lacs.
- ii. During the year 2013-2014, the Company had received a demand notice for Rs. 1,875.00 lacs on account of delay in commencement of operations from Estate Office, Chandigarh which was later reduced to Rs. 1,403.00 lacs by the Finance Secretary. As per the orders of the Finance Secretary, the Company paid Rs. 450.00 lacs under protest and the remaining has to be deposited within a year from the date of Partial Occupation Certificate. The Company had filed writ petition with Hon'ble High Court of Punjab & Haryana against the same demand. The Hon'ble Court has passed an order stating that further amount shall remain stayed till the final decision. Management believes that no provision is required.
- iii. A suit has been filed against the Hotel and its directors / officers, claiming damages of Rs. 50.00 lacs by the parents of a guest who had died in the hotel premises. The damages have been claimed for alleged negligence of the hotel and its officers. The Company has contested the claim at Punjab and Haryana High Court. The management believes that they have a strong case and no provision is required.
- iv. During the year 2019-20, KHPL received demand notice for recovery of Property tax for Rs 59.08 lacs pertaining to period from 2005-06 to 2017-18 from Chandigarh Municipal Corporation. The amount includes principal and interest. The Company had protested the said demand on the pretext that the entire IT Park, where the Hotel is located at Chandigarh was exempted from Property tax through Notification for development of IT Park. The contention of authority is that the exemption was applicable to IT Companies only and no other commercial institutions. The matter is still under consideration with authority. The management believes that they have a strong case and no provision is required.
- v. Service tax Show Cause Notice dated 24.10.2018 wherein demand of Rs 135.49 lacs has been raised on account of additional service tax towards alleged wrong abatement applied during the Financial Year 2013-14 to 2016-17. The Company has filed the reply. The management believes that they have a strong case and no provision is required.
- vi. Service tax Show Cause Notice dated 06.02.2020 has been received by the KHPL from service tax department wherein demand of Rs. 23.84 lacs has been issued under section 6 (c) of Finance Act, 1994 on account of additional service tax towards wrong abatement applied during the period April 2017 to June 2017. The KHPL has filed the reply stating that there are three different services provided by the KHPL i.e. Room, Restaurant and Mandap keeper and accordingly three different abatement rates were applicable. The management believes that they have a strong case and no provision is required.

### Guarantees:

In respect of bank guarantees issued in favour of:

## Particulars

As at 31 March 2021	As at 31 March 2020
------------------------	------------------------

Guarantees given to Customs Department for export obligations, Estate Office, Chandigarh	862.20	862.20
Guarantees given to Service Tax Department	0.50	0.50

## **Note 61 :**

- (a) The Company had obtained land on license of 99 years from New Delhi Municipal Corporation (NDMC) with effect from 11 March 1981. The Company had constructed a hotel and commercial tower on the aforementioned land. The Company is paying annual license fee of Rs. 145.00 lacs to the NDMC which is subject to revision after every 33 years provided that increase in license fees, shall be linked to the increase in the market value of the Underlying Land, subject to the ceiling of 100% of the preceding immediately license fee. NDMC did not increase the license fee upon the expiry of 33 years. In November 2016, NDMC issued a demand of Rs. 19,887.73 lacs vide provisional bills towards the increase in license fee from the date expiry of the first term of 33 years. The Company filed the writ with the Hon'ble High Court at Delhi challenging the demand and basis thereof. The Hon'ble High Court, in February 2017, quashed and set aside the aforementioned provisional bills directing NDMC to recomputed the demand, if any, and issue final bills with the basis of calculation specifically spelt out. During the current year, the Company has received a demand notice amounting to Rs. 106,374.60 lacs. The Company has filed a writ with the Hon'ble High Court of Delhi and subsequent to the year end Court has directed the Company to pay license fee calculated at 100% increase on immediately preceeding license fee with effect from 2014 along with interest aggregating to Rs. 1,000 lacs, which have been paid and recorded in the financial statement by the Company. The management based upon legal analysis, believes that no liability would devolve on the Company in respect of this matter.
- (b) During the year ended 31 March 2019, the Company had received a Show Cause Notice (SCN) from NDMC regarding alleged unauthorized construction at New Delhi Hotel and its Commercial towers (Collectively referred as New Delhi Property). The management has filed its response to the observation in the notice and sought documents/information to access the unauthorized construction, if any. Subsequently, NDMC has issued an order to the Company for demolition of alleged unauthorized construction. The Company has filed a writ against aforesaid with the Hon'ble of High Court of Delhi. The Court stayed the demolition order. The management has without prejudice removed certain part of the alleged area which do not significantly affects its business. The Management based upon legal analysis, believes that no liability would devolve over the company.
- (c) During the previous year, Company has received notice from the Collector of Stamp, Delhi wherein department has sought explanation as to why transfer of right to use of commercial establishment at Delhi location (including hotel and commercial towers) is not liable to stamp duty. In the current period, the Company has received demand order of Rs. 510.40 lacs (including penalty). Subsequently, the Company has filed an appeal with Chief Controlling Revenue Authority ("CCRA") and simultaneously has obtained stay on the said demand from Hon'ble High Court of Delhi. Based on the legal analysis, the Company is of the view that there is no likelihood of any liability devolving on the Company and accordingly no provision, at this stage, is required in these financial statements.
- (d) During the previous year, the Company has received the demand notice (the "Notice") from New Delhi Municipal Council ('NDMC') directing it to pay on provisional basis an amount of Rs. 543.36 crores to Land and Development Office (L&DO) towards misuse, damage charges etc. for its construction at its New Delhi property therein. This demand has been raised by L&DO on NDMC. The Company has obtained a stay on the said demand from Hon'ble High Court of Delhi. The management believes that this amount is not payable as NDMC itself has disputed the demand of L&DO stating that the claim is not payable and has requested L&DO to delete the demand. The management based upon legal analysis, believes that no liability would devolve on the Company in respect of this matter.
- (e) During the previous year, NDMC while considering the matter referred above, issued a termination notice for above license arrangement against which the Company has filed a writ with Hon'ble High Court of Delhi and vide order dated 4 March 2020, the Hon'ble High Court of Delhi directed NDMC not to take any coercive action against the Company. As explained in notes above and based upon the legal analysis,



