

# BENARES HOTELS LIMITED

CIN: L55101UP1971PLC003480

Corporate Office: Taj Palace, Sardar Patel Marg, New Delhi - 110021

Phone: 011 6650 3549/3704, 26110202 | Website: [www.benareshotelslimited.com](http://www.benareshotelslimited.com)

September 1, 2020

## **BSE Limited**

Corporate Relationship Department,  
1st Floor, New Trading Ring,  
Rotunda Building, P.J Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

**Scrip Code : 509438**

### **Re : Submission of copy of Annual Report under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sirs,

The 49<sup>th</sup> Annual General Meeting (“AGM”) of the Company will be held on Tuesday, September 29, 2020 at 3.00 p.m. (IST) via two-way Video Conferencing / Other Audio Visual Means only, in accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020.

Pursuant to the provisions of Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, please find attached herewith Annual Report of the Company along with the Notice of the 49<sup>th</sup> AGM and other Statutory Reports for the Financial Year 2019-20, which is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar and Transfer Agent/ Depositories.

The Annual Report for the Financial Year 2019-20 is also uploaded on the website of the Company at [www.benareshotelslimited.com](http://www.benareshotelslimited.com).

You are requested to kindly take the same on record.

Thanking you.

Yours faithfully,  
for **Benares Hotels Limited**



**Vanika Mahajan**  
**Company Secretary**

**Registered Office: Nadesar Palace Compound, Varanasi - 221 002**

**Tel.: 0542 666 0001**

**BENARES HOTELS LIMITED**  
49<sup>th</sup> ANNUAL REPORT 2019-20





Taj Nadesar Palace, Varanasi

## **Corporate Information**

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### **Board of Directors**

DR. ANANT NARAIN SINGH  
(Chairman)

PUNEET CHHATWAL

RUKMANI DEVI

ROHIT KHOSLA

MOIZ MIYAJIWALA

PUNEET RAMAN

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### **Company Secretary**

Vanika Mahajan

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### **Auditors**

PKF Sridhar & Santhanam, LLP  
Chartered Accountants

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### **Registered Office**

Nadesar Palace Compound,  
Varanasi - 221 002  
Phone: 0542-6660001  
CIN-L55101UP1971PLC003480  
Website: [www.benareshotelslimited.com](http://www.benareshotelslimited.com)

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### **Registrar and Share Transfer Agent**

Link Intime India Pvt. Ltd.  
(Unit: Benares Hotels Limited)  
Noble Heights, 1st Floor,  
Plot No. NH 2, LSC,  
C-1 Block, Near Savitri Market, Janakpuri,  
New Delhi-110058  
Phone: 011 4941 1000  
Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

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**BENARES HOTELS LIMITED**  
Forty Ninth Annual Report 2019-20

<b>HIGHLIGHTS</b>	<b>2019-20</b>	<b>2018-19</b>
	<b>₹ Lakh</b>	<b>₹ Lakh</b>
Gross Revenue	6,383.70	6,038.80
Profit Before Tax	1,349.67	1,217.72
Profit After Tax	1,061.20	872.29
Total Comprehensive Income	1,048.90	874.42
Retained Earnings	7,701.28	7,040.24
Total Assets	10,479.59	9,659.82
Net Worth	7,831.28	7,170.24
Borrowings	550.00	500.00
Debt: Equity Ratio	0.07:1	0.07:1
Net Worth Per Equity Share (₹ 10/- Each)	₹ 602.41	₹ 551.56
Earnings Per Equity Share (₹ 10/- Each)	₹ 81.63	₹ 67.10
Profit before Tax Ratio to Turnover	21.14%	20.16%



# BENARES HOTELS LIMITED

## Forty Ninth Annual Report 2019-20

### Notice to the Members

Notice is hereby given that the Forty Ninth Annual General Meeting of the Members of BENARES HOTELS LIMITED will be held on Tuesday, 29th September, 2020 at 3.00 p.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year 2019-2020.
3. To appoint a Director in place of Dr. Anant Narian Singh (DIN 00114728), who retires by rotation and, being eligible, offers himself for re-appointment.

#### NOTES

1. In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to 'Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)' read with General Circular No. 14/ 2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19' (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Covid-19 pandemic' ('SEBI Circular') permitted the holding of the Annual General Meeting ('AGM') through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC / OAVM on Tuesday, 29th September, 2020 at 3.00 p.m (IST).

2. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
3. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 49th AGM through VC/OAVM facility. Corporate Members intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC or OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at investorrelations@tajhotels.com with a copy marked to evoting@nsdl.co.in.
4. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15



minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited's ('NSDL') e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.

7. In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The Notice convening the 49th AGM has been uploaded on the website of the Company at [www.benareshotelslimited.com](http://www.benareshotelslimited.com) and may also be accessed from the relevant section of the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**8. Book Closure and Dividend:**

The Company has fixed Tuesday, September 22, 2020 as the 'Record Date' for determining entitlement of Members to final dividend for the Financial Year ended March 31, 2020, if approved at the AGM.

The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, September 23, 2020 to Wednesday, September 30, 2020; (both days inclusive)

The dividend of ₹ 7.50 per equity share of ₹ 10 each (75%), if declared at the AGM, will be paid subject to deduction of tax at source ('TDS') on or after Friday, October 9, 2020 as under:

- a) To all the Beneficial Owners as at the end of the day on Tuesday, September 22, 2020 as per the list of beneficial owners to be furnished by the NSDL and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- b) To all Members in respect of shares held in physical form after giving effect to valid

transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Tuesday, September 22, 2020.

9. At the 47th AGM held on August 24, 2018, the Members approved appointment of PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 52nd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 49th AGM.

10. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company / its RTA by sending documents at its e-mail ID [vinay.kumar@linkintime.co.in](mailto:vinay.kumar@linkintime.co.in) or update the same by visiting the link : <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before Tuesday, September 15, 2020 in order to enable the Company to determine and deduct appropriate TDS/ withholding tax rate. No communication/ documents on the tax determination / deduction shall be considered post 11:59 PM (IST) of Tuesday, September 15, 2020. For the detailed process, please click here: <https://www.benareshotelslimited.Com/CommunicationonTaxDeductiononDividend.pdf>.

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11. Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means, are requested to follow the below instructions and send the details latest by Tuesday, September 15, 2020:

Physical Holding	<p>1) Visit the link <a href="https://linkintime.co.in/emailreg/email_register.html">https://linkintime.co.in/emailreg/email_register.html</a> under Bank detail Registration - fill in the following details relating to bank account in which the dividend is to be received:</p> <ul style="list-style-type: none"> <li>• Name of Bank;</li> <li>• Bank Account Number and</li> <li>• 11 digit IFSC Code;</li> </ul> <p>a) upload a self-attested scanned copy of the PAN Card;</p> <p>b) upload a self-attested scanned copy of any document (such as AADHAR Card, Passport) in support of the address of the Member as registered with the Company;</p> <p>c) upload a self-attested scanned copy of cancelled cheque leaf bearing the name of the Member or first holder, in case shares are held jointly</p>
Demat Holding	Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

12. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs. Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

13. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall within 30 days of normalisation of the postal services dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Members.

14. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact Company's Registrars and Transfer Agent, Link Intime India Private Limited ('RTA') at delhi@linkintime.co.in for assistance in this regard.

#### 15. **Transfer of Unclaimed / Unpaid dividend and Shares to the Investor Education and Protection Fund (IEPF):**

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividends remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account are liable to be transferred to the Investor Education Protection Fund Authority (IEPFA).

In pursuance of this, the dividends remaining unclaimed or unpaid in respect of dividends declared upto the financial year ended March 31, 2012 have already been transferred to the IEPE. The details of the unclaimed dividends so transferred are available on the Company's website at [www.benareshotelslimited.com](http://www.benareshotelslimited.com) and on the website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

It may be noted that unclaimed dividends for the financial year 2012 -13 declared on August 16, 2013 is due to be transferred to the IEPF by September 2020. The same can, however, be claimed by the Members latest by the end of August 2020. Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2013 may forward their claims to the Company's Registrar and Share Transfer Agents before they are due to be transferred to the IEPF, details of which are given in the Corporate Governance Report.

Further, in accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2012 and remained unpaid or unclaimed were transferred to the IEPF.

The Company has sent notices to all such Members in this regard and thereafter transferred the shares to the IEPF during Financial Year 2019-20. The details of such shares transferred is available on the Company's website at [www.benareshotelslimited.com](http://www.benareshotelslimited.com).

The Members, whose unclaimed dividends or shares have been transferred to IEPF, may claim the same after complying with the procedure prescribed under the IEPF Rules, by making an application to the IEPF Authority, in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

16. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) in case the shares are held in physical form, quoting your folio no. Further, Members may note that Securities and Exchange Board of

India ('SEBI') has mandated the submission of PAN by every participant in securities market.

17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
18. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. Members are requested to submit the said form to their DP in case the shares are held by them in electronic form and to the RTA at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) in case the shares are held in physical form, quoting your folio no.
19. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
20. Relevant documents for inspection will be available electronically, without any fee, from the date of circulation of the Notice of AGM up to the date of AGM. Members seeking to inspect such documents can send an e-mail to [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com) stating their DP ID / Client ID / or Folio No.s
21. To support the 'Green Initiative', Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants (DPs) in case the shares are held by them in electronic form and with the Company's Registrars and Transfer Agents (Link Intime India Private Limited), in case the shares are held by them in physical form.

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#### 22. Process for registering e-mail addresses to receive this Notice of AGM and Annual Report electronically and cast votes electronically:

- (i) **Registration of e-mail addresses with Link Intime India Private Limited:** The Company has made special arrangements with the RTA for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company / DPs are required to provide the same to the RTA on or before 5:00 p.m. IST on Tuesday, September 15, 2020.

Process to be followed for registration of e-mail address is as follows:

a)	Visit the link: <a href="https://linkintime.co.in/emailreg/email_register.html">https://linkintime.co.in/emailreg/email_register.html</a>
b)	Select the company name viz. Benares Hotels Limited;
c)	Enter the DP ID & Client ID / Physical Folio Number and PAN number. In the event the PAN details are not available on record for Physical Folio, Member to enter one of the Share Certificate numbers;
d)	Upload a self-attested copy of PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation;
e)	Enter your e-mail address and mobile number;
f)	The system will then confirm the e-mail address for receiving this AGM Notice.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for Financial Year 2019-20 along with the e-Voting user ID and password. In case of any queries, Members may write to [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- (ii) **Registration of e-mail address permanently with Company/DP:** Members are requested to register the same with their concerned DPs, in respect of electronic holding and with the RTA, in respect of physical holding, by writing to them at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in). Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs / RTA to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.
- (iii) Alternatively, those Shareholders who have not registered their e-mail addresses are required to send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) along with the following documents for procuring user id and password and registration of e-mail ids for e-Voting for the resolutions set out in this Notice:
- In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.
  - In case shares are held in demat mode, please provide DPID-Client ID (8 digit DPID + 8 digit Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.

#### Process and manner for Members opting for e-Voting is as under:-

23. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into

an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.

24. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Tuesday, September 22, 2020 may cast their vote by remote e-Voting. The remote e-Voting period commences on Thursday, September 24, 2020 at 9.00 a.m. (IST) and ends on Monday, September 28, 2020 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before the AGM and remote e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Tuesday, September 22, 2020.
25. Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e Voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the member has already cast the vote through remote e-Voting.
26. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date, i.e. Tuesday, September 22, 2020 may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
27. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
28. The Scrutinizer will submit his report to the Chairman or to any other person authorized by the Chairman after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes casted through remote e-Voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchange on which the Company's shares are listed, NSDL, and RTA and will also be displayed on the Company's website at [www.benareshotellimited.com](http://www.benareshotellimited.com).
29. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below.

#### **A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM**

- i. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system and they may access the same at <https://www.evoting.nsd.com> under the Shareholders/Members login by using the remote e-Voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM through a live webcast of the meeting and submit votes on announcement by the Chairman. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve

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the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further, Members may also use the OTP based login for logging into the e-Voting system of NSDL.

- ii. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- iii. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at this AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail address at **investorrelations@tajhotels.com** before 3.00 p.m. (IST) on Saturday, September 26, 2020. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
- iv. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at **investorrelations@tajhotels.com** between Wednesday, September 23, 2020 (9:00 a.m. IST) and Saturday, September 26, 2020 (5:00 p.m. IST). **Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.** The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- v. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.: 1800-222-990 or contact Mr. Amit Vishal, Senior Manager NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or call on +91 22 24994360 or contact Ms. Pallavi Mhatre, Manager, NSDL at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or call on 022-24994545.

#### B. INSTRUCTIONS FOR E-VOTING BEFORE / DURING THE AGM

##### • INSTRUCTIONS FOR REMOTE E-VOTING BEFORE THE AGM ARE AS UNDER:

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

##### **How to Log-in to NSDL e-Voting website?**

- A. Visit the e-Voting website of NSDL. Open web browser by typing the following: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- B. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
- C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

D. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
i) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
ii) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
iii) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113648 then user ID is 113648001***

E. Your password details are given below:

- i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- iii. How to retrieve your 'initial password'?

If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

F. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

- i. Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- ii. 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- iii. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

G. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

H. Now, you will have to click on 'Login' button.

I. After you click on the 'Login' button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically on NSDL e-Voting system.

### How to cast your vote electronically on NSDL e-Voting system?

A. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

# BENARES HOTELS LIMITED

## Forty Ninth Annual Report 2019-20

- B. After clicking on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- C. Select 'EVEN' of the company which is 113648 to cast your vote.
- D. Now you are ready for e-Voting as the Voting page opens.
- E. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- F. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- G. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- H. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

• **INSTRUCTIONS FOR E-VOTING DURING THE AGM ARE AS UNDER:**

- i. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.
- ii. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

**General Guidelines for Members**

- i. Institutional/ Corporate Shareholders (i.e. other than Individuals, HUF, NRIs, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- iii. In case of any queries /grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available in the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on the toll-free number : 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). In case of any grievances connected with facility for e-Voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. E-mail: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / Tel no: 022-24994545 / Toll free no.: 1800-222-990.

By order of the Board of Directors

**Vanika Mahajan**  
**Company Secretary**  
(A34515)

Varanasi, May 28, 2020

**Registered office:**

Nadesar Palace Compound,  
Varanasi - 221 002  
CIN: L55101UP1971PLC003480  
Tel.: 0542 6660001  
E-mail: [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com)  
Website: [www.benareshotelslimited.com](http://www.benareshotelslimited.com)



**Profile of Directors seeking Re-Appointment at the  
forthcoming Annual General Meeting of the Company  
(Pursuant to the SEBI Regulations)**

Name of Director	Dr. Anant Narain Singh
Date of Birth	August 26, 1960
Date of Appointment	January 31, 2001
Expertise in specific functional area	Agriculture
Qualifications	B.Com (Hons.) in Company Law
Details of shares held in the Company	24,000
List of Companies in which outside Directorships held as on 31.03.2020 (excluding foreign companies, private companies and Section 8 companies)	Vibhuti Glass Works Ltd.
Chairman/Member of the Committees of other Companies on which he is a Director as on 31.03.2020	Audit Committee None Stakeholders Relationship Committee None

# BENARES HOTELS LIMITED

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### BOARD'S REPORT TO THE MEMBERS

The Directors hereby present the Forty Ninth Annual Report of BENARES HOTELS LIMITED ("*BHL*" or "*the Company*") along with the Audited Financial Statements for the Financial Year ended March 31, 2020.

#### OPERATING AND FINANCIAL RESULTS

	(₹ Lakhs) <u>2019-20</u>	(₹ Lakhs) <u>2018-19</u>
Income .....	6,384	6,039
Gross Profit for the year .....	2,095	1816
Less: Depreciation .....	638	523
Less: Interest.....	108	76
Profit before tax .....	1,350	1218
Less: Provision for Tax:		
- Current Tax .....	312	272
- Deferred Tax .....	-24	74
- Provision of tax of earlier years ( Net ) .....	—	—
Profits after Taxes .....	1,061	872
Add: Other Comprehensive Income (Net of Taxes).....	-12	2
Total Comprehensive Income .....	1,049	874
Add: Balance brought forward from previous year .....	4,872	4233
Changes in accounting policy - Transition impact of Ind AS 116 .....	-153	—
Balance available for appropriations .....	5,768	5107
Less: Dividend Paid .....	-195	-195
Less: Tax on Dividend .....	-40	-40
Less: Amount transferred to General Reserve .....	—	—
<b>Balance Carried forward</b> .....	<b>5,533</b>	<b>4,872</b>

#### COMPANY'S OPERATIONS AND PERFORMANCE

The rebranded hotel "Taj Ganges Varanasi" has received strong response in the market. The hotel has completed the renovation in phases starting from 2017/18, in which all 130 rooms including Lobby and the Tea Lounge have been renovated.

During the year, your Company added three new additional suites and one additional room to the inventory of Taj Nadesar Palace. Accordingly, it has now 14 keys instead of 10 keys. Also, the company has operationalized Tented Jiva SPA at Taj Nadesar Palace.

The Total Income for the year ended 31st March, 2020 at Rs. 6384 lakhs represents a growth of 6% over the previous year. The room revenue increased by 9% driven by growth in rooms per day & average room rate. The Food & Beverage Revenues increased by 3% over the previous year.

The Gross Operating Profit (EBIDTA) achieved by the Company for the year was at Rs. 2095 Lakhs, thereby registered an increase of 15% over the previous year.

The Profit before Tax for the year was at Rs. 1350 Lakhs, as compared to Rs. 1218 lakhs for the previous year. The Profit after Tax for the year was at Rs. 1061 lakhs, as compared to Rs. 872 lakhs for the previous year.

#### DIVIDEND

Based on the performance of the Company and keeping in view of the uncertainty in the business arisen out of the outbreak of Global Pandemic Covid 19, the Board recommended a dividend @ 75% i.e. ₹ 7.50 per fully paid Equity Share on 13,00,000 Equity Shares of face value ₹ 10 each, for the year ended March 31, 2020 (Previous Year ₹ 15 per share).

The dividend on Equity Shares, if approved by the Members, would involve a cash outflow of ₹ 97.50 lakhs.

## **HOLDING, SUBSIDIARY COMPANIES**

The Indian Hotels Company Limited (IHCL) is the ultimate Holding Company of BHL. The Company does not have any subsidiary company.

## **DIRECTORS**

In accordance of the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Articles of Association of the Company, Dr. Anant Narain Singh (DIN: 00114728), Director of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment. A resolution seeking Shareholders' approval for his re-appointment forms part of the Notice.