no liability should be devolved as management firmly believes that the notice of termination should be quashed by the Court/concerned authority. In the year 2014, FIR was registered with Central Bureau of Investigation ('CBI'), Jodhpur on the basis of certain information that unlawful loss has been caused to public exchequer. The CBI after conducting its investigation has submitted its final report to the special CBI court on 16 April 2019 which states that no case for alleged offence has been made out and filed for case closure before the special CBI court. However, the special CBI court vide its order dated 13 August 2021, directed further investigation into this matter. The CBI submitted its final report on 05 June 2020 for closure of the case as no evidence is available for launching the prosecution.

However, the Special CBI Court (the "Court") refused to accept the final report of CBI and passed the directions to register criminal case against the Managing Director of the Company and other persons vide its order dated 15 September 2020. Further, the Court ordered to takeover the said Hotel property and revert back to the public sector unit ITDC, which should run it. Accordingly, the District Collector of Udaipur has initiated the process of takeover.

Subsequently, the Company has filed an appeal with Hon'ble High Court of Jodhpur and has obtained stay proceedings vide their order dated 22 September 2020 and possession of the property has been restored to the Company. The matter is presently sub-judice.

The management based upon legal analysis, believes that no liability would devolve on the Company in respect of all the above matters and would be quashed by the CBI special court.

**Note 62:**

As per the terms of the land allocation agreement of Ahmedabad property, the Company was required to complete the construction within two years from the date of allotment i.e. by 23 March 2010. During the year, the Company had applied to the State Government of Gujarat for an extension of the construction period upto May 2022. The management does not anticipate any concern in obtaining extension of the completion deadline for the project. Further, during the year the Company has obtained fair market valuation of the property to assess the impairment since the FMV of the asset is higher than the carrying value of the CWIP of Ahmedabad property of Rs. 17,690.36 lacs.

**Note 63 : REVENUE FROM CONTRACTS WITH CUSTOMERS**

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contracts with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

The Group has adopted the standard on 1 April 2018 using modified retrospective approach with a cumulative catch-up adjustment made in retained earnings at the beginning of the current financial year, i.e. 1 April 2018 as if the standard had always been in effect. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of the new standard did not result in any adjustments to the Group's revenue or net income. Also, there is no impact on the retained earnings as at 1 April 2017.

## A. Disaggregation of revenue

### I. Based on product and services

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>(A) Sale of services and product</b>		
Revenue from hospitality services	13,013.22	54,308.93
Revenue from membership programme	359.49	784.30
Revenue from sale of traded goods	12.24	71.88
<b>(B) Other ancillary revenue</b>		
Rent and maintenance	1,330.03	1,351.06
Consultancy/management fee	-	94.83
Tuition and application fees	277.55	245.05
<b>Total revenue from continuing operation (A + B)</b>	<b>14,992.53</b>	<b>56,856.04</b>
<b>Revenue from discontinuing operation</b>	<b>3,545.01</b>	<b>14,917.37</b>
	<b>18,537.54</b>	<b>71,773.41</b>

### II. Based on segment

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
Hotel operations	16,373.79	69,068.15
Aircraft charter operations	76.19	475.86
Other activities	2,087.56	2,229.40
	<b>18,537.54</b>	<b>71,773.41</b>

\* The Group operates in single geographical location i.e. India.