During the year under report, there was no change in the Directorship of the Company.

During the year under review, the non-executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any incurred by them for the purpose of attending meetings of the Board/Committee and general meeting of the Company.

## **KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are:

Mr. Vijay Partap Shrikent, Chief Executive Officer (CEO)

Mr. Harish Kumar, Chief Financial Officer (CFO)

Ms. Vanika Mahajan, Company Secretary (CS)

## **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR**

During the year under review, four (4) Board Meetings were held and the intervening gap between the meetings did not exceed the period of one hundred and twenty days, the details of which are given in the Corporate Governance Report, which is a part of this report.

## **STATUTORY AUDITORS**

At the 47th AGM held on August 24, 2018, the members approved the appointment of PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018), as the Statutory Auditors of the Company to hold office for a period of five consecutive years, from the conclusion of the 47th AGM till the conclusion of the 52nd AGM of the Company to be held in the year 2023, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditor at the ensuing AGM.

The report of the Statutory Auditors along with the Notes to Schedules forms part of this Annual Report and contains an unmodified opinion without any qualification, reservation, disclaimer or adverse remark.

The Statutory Auditors of the Company have not reported any fraud as specified in Section 143 (12) of the Act.

## **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed D. S. Associates, Company Secretaries, to undertake the Secretarial Audit of your Company for the financial year 2019-20. The secretarial audit report is attached to this Report as Annexure 3. The report does not contain any qualifications, reservation, disclaimers or adverse remarks.

## **COST AUDIT**

Maintenance of cost records as specified by the Central Government under Section 148 (1) of the Act is not applicable to the Company.

# BENARES HOTELS LIMITED

## Forty Ninth Annual Report 2019-20

### EXTRACT OF ANNUAL RETURN

As per the requirement of Section 92(3) of the Act and Rules framed thereunder, the extract of Annual Return for the Financial Year 2019-20 is furnished in Annexure - 4 in the prescribed Form No. MGT-9, which is a part of this report.

The Annual Return for Financial Year 2019-20 is also available on the Company's website at <https://www.benareshotelslimited.com/en-in/AGM-2020/>

### AUDIT COMMITTEE AND VIGIL MECHANISM

The Company has an Audit Committee with Mr. Moiz Miyajiwala, Mrs. Rukmani Devi and Mr. Rohit Khosla as its members. During the year under report, there was no change in the constitution of the Committee.

In line with the Tata Code of Conduct ('TCOC'), your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

The Company has a Whistleblower Policy establishing vigil mechanism, to provide a formal mechanism for the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The policy provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and also provided them direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy is in line with the provisions of Section 177(9) of the Act and Regulation 22 of the SEBI listing Regulations. The said Policy can be accessed on your Company's website [https://www.Benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/announcement-policies/Whistle\\_Blower.pdf](https://www.Benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/announcement-policies/Whistle_Blower.pdf)

### CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

The Company has the Corporate Social Responsibility (CSR) and Sustainability Committee of the Board with Dr. Anant Narain Singh, Mrs. Rukmani Devi and Mr. Rohit Khosla as the members of the Committee. During the year under report, there was no change in the constitution of the Committee.

The Company has in place a CSR policy in line with schedule VII of the Act. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure - 2 of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is available on the website of your Company at <https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/announcement-policies/CSR%20POLICY.pdf>

### NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee (NRC) of the Board with Mr. Moiz Miyajiwala, Dr. Anant Narain Singh and Mrs. Rukmani Devi as the members of the Committee. During the year under report, there was no change in the constitution of the Committee.

The Company has a policy relating to the payment of remuneration for the directors, KMPs and other senior employees pursuant to the provisions of section 178(3) and SEBI Listing Regulations. The key features of the said policy are:

- Overall remuneration (sitting fees and Commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company;
- Overall remuneration practices should be consistent with recognized best practices
- Within the parameters prescribed under the law, the payment of sitting fees and commission will be recommended by NRC and approved by the Board.
- The aggregate commission payable to the Directors will be recommended by NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

- The quantum of commission for each director shall be recommended by NRC to the Board based upon the outcome of the evaluation process drive by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by the Directors other than in meetings.

It is affirmed that the remuneration paid to Directors, KMPs and all other employees is as per the Remuneration policy of your Company. The Remuneration policy for Directors, KMPs and other employees is uploaded on the website of your Company at <https://www.benareshotelimited.com/content/dam/thrp/benareshotelimited/documents/policies/remuneration.pdf>

### **DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has zero tolerance for sexual harassment at its workplace and has adopted 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') and the Rules thereunder.

The Company has constituted an 'Internal Complaints Committee' (ICC) in accordance with the provisions of the POSH Act for the prevention and redressal of complaints received regarding sexual harassment and for the matters concerned, connected or incidental thereto.

During the financial year 2019-20 the Company received one complaint on sexual harassment. The said complaint was appropriately addressed and closed and the Respondent was suspended through Third Party. No case remains pending as on March 31, 2020.

The Company has complied with the applicable provisions of the POSH Act, and the rules framed thereunder, including constitution of the ICC.

### **INDEPENDENT DIRECTORS**

In terms of Section 149 of the Act, and Regulation 16(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") Mrs. Rukmani Devi, Mr. Moiz Miyajiwala and Mr. Puneet Raman are the Independent Directors of the Company as on March 31, 2020.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company has an ongoing familiarization programme for the Independent Directors with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. All the Board members of the Company are afforded every opportunity to familiarize themselves with the Company, statutory changes impacting the Company, its Management and its operations and all the information /documents sought by them is/are shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part. The details of the familiarization programme for Independent Directors are disclosed on the Company's website under the weblink:

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<https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/independent-directors/Familiarization%20Programme%20-%20BHL.pdf>

### **PARTICULARS OF EMPLOYEES**

The Company had no employees during the year who were in receipt of remuneration aggregating to:

- (a) Not less than Rs. 102.00 lakhs for the year, if employed throughout the financial year,
- or
- (b) Not less than Rs. 8.50 lakhs per month, if employed for part of the financial year.

### **INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The information required under Section 197 of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in Annexure I.

### **FINANCE COST**

Finance cost for the year ended 31st March 2020 was Rs. 107.64 lakhs (Previous year Rs. 75.8 Lakhs).

During the year, INDAS 116, Accounting of Lease has got applicable with effect from 01st April 2019. The total interest cost of Rs. 107.64 lakhs is break down as follows:

Interest expenses on borrowings:	Rs. 72.96 lakhs
Interest on lease liability	Rs. 34.68 lakhs

### **DEPRECIATION - Rs. 638.10 Lakhs**

### **EXCEPTIONAL ITEMS - Nil**

### **LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186**

The Company has not given any loans or guarantees nor has made any investments under Section 186 of the Act during the year under review.

### **BORROWINGS**

The total borrowings (Inter Corporate Deposits) stood at Rs. 550 lakhs as at March 31, 2020 borrowed at 9% from United Hotels Limited, as against Rs. 500 lakhs as at March 31, 2019.

### **DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public covered under Chapter V of the Act and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year under report were at arm's length basis and in the ordinary course of business.

The Company has developed a Related Party Transactions Framework under the Policy on Related Party Transactions, which policy is also available at Company's website: <https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/policies/RPT.pdf> for the purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all the related party transactions is placed before the Audit Committee for its approval on a quarterly basis.

Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the company and its promoters, Directors, Management and/or relatives save and except that the

transaction with The Indian Hotels Co. Ltd., the ultimate holding company during the year exceeded 10% of the annual gross turnover of the Company for the previous year, the approval for which was taken from the shareholders by way of a special resolution at the AGM held on August 21, 2015.

### **CORPORATE GOVERNANCE**

As required by SEBI Listing Regulations, the report for the year 2019-20 on Management Discussion and Analysis and Corporate Governance along with the Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance norms as stipulated in Regulation 34 read along with Schedule V of the SEBI Listing Regulations forms part of the Annual Report.

### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS**

The Company has complied with Secretarial Standards on Board Meetings and General Meetings issued by the Institute of Company Secretaries of India.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-2020.

Pursuant to Section 134(5) of the Act, the Board of Directors to the best of its knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no material changes affecting the financial position of the Company subsequent to the close of the financial year 2019-20 till the date of this report except that arise on account of outbreak global pandemic Covid 19. The impact of Covid-19 on the Company's financial statements has been given in Note 3(d) of the Notes to financial statements for the year ended March 31, 2020 and the Company's response to the situation arising from this pandemic has been explained in the Management Discussion and Analysis, which forms part of the Annual Report.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

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### RISK MANAGEMENT POLICY

Although not mandatory, your Company has aligned Risk Management with Audit Committee as a measure of good governance. The Committee is responsible for monitoring and reviewing the Enterprise Risk Management process and ensuring its effectiveness. The Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. The details of the Committee and its term of reference are set out in the Corporate Governance Report.

Your Company has a Risk Management Policy, pursuant to the provisions of Section 134 of the Act, to identify and evaluate business risks and opportunities for mitigation of the same on a continuous 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.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

The key business risks identified by the Company and its mitigation plans are as under:

S.No.	Risk that matter	Type of Risk	Mitigants
1	Cyber vulnerabilities	Strategic, Reputation	Cyber Risk assessment conducted
2	Abuse of social media and other media by guest / staff / stakeholders	Reputation	<ul style="list-style-type: none"> <li>• Continuous monitoring of comments in social media and timely responses provided</li> </ul>
3	Employee and customer well being	Operational, Strategic	<ul style="list-style-type: none"> <li>• Protective care &amp; counselling</li> <li>• Customer Communication</li> </ul>
4	Data governance, including quality of data	Strategic	Data warehousing and Analytics
5	Changes in levy/tax structure, resulting in litigation / astronomical demands	Macro-Economic, Operational	Improve coordination with relevant authorities
6	Loss in market cap due to impact of macro-economic changes linked to tourism/ hospitality sector	Macro-Economic, Strategic	<ul style="list-style-type: none"> <li>• Adherence to Strategy of the Company</li> <li>• Stakeholder communication</li> </ul>
7	Inadequate returns from investments	Strategic, Macro-Economic & Operational	Continuous reviews
8	Data privacy regulations leading to penalties and litigation	Reputation, Operational	<ul style="list-style-type: none"> <li>• Internal Audits, Continuous monitoring</li> <li>• Data Processor/Controller agreements with all relevant vendors</li> <li>• Changes in Polices &amp; Processes</li> </ul>
9	Business interruption on account of Acts of God, riots & strikes, political instability, terrorism, and pandemics	Operational, Macro economic	Hotels categorised based on risk profile and appropriate security measures put in place

### PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [PURSUANT TO COMPANIES (ACCOUNTS) RULES, 2014]

**CONSERVATION OF ENERGY:** The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. The Company has completed the installation of 256 kw solar power generation equipment at the Hotel in Varanasi in July 2019 and is in the process to increase its capacity further.



**TECHNOLOGY ABSORPTION:** There is no material information on technology absorption to be furnished. The Company continues to adopt and use the latest technologies to improve the efficiency and effectiveness of its business operations.

**FOREIGN EXCHANGE EARNINGS AND OUTGO :** In terms of the provisions of Section 134(3)(m) of the Act, read with Rule 8(3)(C) of The Companies (Accounts) Rules, 2014, the foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows is furnished below:

	2019-20 Rs. Lakhs	2018-19 Rs. Lakhs
<b>a) Value of Imports</b>		
Stores, Supplies and Spare Parts for Machinery	16.95	0.44
Value of Imports (CIF) Capital Imports	11.78	73.85
<b>b) Expenditure in Foreign Currency</b>		
Professional and Consultancy Fees	1.74	7.36
Other Expenditure in Foreign Currency	15.89	16.47
<b>c) Earnings in Foreign Currency</b>		
Earnings in Foreign Exchange	943.54	812.25

#### **INTERNAL FINANCIAL CONTROL SYSTEM AND ADEQUACY**

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Auditors monitors and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. All significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board for review. The internal financial controls as laid down are adequate and were operating effectively during the year under review.

The Board's Audit Committee oversees the adequacy of the internal control environment through periodic reviews of audit findings and by monitoring implementation of internal audit recommendations through compliance reports. In addition, as required under Section 143 of the Act, the Statutory Auditors have evaluated and expressed an opinion on the Company's internal financial controls over financial reporting based on the audit for the FY 2019-20. In their opinion, the Company has, in all material respects, adequate internal controls over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2020.

#### **BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual Directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

# **BENARES HOTELS LIMITED**

## **Forty Ninth Annual Report 2019-20**

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the Board Meeting that followed the meeting of the Independent Directors and meeting of NRC, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

### **GENERAL**

No material changes and commitments have occurred between the end of the financial year to which these financial statements relate and the date of this Report, which affect the financial position of the Company.

### **ACKNOWLEDGMENTS**

The Directors record their grateful appreciation of the devoted services rendered by all the employees, which made possible the results achieved by the Company.

On behalf of the Board of Directors

**Dr. Anant Narain Singh**  
**Chairman**  
(DIN: 00114728)

Place : Varanasi  
Date : 28th May, 2020

## Annexure I

### Information under Section 197 of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars of Disclosures																															
The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2019-20.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">1.</td> <td style="width: 85%;">Dr. A. N. Singh</td> <td style="width: 10%; text-align: right;">4.33 : 1</td> </tr> <tr> <td>2.</td> <td>Mr. Puneet Chhatwal</td> <td style="text-align: right;">N.A</td> </tr> <tr> <td>3.</td> <td>Mrs. Rukmani Devi</td> <td style="text-align: right;">4.00 : 1</td> </tr> <tr> <td>4.</td> <td>Mr. Rohit Khosla</td> <td style="text-align: right;">N.A.</td> </tr> <tr> <td>5.</td> <td>Mr. Moiz Miyajiwala</td> <td style="text-align: right;">4.17 : 1</td> </tr> <tr> <td>6.</td> <td>Mr. Puneet Raman</td> <td style="text-align: right;">0.80:1</td> </tr> </table>	1.	Dr. A. N. Singh	4.33 : 1	2.	Mr. Puneet Chhatwal	N.A	3.	Mrs. Rukmani Devi	4.00 : 1	4.	Mr. Rohit Khosla	N.A.	5.	Mr. Moiz Miyajiwala	4.17 : 1	6.	Mr. Puneet Raman	0.80:1												
1.	Dr. A. N. Singh	4.33 : 1																													
2.	Mr. Puneet Chhatwal	N.A																													
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4.	Mr. Rohit Khosla	N.A.																													
5.	Mr. Moiz Miyajiwala	4.17 : 1																													
6.	Mr. Puneet Raman	0.80:1																													
<p>The percentage increase /(decrease) in remuneration of each Director*, Chief Financial Officer etc. in the financial year</p> <p>*Directors are entitled to get Commission on the net profit of the Company and the sitting fee for attending the Board/Committee Meetings.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">1.</td> <td style="width: 85%;">Dr. A. N. Singh</td> <td style="width: 10%; text-align: right;">38%</td> </tr> <tr> <td>2.</td> <td>Mr. Puneet Chhatwal</td> <td style="text-align: right;">N.A.</td> </tr> <tr> <td>3.</td> <td>Mrs. Rukmani Devi</td> <td style="text-align: right;">26%</td> </tr> <tr> <td>4.</td> <td>Mr. Rohit Khosla</td> <td style="text-align: right;">N.A.</td> </tr> <tr> <td>5.</td> <td>Mr. Moiz Miyajiwala</td> <td style="text-align: right;">63%</td> </tr> <tr> <td>6.</td> <td>Mr. Puneet Raman</td> <td style="text-align: right;">215%.</td> </tr> <tr> <td>7.</td> <td>Mr. Vijay Partap Shrikent (CEO)</td> <td style="text-align: right;">5%.</td> </tr> <tr> <td>8.</td> <td>Mr. Sopan Kedia (CFO)</td> <td style="text-align: right;">10%.</td> </tr> <tr> <td>9.</td> <td>Mr. Harish Kumar (CFO)</td> <td style="text-align: right;">N.A.</td> </tr> <tr> <td>10.</td> <td>Ms. Vanika Mahajan (CS)</td> <td style="text-align: right;">13%</td> </tr> </table>	1.	Dr. A. N. Singh	38%	2.	Mr. Puneet Chhatwal	N.A.	3.	Mrs. Rukmani Devi	26%	4.	Mr. Rohit Khosla	N.A.	5.	Mr. Moiz Miyajiwala	63%	6.	Mr. Puneet Raman	215%.	7.	Mr. Vijay Partap Shrikent (CEO)	5%.	8.	Mr. Sopan Kedia (CFO)	10%.	9.	Mr. Harish Kumar (CFO)	N.A.	10.	Ms. Vanika Mahajan (CS)	13%
1.	Dr. A. N. Singh	38%																													
2.	Mr. Puneet Chhatwal	N.A.																													
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8.	Mr. Sopan Kedia (CFO)	10%.																													
9.	Mr. Harish Kumar (CFO)	N.A.																													
10.	Ms. Vanika Mahajan (CS)	13%																													
The percentage increase in the median remuneration of employees in the financial year	2.8%																														
The number of permanent employees on the rolls of company for the year 2019-20.	154																														
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in the remuneration of KMPs is 7.4%. while the average percentile increase in the salaries of employees other than KMPs is 8.29%																														

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Place : Varanasi  
Date : 28th May, 2020

**Dr. Anant Narain Singh**  
Chairman

**BENARES HOTELS LIMITED**  
Forty Ninth Annual Report 2019-20

**Annexure 2**

**Annual Report on Corporate Social Responsibility Activities**  
**[Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014]**

1. A Brief Outline of the Policy

The CSR policy of the Company is aimed to improving the quality of the life of the communities served by us through long term stakeholder value creation. In line with the CSR policy of the Company, the CSR activities/programmes were undertaken in line with and as specified in Schedule VII of the Act to serve and be seen to serve society and community and create a significant and sustained impact in their lives and provide opportunities for Tata employees to contribute to these efforts through volunteering.