## B. Contract balances

The following tables present information about trade receivables, contract assets, and contract liabilities:

Description	As at 31 March 2021	As at 31 March 2020
Trade receivables (refer note 10)	2,435.82	4,827.32
Contract assets (unbilled revenue) (refer note 14)	106.04	42.35
Contract liabilities		
Provision for membership programme (refer note 27)	155.29	155.29
Advance from customers (refer note 28)	1,513.01	1,719.22
Deferred revenue of membership programme (refer note 28)	150.94	459.55

A trade receivable is recorded when the Group has issued an invoice and has an unconditional right to receive payment. In respect of revenues from hospitality services, the invoice is typically issued as the related performance obligations are satisfied.

### Contract assets

An entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. The table does not include amounts which were received and recognised as revenue in the year.



Description	As at 31 March 2021	As at 31 March 2020
Opening balance	42.35	260.28
Less : Recognised as revenue	(63.69)	217.93
<b>Closing balance</b>	<b>106.04</b>	<b>42.35</b>
Current	106.04	42.35
Non current	-	-
<b>Total</b>	<b>106.04</b>	<b>42.35</b>

#### Contract liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

#### Advance from customers

Advance from customer is recognised when payment is received before the related performance obligation is satisfied. The table does not include amounts which were received and recognised as revenue in the year.

Description	As at 31 March 2021	As at 31 March 2020
Opening balance	1,719.22	1,377.96
Less : Recognised as revenue	206.21	(341.26)
<b>Closing balance</b>	<b>1,513.01</b>	<b>1,719.22</b>
Current	1,513.01	1,719.22
Non current	-	-
<b>Total</b>	<b>1,513.01</b>	<b>1,719.22</b>

#### Deferred revenue

Deferred revenue is recognised when payment is received before the related performance obligation is satisfied. The main categories of deferred revenue relate to the Loyalty and Membership programme. The table does not include amounts which were received and recognised as revenue in the year.

Description	As at 31 March 2021	As at 31 March 2020
Opening balance	614.84	655.77
Add : Increase in deferred revenue during the year	(308.61)	(40.93)
<b>Closing balance</b>	<b>306.23</b>	<b>614.84</b>

#### C. Significant changes in contract assets and liabilities

There has been no significant changes in contract assets/contract liabilities during the year.

#### Note 64:

The Group has incurred a net loss of Rs. 9,053.25 lacs (31 March 2020: Rs. 7,379.87 lacs) and the Group's current liabilities exceeded its current assets by Rs. 7,568.43 lacs as at 31 March 2021. However, the Group has already taken various measures with an aim to improve its financial condition, inter-alia, restructuring of the existing borrowings, as mentioned in Note 19, monetization of the various assets as identified as "asset held for sale" and deploy funds available with the Group in form undrawn facility of existing borrowings for the operation of the Group. Based on these measures and continuous efforts to improve the business performance, the management believes that it would be able to generate sustainable cash flows, discharge its obligations as they fall due and

therefore the financial results have been prepared on going concern basis. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of these financial statements. The associated economic impact of the pandemic is highly dependent on variables that are difficult to predict. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Group will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.

COVID-19 pandemic has impacted and continues to impact business operations of the Group due to lockdown, travel bans, and other emergency measures. With respect to operations of the Group, it has impacted its business by way of reduction in occupancy rate of hotel and average realization rate per room starting from the month of March 2020 and management has undertaken/in undertaking various cost savings initiatives to conserve cash. Further, the Group submitted its resolution plan for restructuring of its existing borrowings dated 20 February 2021 under 'Resolution Framework for COVID-19-related stress' dated 06 August 2020 ('COVID Framework' as amended from time to time) issued by Reserve Bank of India which is approved by their board of directors and has been subsequently signed and approved by the lender subsequent to the year end. Accordingly, the principal and interest payments repayable within next 12 months have been deferred as per the framework agreement.

In evaluating the impact of COVID-19 on its ability to continue as a going concern and the possible impact on its financial position, the management has assessed the impact of macro-economic conditions on its business and the carrying value of its major assets comprising of Property, Plant and Equipment ('PPE') as at the balance sheet date. In this regard, the management has carefully considered the circumstances and risk exposures arising from the COVID-19 situation for developing estimates on the basis of all available information in its assessment of impact thereof in its financial reporting.