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of Directors is available on the Company's website [www.benareshotelslimited.com](http://www.benareshotelslimited.com)

2. The composition of the Board-level CSR and Sustainability Committee is as follows :

- i) Chairman: Dr. Anant Narain Singh
- ii) Member: Mrs. Rukmani Devi
- iii) Member: Mr. Rohit Khosla

3. Average Net Profit of the Company for the last three Financial Years : Rs. 1,017.50 Lakhs

4. Prescribed CSR Expenditure : Rs. 20.35 Lakhs

5. Details of CSR spend during the Financial Year 2019-20: Rs. 20.48 Lakhs

A) Manner in which the amount spent during the year is detailed below:-

S.No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes	Amount Outlay (budget) project or programme wise (₹ Lakhs)	Amount spent on the projects or programmes (₹ Lakhs)	Cumulative expenditure upto 31st March, 2020 (₹ Lakhs)	Amount spent: Direct or through implementing agency
1.	Hospitality skill centre set-up cost at Varanasi and food production lab set-up-Training in F&B service, production and Housekeeping trades	Livelihood	Varanasi	12.85	15.33	15.33	Tata Strive
2.	Livelihood Entrepreneurship (HWA partnership program)- handloom weaving and training	Livelihood	Varanasi	4.50	0.63	0.63	Human Welfare Association (NGO)

3.	Expenditure for cleanliness program at Varanasi Ganga ghats and providing clean drinking water	Responsible neighbourhood	Varanasi	3.00	3.02	3.02	Direct
4.	Covid 19 - General Protection	Covid 19 - General Protection	Varanasi	–	1.50	1.50	Direct
	<b>Total</b>			<b>20.35</b>	<b>20.48</b>	<b>20.48</b>	

#### 5. The CSR Committee Responsibility Statement

The CSR & Sustainability Committee hereby confirms that the implementation and monitoring of CSR programmes is in compliance with the CSR objectives and policy of the Company

On behalf of the Board of Directors

**Rukmani Devi**  
**Independent Director**  
**Member, CSR Committee**  
**(DIN: 00552831)**

**Dr. Anant Narain Singh**  
**Chairman, Board**  
**Chairman, CSR Committee**  
**(DIN: 00114728)**

Place : Varanasi  
Date : 28th May, 2020

**BENARES HOTELS LIMITED**  
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Annexure 3

**Form No. MR-3**  
**Secretarial Audit Report**

For the financial year ended March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

**The Members**

**Benares Hotels Limited**

**Nadesar Palace Compound, Varanasi 221002**

Sir/Madam

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

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2020** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there-under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- iv. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - c. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- v. Other laws as applicable specifically to the Company as follows:
  - The Legal Metrology Act, 2009 and rules made thereunder;
  - Food Safety and Standards Act, 2006 and rules made thereunder

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Ministry of Corporate Affairs.
- (ii) The Listing Agreement entered into by the Company with Stock Exchange.

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

I further report that:

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

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

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the Minutes.

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

I further report that there are no specific events to report.

**For D.S. Associates  
Company Secretaries**

**Dhawal Kant Singh**

**Prop.**

M. No.: F8687

C P No.: 7347

UDIN: F008687B000283445

Place: New Delhi

Date: 28th May, 2020

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**BENARES HOTELS LIMITED**  
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**Annexure - A**

**The Members**  
**Benares Hotels Limited**

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

**For D.S. Associates**  
**Company Secretaries**

**Dhawal Kant Singh**  
**Prop.**  
M. No.: F8687  
C P No.: 7347  
UDIN: F008687B000283445

Place: New Delhi  
Date: 28th May, 2020



**Annexure 4**  
**Form No. MGT - 9**  
**Extract of Annual Return**

(As on the financial year ended on 31/03/2020)

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

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN:-	L55101UP1971PLC003480
ii)	Registration Date	03/11/1971
iii)	Name of the Company	Benares Hotels Limited
iv)	Category / Sub-Category of the Company:	Company Limited by Shares/ Indian Non Government Company
v)	Address of the Registered office and contact details	Nadesar Palace Compound, Varanasi 221 002 Phone: 0542 6660001
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. (Unit: Benares Hotels Limited) Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Phone: 011 4941 1000 Email: delhi@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Hoteliering	55101	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai 400001	L74999MH1902 PLC000183	Ultimate Holding	53.70 (together with its subsidiaries)	2(87)(ii)

**BENARES HOTELS LIMITED**  
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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. 01-04-2019)				No. of Shares held at the end of the year (i.e. 31-03-2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	61562	22550	84112	6.47	61585	22550	84135	6.47	0.00
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	729138	-	729138	56.09	729138	-	729138	56.09	0.00
e) Banks/FI									
f) Any Other									
<b>Sub-total (A) (1):-</b>	<b>790700</b>	<b>22550</b>	<b>813250</b>	<b>62.56</b>	<b>790723</b>	<b>22550</b>	<b>813273</b>	<b>62.56</b>	<b>0.00</b>
(2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
<b>Sub-total (A) (2):-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>790700</b>	<b>22550</b>	<b>813250</b>	<b>62.56</b>	<b>790723</b>	<b>22550</b>	<b>813273</b>	<b>62.56</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
I. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):</b>	<b>00.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. 01-04-2019)				No. of Shares held at the end of the year (i.e. 31-03-2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a) Bodies Corp.									
i) Indian	19859	740	20599	1.58	19081	715	19796	1.52	-0.06
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	239421	50581	290002	22.31	241231	46234	287465	22.11	-0.20
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	118061	-	118061	9.08	120667	-	120667	9.28	0.20
c) Others									
i) Trusts	-	-	-	-	-	-	-	-	-
ii) Directors & their Relatives	7871	3220	11091	0.85	9983	640	10623	0.82	-0.03
iii) Non Resident Indians	3975	-	3975	0.31	3920	-	3920	0.30	-0.01
iv) Clearing Members	684	-	684	0.05	341	-	341	0.03	-0.02
v) HUF	22868	-	22868	1.76	23372	-	23372	1.80	0.04
vi) IEPF Authority	19470	-	19470	1.50	20543	-	20543	1.58	0.08
<b>Sub-total (B)(2) :-</b>	<b>432209</b>	<b>54541</b>	<b>486750</b>	<b>37.44</b>	<b>437328</b>	<b>51936</b>	<b>486727</b>	<b>37.44</b>	<b>0.00</b>
Total Public Shareholding (B) = (B)(1) + (B)(2)	432209	54541	486750	37.44	437328	51936	486727	37.44	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1222909</b>	<b>77091</b>	<b>1300000</b>	<b>100</b>	<b>1229861</b>	<b>70139</b>	<b>1300000</b>	<b>100</b>	<b>0.00</b>

# BENARES HOTELS LIMITED

## Forty Ninth Annual Report 2019-20

### (ii) Shareholding of Promoters

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year (i.e. 01-04-2019)			No. of Shares held at the end of the year (i.e. 31-03-2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	The Indian Hotels Company Limited	643825	49.53	-	643825	49.53	-	-
2	Piem Hotels Limited	54063	4.16	-	54063	4.16	-	-
3	All India Kashiraj Trust	30000	2.31	-	30000	2.31	-	-
4	Imlak Varanasi Developments Private Limited	1050	0.08	-	1050	0.08	-	-
5	Northern India Hotels Limited	150	0.01	-	150	0.01	-	-
6	Oriental Hotels Limited	50	-	-	50	-	-	-
7	Anant Narain Singh	24000	1.85	-	24000	1.85	-	-
8	M. K. Krishna Priya	17550	1.35	-	17550	1.35	-	-
9	M K Vishnupriya	13000	1.00	-	13000	1.00	-	-
10	Maharaj Kumari Hari Priya*	12450	0.96	-	12450	0.96	-	-
11	Maharaj Kumari Har Priya*	5100	0.39	-	5100	0.39	-	-
12	Mahraj Kumari Vishnupriya*	5000	0.38	-	5000	0.38	-	-
13	Anamika Kunwar	7012	0.54	-	7035	0.54	-	0.00
	TOTAL	813250	62.56		813273	62.56		

\*Shares held in physical form and not yet dematerialized. The Company has notified these promoters the requirement of getting their shares dematerialized in terms of Regulation 31(2) of SEBI (LODR) Regulations, 2015. The shares, however, are not yet dematerialized despite following up with them by the Company.

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Name of the Shareholder	Shareholding at the beginning of the year (i.e. 01-04-2019)		Increase/Decrease in Shareholding			Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares	% of total Shares of the company	Date	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the Company
1	Anamika Kunwar	7012	0.54	31.03.2020	23	0.00	7035	0.54

Note: No Change in the shareholding of other Promoters during the year 2019-2020

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01-04-2019		Transactions During the year		Cumulative Shareholding at the end of the year 31-03-2020	
		No. of Shares Held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% if total Shares of the Company
1	VINODCHANDRA MANSUKHLAL PAREKH	19252	1.48			19252	1.48
	Purchase			16/08/2019	107	19359	1.49
	Purchase			30/08/2019	86	19445	1.50
	Purchase			06/09/2019	320	19765	1.52
	Purchase			27/09/2019	276	20041	1.54
	Purchase			11/10/2019	526	20567	1.58
	AT THE END OF THE YEAR					20567	1.58
2	BRAJRAJ SINGH	20000	1.54			20000	1.54
	AT THE END OF THE YEAR					20000	1.54
3	ADITYA DEORAH	17600	1.35			17600	1.35
	Purchase			12/04/2019	35	17635	1.36
	Purchase			19/04/2019	7	17642	1.36
	Purchase			26/04/2019	10	17652	1.36
	Purchase			29/06/2019	46	17698	1.36
	Purchase			31/01/2020	433	18131	1.39
	Purchase			07/02/2020	322	18453	1.42
	Purchase			14/02/2020	1247	19700	1.52
	Purchase			06/03/2020	273	19973	1.54
	AT THE END OF THE YEAR					19973	1.54
4	ARJUN RAMANI	18798	1.45			18798	1.45
	AT THE END OF THE YEAR					18798	1.45
5	RAGHUBIRSINGH R GOHIL	15950	1.23			15950	1.23
	Purchase			21/06/2019	7	15957	1.23
	AT THE END OF THE YEAR					15957	1.23
6	DINESH MUKTILAL PALDIWAL	14655	1.13			14655	1.13
	Sale			14/02/2020	-25	14630	1.13
	AT THE END OF THE YEAR					14630	1.13
7	MUKTILAL GANULAL PALDIWAL	11799	0.91			11799	0.91
	Purchase			24/05/2019	22	11821	0.91
	Purchase			27/03/2020	21	11842	0.91
	AT THE END OF THE YEAR					11842	0.91
8	ARJUN DUNICHAND RAMANI HUF	11391	0.88			11391	0.88
	AT THE END OF THE YEAR					11391	0.88

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**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) [Contd.]:**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01-04-2019		Transactions During the year		Cumulative Shareholding at the end of the year 31-03-2020	
		No. of Shares Held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% if total Shares of the Company
9	BINDU PANDEY*	7905	0.61			7905	0.61
	Purchase			05/04/2019	4	7909	0.61
	Purchase			10/05/2019	30	7939	0.61
	Purchase			24/05/2019	5	7944	0.61
	Purchase			31/05/2019	18	7962	0.61
	Purchase			07/06/2019	7	7969	0.61
	Purchase			21/06/2019	78	8047	0.62
	Purchase			29/06/2019	34	8081	0.62
	Purchase			05/07/2019	20	8101	0.62
	Purchase			26/07/2019	45	8146	0.63
	Purchase			09/08/2019	14	8160	0.63
	Purchase			16/08/2019	77	8237	0.63
	Purchase			23/08/2019	32	8269	0.64
	Purchase			30/08/2019	50	8319	0.64
	Purchase			06/09/2019	47	8366	0.64
	Purchase			27/09/2019	125	8491	0.65
	Purchase			04/10/2019	15	8506	0.65
	Purchase			11/10/2019	31	8537	0.66
	Purchase			18/10/2019	71	8608	0.66
	Purchase			25/10/2019	22	8630	0.66
	Purchase			01/11/2019	13	8643	0.66
	Purchase			08/11/2019	500	9143	0.70
	Purchase			15/11/2019	48	9191	0.71
	Purchase			22/11/2019	1	9192	0.71
	Purchase			29/11/2019	12	9204	0.71
	Purchase			20/12/2019	4	9208	0.71
	Purchase			27/12/2019	9	9217	0.71
	Purchase			17/01/2020	15	9232	0.71
	Purchase			24/01/2020	85	9317	0.72
	Sale			07/02/2020	-20	9297	0.72
	Purchase			20/03/2020	3	9300	0.72
	Purchase			27/03/2020	60	9360	0.72
	Purchase			31/03/2020	50	9410	0.72
	AT THE END OF THE YEAR					9410	0.72
10	SANJEEV VINODCHANDRA PAREKH	9374	0.72			9374	0.72
	AT THE END OF THE YEAR					9374	0.72

\* Not in the list of Top 10 Shareholder as on April 1, 2019. The same has been reflected above since the shareholder was one of the Top 10 shareholder as on March 31, 2020

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. Anant Narain Singh (Chairman)				
	At the beginning of the year	24000	1.85	24000	1.85
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	No change		No change	
	At the end of the year	24000	1.85	24000	1.85
2.	Mr. Puneet Raman (Director)				
	At the beginning of the year	4500	0.35	4500	0.35
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	No Change		No Change	
	At the end of the year	4500	0.35	4500	0.35
3.	Mrs. Rukmani Devi (Director)				
	At the beginning of the year	1106	0.09	1106	0.09
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	No Change		No Change	
	At the end of the year	1106	0.09	1106	0.09

**V. INDEBTEDNESS**

During the year under report, the Company has borrowed a sum of Rs. 500 Lakhs as short term Inter Corporate Deposit from a body corporate and repaid Rs. 450 Lakhs and hence as on 31st March 2020, Rs. 550 lakhs was outstanding on account of Inter Company Loan.

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**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: NOT APPLICABLE

B. REMUNERATION TO OTHER DIRECTORS:

(Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Puneet Raman*	Mrs. Rukmani Devi	Mr. Moiz Miyajiwala	Mr. Shiriraman**	
1.	Independent Directors	Mr. Puneet Raman*	Mrs. Rukmani Devi	Mr. Moiz Miyajiwala	Mr. Shiriraman**	<b>Total Amount</b>
	• Fee for attending Board /committee meetings	1,20,000	3,90,000	3,30,000	N.A.	8,40,000
	• Commission @ (for 2018-19)	1,63,090	10,19,310	11,41,627	–	23,24,027
	• Others, please specify	–	–	–	–	–
	Total (1)	2,83,090	14,09,310	14,71,627	–	31,64,027
2.	Other Non-Executive Directors	Dr. A.N. Singh	Mr. Rohit Khosla	Mr. Puneet Chhatwal #	Mr. Giridhar Sanjeevi \$	<b>Total Amount</b>
	• Fee for attending Board / Committee meetings	2,70,000	N.A.	N.A.	N.A.	2,70,000
	• Commission @ (for 2018-19)	12,54,882	–	–	–	12,54,882
	• Others, please specify	–	–	–	–	–
	Total (2)	15,24,882	–	–	–	15,24,882
	<b>Total Managerial Remuneration =(1+2)</b>					<b>46,88,909</b>
	Overall Ceiling as per the Act	3% of the net profit of the Company excluding sitting fees.				

\* Appointed w.e.f. September 17, 2018

\*\* Resigned w.e.f. June 19, 2018

# Appointed w.e.f. May 10, 2018

\$ Resigned w.e.f. May 16, 2018

@ An amount of Rs. 40.94 Lakhs has been provided in the book of Accounts towards the commission payable to the Directors for the financial year ended 31st March, 2020 and shall be paid as may be decided by the Board on the recommendation of the Nomination and Remuneration Committee after adoption of accounts by the shareholders at the Annual General Meeting to be held on September 29, 2020.



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs.)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO Vijay Partap Shrikent	Company Secretary Vanika Mahajan	CFO* Sopan Kedia	CFO* Harish Kumar	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	49,30,839	10,89,955	12,85,042	5,14,697	78,20,532
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	25,000	3,60,000	6,538	–	3,91,538
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	–	–	–	–	–
2.	Stock Option	–	–	–	–	–
3.	Sweat Equity	–	–	–	–	–
4.	Commission - as % of profit - others, specify..	–	–	–	–	–
5.	Others (PE, Superannuation, Gratuity)	3,67,683	44,026	49,772	24,381	4,85,862
	<b>Total</b>	<b>53,23,522</b>	<b>14,93,981</b>	<b>13,41,352</b>	<b>5,39,078</b>	<b>86,97,933</b>

\* for the part of the year.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties/punishments/compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the year ended March 31, 2020

On behalf of the Board of Directors

Place : Varanasi  
Date : 28th May, 2020

**Dr. Anant Narain Singh**  
Chairman

## Management Discussion and Analysis

### Economic Environment and Industry Insight

Towards the end of the fourth quarter of the current fiscal, COVID-19, a coronavirus that originated in a city, spread throughout the world at an alarming rate in a matter of a few months. On March 11, 2020, the World Health Organisation (WHO), declared COVID-19 a global pandemic. The global economy was already sluggish, with growth rates declining due to lower infrastructure spends, increased trade barriers, geopolitical stress and social unrest in many countries. COVID-19 further exacerbated the stress, impacting growth rates even further by bringing ordinary life to a standstill, reducing travel and transportation, interrupting business and threatening lives and livelihoods across the globe.

### Global Economic

The International Monetary Fund had forecasted the global growth rate at -4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

As with the April 2020 WEO projections, there is a higher-than-usual degree of uncertainty around this forecast. The baseline projection rests on key assumptions about the fallout from the pandemic. In economies with declining infection rates, the slower recovery path in the updated forecast reflects persistent social distancing into the second half of 2020; greater scarring (damage to supply potential) from the larger-than-anticipated hit to activity during the lockdown in the first and second quarters of 2020; and a hit to productivity as surviving businesses ramp up necessary workplace safety and hygiene practices. For economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on activity. Moreover, the forecast assumes that financial conditions which have eased following the release of the April 2020 WEO will remain broadly at current levels. Alternative outcomes to those in the baseline are clearly possible, and not just because of how the pandemic is evolving. The extent of the recent rebound in financial market sentiment appears disconnected from shifts in underlying economic prospects as the June 2020 Global Financial Stability Report (GFSR) Update discusses—raising the possibility that financial conditions may tighten more than assumed in the baseline. (*Source: World Economic Outlook, IMF, June, 2020*)

### Indian Economic and Hospitality Scenario

As per IMF in India, growth has been slowed to 6.1 percent in 2018-19 which further slowed to 4.2 percent in 2019-20, and will be -4.5% in 2020-21. For the calendar year in 2020, India's growth will be -4.9% (IMF, World Economic Outlook, June 2020).