**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N\N500013

Sd/-  
**Rohit Arora**  
Partner  
Membership No.504774

Place : New Delhi  
Date : 8 October 2021

For and on behalf of the Board of Directors of  
**Bharat Hotels Limited**

Sd/-  
**Dr. Jyotsna Suri**  
Chairperson and  
Managing Director  
DIN - 00004603

Sd/-  
**Gopal Jagwan**  
Chief Financial Officer

Place : New Delhi  
Date : 8 October 2021

Sd/-  
**Divya Suri Singh**  
Executive Director  
DIN-00004559

Sd/-  
**Himanshu Pandey**  
Company Secretary  
and Head - Legal



**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/  
ASSOCIATE COMPANIES**

**Form AOC-1**

(Pursuant to first provision to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules 2014)

**Part "A": SUBSIDIARIES**

Sr. No.	Particulars	Name of Subsidiary				
		Lalit Great Eastern Kolkata Hotel Limited	Jyoti Limited	Prime Hospitality Pvt. Limited	PCL Hotels Limited	Kujjal Hotels Pvt. Ltd.*
1	Reporting period	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021
2	Reporting Currency	INR	INR	INR	INR	INR
3	Share Capital	8,087,100	6,300,400	30,100,000	400,000,000	800,000,000
4	Reserves & Surplus	(592,684,310)	(79,402,175)	(42,545,647)	(451,215,913)	(2,228,573,794)
5	Total Assets	4,022,072,434	12,846,058	563,248	11,928,916	3,642,323,057
6	Total Liabilities	4,022,072,434	12,846,058	563,248	11,928,916	3,642,322,848
7	Investments	-	-	-	10,000,000	-
8	Turnover	91,073,039	2,500,000	-	-	147,056,229
9	Profit/ (Loss) before Taxation	(227,063,889)	(1,137,478)	42,175,554	(4,733,833)	(359,177,901)
10	Provision for Taxation	63,418,062	42,602	-	-	(84,998,870)
11	Profit/ (Loss) after Taxation	(163,644,827)	1,180,080	42,175,554	(4,733,833)	(274,179,031)
12	Proposed Dividend	-	-	-	-	-
13	% of Shareholding	90%	99.99%	100.00%	99.60%	*

\* 50.00% shares held by PCL Hotels Ltd. (subsidiary of the Company)

**PART "B": ASSOCIATES AND JOINT VENTURES**

Sr. No.	Particulars	Name of Joint Ventures			
1	Latest Audited Balance sheet date				
2	Shares held by the company on the year end				
	Number				
	Amount of Investment				
	Extent of Holding %				
3	Description of how there is significant influence				
4	Reason why not consolidated				
5	Net worth attributable to shareholding				
6	Loss for the year				
i	Considered in Consolidation				
ii	Not Considered in Consolidation				

For and on behalf of the Board of Directors of  
**Bharat Hotels Limited**

Sd/-  
**Dr. Jyotsna Suri**  
Chairperson and Managing  
Director  
DIN: 00004603

Sd/-  
**Divya Suri Singh**  
Executive Director  
DIN: 00004559

Sd/-  
**Gopal Jagwan**  
Chief Financial Officer

Sd/-  
**Himanshu Pandey**  
Company Secretary  
and Head Legal

Place : New Delhi  
Date : 8<sup>th</sup> October, 2021





**The Lalit Suri Hospitality Group**

The Lalit New Delhi • The Lalit Ashok Bangalore • The Lalit Mumbai • The Lalit Great Eastern Kolkata  
The Lalit Jaipur • The Lalit Laxmi Vilas Palace Udaipur • The Lalit Golf & Spa Resort Goa  
The Lalit Grand Palace Srinagar • The Lalit Temple View Khajuraho • The Lalit Resort & Spa Bekal (Kerala)  
The Lalit Chandigarh • The Lalit Mangar

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The Lalit Traveller Jaipur • The Lalit Traveller Khajuraho

(A Bharat Hotels Enterprise)

T: +91 11 4444 7474 / 1800 11 77 11 (India Toll Free)

[www.thelalit.com](http://www.thelalit.com)





# BHARAT HOTELS LIMITED

(The Lalit® is a brand owned by Bharat Hotels Limited)

Barakhamba Avenue, Connaught Place, New Delhi 110001 India

India Toll Free: 1800 11 77 11 or Call +91 11 4444 7474

T: 91 11 4444 7777 F: 91 11 4444 1234

E: corporate@thelalit.com W: www.thelalit.com

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