The service sector in India comprises more than 61.5%, whereas agriculture amounts to 15% and Industry to 23%.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

Due to the fallout of the US and Chinese relationships and increase in suspicion about Chinese policies after the Covid Pandemic a lot of countries are focusing on moving their supply chains out of China. This on one hand provides a great opportunity for India to emerge as a major production base provided the labour and corporate laws are amended as per established international laws.

India accounts for the highest number of domestic leisure travelers in the world. Business travelers are gradually increasing in number, owing to the rapid growth of the IT sector in India and the emergence of several global companies. The KPIs used by the industry to measure business development and management of hotels are average room rate (ARR) and revenue per available room (RevPAR).

ARR of the hotel industry in India stood at INR 5,844.81 in FY 2019 as against INR 5,527 in FY 2016, RevPAR of Indian hotels stood at ~INR 4,002.76 in FY 2019

The branded/traditional hotel segment, which dominates the organized sector, accounts for about 5% of the overall hotel industry, in terms of room supply.

With the onset of Corona Pandemic India's hotel industry is estimated to face a whopping business loss of INR 90,000 crore during this calendar year, as all hotels are closed due to the nationwide lockdown to control coronavirus disease, according to a report by HVS and Anarock

“The Industry expects the overall revenue of the Indian hotel sector to decline by approximately Rs 90,000 crore in 2020, reflecting an erosion of 57 percent compared to last year,” the newsletter said.

Out of total revenue loss likely to be faced by the hotel industry, organised hotel operators are estimated to face a revenue loss of over INR 40,000 crore.

Varanasi, being one of the most prominent religious & cultural cities in India, attracts a huge chunk of tourists every year. Recently the central government launched a policy to encourage tourism in the city, which is expected to boost the sector significantly. In the recent past The Government of India have approved many projects for making Varanasi a smart city including beautification of roads, flyovers, Sanskrit learning, religious work and infrastructure development projects. The government has also implemented the policy for integrated promotion of tourism and culture in Varanasi, in order to fully utilize the opportunity of spiritual and religious tourism along the holy river Ganga.

### **Estimation uncertainty relating to the global health pandemic on COVID-19**

On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 24, 2020. All airline, road, and railway travel was suspended and hotels, offices, factories, schools, universities, restaurants, cinema, sports facilities & retail outlets, etc were closed, except for a few essential services/supplies like grocery stores, pharmacies, etc. During the period of the lockdown the hotel was manned by a limited number of staff, who were moved onsite the property, to safeguard and maintain the property, with minimal operations.

Pursuant to the announcement of complete lockdown by the Central and State Government, the hotel units have been shut down on 23rd March 2020. The Company received sharp cancellations of room and banquet bookings and there was virtually no pick up in the business during the lockdown. The hotel unit Taj Ganges, Varanasi got operational around 18th May 2020 to serve quarantine guests for 7 -10 days. The permission for Takeaways/Home deliveries were also allowed from 21st May 2020. The Taj Ganges and Taj Nadesar Palace were allowed to resume hotel operations, which had to follow the Central Government's, UP State, and Varanasi District guidelines, from the 10th of June, 2020, after a lockdown period of 79 days (March 23 - June 9, 2020, including both days).

The company has taken a series of actions focused on health & safety of our employees & customers like sanitization, social distancing, mandatory mask wearing, thermal check at the gate, use of Aarogya Setu App and maintaining proper hygiene at work place. The company has allowed for the work from home facility to its associates, have online meetings, and operating with limited work force, ensuring adequate liquidity and cost optimisation measures. We have judiciously invoked the Force Majeure clauses for relief during the lock down period. Cash Conservations measures have also included deferral of discretionary spending & Capex, unless absolutely required. Further, the company is ensuring compliances of all the guidelines and directives issued by Central and State Government and local authorities from time to time.

The overall demand of the hospitality services has been impacted during lockdown. We expect a recovery in business to be driven by domestic leisure tourism, staycations, domestic business travel and a limited international travel. Our Brands have tremendous Trust with our customers and we have very clear SOP's for ensuring a safe stay for our Guests.

### **Financial Performance**

During the year 2019-20, the total revenues were at Rs. 63.84 Crores as against Rs. 60.39 Crores in 2018-19. The operating expenses (excluding Depreciation & Interest) increased from Rs. 42.22 Crores to Rs. 42.88 Crores. The depreciation increased from Rs. 5.23 Crores to Rs. 6.38 Crores on account of renovations.

Resultantly, the Profit before tax increased from Rs. 12.18 Crores in 2018-19 to Rs. 13.50 Crores in 2019-20 and Profit after Tax increased from Rs. 8.72 Crores to Rs. 10.61 Crores. The Board meetings were held 4 times in the year and the results are communicated to the BSE, where the shares were listed.

### **Internal control systems and their adequacy**

Your Company has in place an adequate system of internal controls, with documented procedures covering all functions in the hotel operating units. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

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Adequate internal control measures are in the form of various policies & procedures issued by the Management covering all critical and important activities viz. Revenue Management, Hotel Operations, Purchase, Finance, Human Resources, Safety, etc. These policies & procedures are updated from time to time and compliance is monitored continuously. The Company continues its efforts to align all its processes and controls with global best practices.

The internal audit process through the Taj group unique 'Taj Positive Assurance Model' is an objective methodology of providing a positive assurance based on the audits of operating units. It is a convergence of Process Framework, Risk & Control Matrix and a Scoring Matrix. A framework developed for each functional area is identified on the basis of an assessment of risk and control as also providing a score, allowing the unit to identify and mitigate high-risk areas.

The Audit committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them.

The Statutory Auditors of your Company report that your company has adequate internal controls over financial reporting.

#### **Certifications and Awards**

Your Company has been participating in the globally recognized 'EarthCheck' benchmarking and certification system. EarthCheck certifications are a result of extensive assessments and audits by Independent Environmental Assessors' - mapping indicators ranging from energy & water consumption, waste management to sensitivity exhibited vis-à-vis social and cultural dimensions in all areas of hotel operations. The Company has been certified EarthCheck 'Gold' for Taj Ganges (previously known as The Gateway Hotel Ganges) continuously for the fourth time.

Taj Ganges has earned the 1st position in the first 3 quarters of 2019-20 for the Swachh Bharat mission initiative which was awarded to the hotel by Mr Gaurang Rathi, Municipal Commissioner, Varanasi.



First Rank in the Swachh Ranking carried out in the city of Varanasi for the three consecutive quarters in 2019-2020

#### **CSR initiative to help the underprivileged section of society- Benares Hotels Limited**

COVID-19 pandemic marks an unprecedented time in modern history that will require the best of humanity to overcome. In view of the current Covid-19 crises, with the Government requesting resource assistance to provide poor and needy people with sustenance during this situation, Benares Hotels Limited decided to stand with our distressed fellow countrymen, and actively participate in the national effort to support them at this difficult time.

To provide much-needed relief to the people affected by the viral disease and those who are in distress, Benares Hotels Limited (BHL) has donated Rs 5.00 lakhs towards the District Magistrate Varanasi's Covid-19 Relief Fund.

On 4th April, 2020, the Chairman of Benares Hotels Limited, Dr Anant Narain Singh presented cheque of Rs. 5.00 lakhs to the DM, Varanasi, Shri Kaushal Raj Sharma Ji.



BHL Chairman Dr Anant Narain Singh presenting the cheque of Rs 5.00 Lakhs to DM Varanasi for the 'DM Varanasi Covid-19 Relief Fund on 4-4-2020'.

Further, The Gateway Hotel, Gondia has made a contribution of Rs. 2.00 Lakhs to PM Cares Funds in June 2020.

The building of livelihoods while also conserving and promoting the cultural heritage of Varanasi through support of the handloom weavers of 'Benarasi Silk Sarees', is an ongoing engagement which the Benares Hotels Limited has been involved since last 15 years. Despite the difficult circumstances of the first quarter of 2020-21, to ensure that the livelihoods of the weavers we support are sustained, we had asked them to continue with the weaving of sarees, despite having no orders for these, which kept them occupied during the lockdown period, since the handlooms are in their houses, assuring them of an income.

#### **Workforce**

Total manpower employed by the company was 289 as on March 31st 2020 as compared to 305 as on March 31st 2019.

## **Corporate Governance Report**

### **Company's Philosophy on Corporate Governance**

As a Company with a strong sense of values and commitment, we believe that profitability must go hand in hand with a sense of responsibility towards all the stakeholders. The Company's philosophy envisages the protection and interest enhancement for all the stakeholders, creditors, customers, employees, suppliers and society. The Company seeks to focus on enhancement of long term value creation for all stakeholders without compromising on integrity, social obligations and regulatory compliances. The Company continues to maintain steadfast commitment to ethics and code of conduct adhered by the company and endeavors to maximize the Shareholder value while safeguarding and promising the interest of other stakeholders. The Company complies with legal and regulatory requirements and meet environmental and local community needs with the highest standards of integrity, transparency and accountability which are the integral part of the Corporate Governance Policy.

The Company is in compliance with the Requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regards to Corporate Governance.

The Company has also adopted Governance Guidelines on Board Effectiveness based on best practices from both within and outside the Tata Companies to help fulfil its corporate responsibility towards its stakeholders. The Governance Guidelines cover aspects related to composition and role of the Board and its Committees, Chairman and Directors, Board diversity, Director's term and retirement age. It also covers aspects relating to nomination, appointment, induction and development of Directors, Directors' remuneration, Board effectiveness review and mandates of Board Committees.

### **Board of Directors:**

1. The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At Benares Hotels Limited (BHL), the Board is at the core of our corporate governance practices. Driven on the principles of ethics and accountability, the Board strives to work in best interest of the Company and its stakeholders. It provides strategic direction, leadership and guidance to the Company's management as also monitors the performance of the Company with the objectives of creating long term value for the Company's stakeholders.

As on March 31, 2020, the Company's Board of Directors comprises six Non-Executive Directors (NEDs), three out of whom are Independent Directors of which one is a Woman Director. Hence, the Board of Directors comprises Non-Executive, Independent Directors, as well as a Woman Director and half of the Board of Directors comprises Independent Directors, with the Chairman being a Promoter & Non - executive Director. The Composition of the Board is in Conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act").

None of the Directors are related inter-se, in terms of Section 2 (77) of the Act, read with the Rules framed thereunder. The Directors possess experience in fields as diverse as hoteliering, finance, management, Agriculture and social service. The experience and wisdom of the Directors, has proved to be of immense value to the Company. All Directors, other than Independent Directors are liable to retire by rotation. The details of the Director seeking re-appointment at the ensuing Annual General Meeting has been attached with the notice of the Annual General Meeting.

Independent Director are Non-Executive Directors as defined under Regulation 16(1)(b) of SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of 'Independence' as specified under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder and that they are independent of the management.

2. The Company has complied with the provisions with respect to appointment and term of Independent Directors which are consistent with the Act and the Listing Regulations. The Independent Directors on the Board of the Company, upon appointment, are given a formal appointment letter inter alia containing the terms of appointment, role, duties and responsibilities, time commitment, code of conduct, etc. The terms and conditions of appointment are disclosed on the website at [https://www.benareshotelshlimited.com/content/dam/thrp/benareshotelshlimited/documents/independent-directors/ID-Appointment-Letter\\_final-template.pdf](https://www.benareshotelshlimited.com/content/dam/thrp/benareshotelshlimited/documents/independent-directors/ID-Appointment-Letter_final-template.pdf).

None of the Independent Directors have resigned before the expiry of their respective tenures during the year under review.

3. During the year under review, the Board of Directors of the Company met four times and the period gap between any two meetings did not exceed one hundred and twenty days. The dates of the Board Meetings held during each quarter are as follows:

No.	Date of Meeting	For the quarter
1	April 24, 2019	April to June
2	July 18, 2019	July to September
3	November 6, 2019	October to December
4	January 28, 2020	January to March

The necessary quorum was present for all the meetings.

4. During the year under review, a separate meeting of Independent Directors was held on March 23, 2020. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Non-Executive Directors. They also assessed the quality, quantity, timeliness and adequacy of information between the Company's management and the Board.

During the year under review, all the necessary information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations has been placed before the Board of Directors, for discussions and consideration.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

5. With a view to leverage technology and reducing paper consumption, the Company has adopted a web-based application for transmitting Board / Committee meetings Agenda and papers. The Directors of the Company receive the Agenda in electronic form through this application, which can be accessed through Browsers or iPads. The application meets high standards of security and integrity that is required for storage and transmission of Board / Committee Agenda in electronic form.
6. All the Directors have made necessary disclosures regarding their directorships and other interests as required under Section 184 of the Act and on the Committee positions held by them in other Companies. None of the Directors on the Board holds directorships in more than ten public companies. Further, none of the Independent Directors of the company serve as Independent Directors in more than seven listed companies. None of the Directors serving as a Whole-time Director/Managing Director in any listed entity serves as an Independent Director of more than three listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors are related to each other.
7. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ('AGM'), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below. Other directorships

# BENARES HOTELS LIMITED

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do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a Director. For determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations.

### Board of Directors

Names	Category	Remuneration paid (Rs.)			No. of Directorships in other public companies		No of Committee positions held in other public companies		No. of Board Meetings attended during FY 2019-2020	Whether attended last AGM held on 30.08.2019 (Yes/No)
		Salary & Perks 2019-2020	Sitting Fees 2019-2020	Commission 2018-2019	Indian	Foreign	Chair-person	Member		
Dr. Anant Narain Singh	Promoter Non-executive	N.A.	2,70,000	12,54,882	1	—	—	—	4	Yes
Mrs. Rukmani Devi	Independent Non-executive	N.A.	3,90,000	10,19,310	—	—	—	—	4	Yes
Mr. Rohit Khosla	Promoter Non-executive	N.A.	N.A.	N.A.	5	—	—	2	4	Yes
Mr. Moiz Miyajiwala	Independent Non-executive	N.A.	3,30,000	11,41,627	1	—	—	—	4	Yes
Mr. Puneet Chhatwal	Promoter Non-executive	N.A.	N.A.	N.A.	7	—	—	2	4	No
Mr. Puneet Raman	Independent Non-executive	N.A.	1,20,000	1,63,090	—	—	—	—	4	Yes

**NOTE:** Traditionally, the Directors are paid commission each year after the Financial Statements are approved by the Members at the Annual General Meeting of the Company. A sum of Rs. 40.94 lakhs has been provided as commission to Non-Executive Directors for the year 2019-20.

### Details of Directorships in other Listed Entities

Name and Category of the Director	Details of Directorships of other Listed Entities and Category of Directorship	
Mr. Puneet Chhatwal Non-Executive, Non-Independent	The Indian Hotels Company Limited	Managing Director & Chief Executive Officer
	Oriental Hotels Limited	Non-Executive Director
	Taj GVK Hotels and Resorts Limited	Non-Executive Director
Mr. Moiz Miyajiwala Non-Executive, Independent	Transpact Enterprises Limited	Non-Executive Director

No other Director holds any Directorship in any other Listed Entity.

- The Company has adopted a Code of Conduct for its Non-Executive Directors and all Non-Executive Directors have affirmed compliance with the said Code. All Senior Management of the Company have affirmed compliance with the Tata Code of Conduct.
- Being a subsidiary of Tata Group Company, the Company has adopted the Tata Code of Conduct ("TCOC"), which clearly articulates the ethical principles and desired behaviours. The TCOC requires the Tata companies and employees to act with professionalism, honesty and integrity and to preserve the human rights of every individual and the community. The principles of the TCOC apply to all our dealings with our business partners who are encouraged to adhere to similar standards. The TCOC covers various subjects like equal opportunity employer, dignity & respect, human rights, prohibition of bribery & corruption, gifts and hospitality, conflict of interest, financial reporting and records among others. The TCOC is augmented by a number of policies that help strengthen governance practices at the Company.



10. In addition to the above, the Company has also adopted a Code of Conduct for its NED's ("Code"). All NED's and Independent Directors have affirmed compliance with the said Code for the financial year ended March 31, 2020 and all Senior Management of the Company have affirmed compliance with the TCOC. The above codes are also displayed on the Company's website under the weblink <https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/announcement-policies/TATA-Code-of-Conduct.pdf>. The Annual Report of the Company contains a Certificate duly signed by the Chairman confirming adherence to the Codes of Conduct.

#### 11. Key Skills, Expertise and Competencies of the Board

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. These Directors are nominated based on well-defined selection criteria. The Nomination and Remuneration Committee ('NRC') considers, inter alia, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board of Directors have, based on the recommendations of the NRC, identified the following core key skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Directors:

Name and Category of the Director	Finance	Strategy/ Business Leadership	Governance/ Regulatory and Risk	Sales & Marketing	Hospitality	Agriculture
Dr. Anant Narain Singh	—	✓	✓	—	✓	✓
Mr. Puneet Chhatwal	✓	✓	—	✓	✓	—
Mrs. Rukmani Devi	✓	✓	✓	—	✓	—
Mr. Rohit Khosla	✓	✓	—	✓	✓	—
Mr. Moiz Miyajiwala	✓	✓	✓	—	—	—
Mr. Puneet Raman	✓	✓	✓	✓	—	—

12. Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives save and except that the transaction with the Indian Hotels Co. Ltd., the ultimate holding company during the year exceeded 10% of the annual gross turnover of the Company for the previous year, the approval of which was taken from the shareholders by way of a special resolution at the AGM held on August 21, 2015.

#### Familiarization Programmes for Directors

The Details pertaining to Familiarization Programmes are included in the Director's Report, which forms part of the Annual Report. The Details are also disclosed on the Company's website at <https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/independent-directors/Familiarization%20Programme%20-%20BHL.pdf>

#### COMMITTEES OF THE BOARD:

The Board Committees are set up by the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board, and Chairpersons of the respective committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. During the year under review, all recommendations of the Committees were approved by the Board. The minutes of the meetings of all committees of the Board are placed before the Board for noting.

The Committees constituted by the Board of Directors of the Company are as under:

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### 1. Audit and Risk Management Committee:

Committee is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act. The committee has inter alia, the following terms of reference:

- i. Reviewing with management the quarterly/annual financial statements before submission to the Board for approval, with particular reference to:-
  - Matters required to be included in the Directors Responsibility Statement as provided under Section 134(5) of the Act are included in the Board's Report in terms of clause (c) of sub section 3 of Section 134 of the Act
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on exercise of judgment by the Management.
  - Qualifications in the draft audit report.
  - Significant adjustments made in the financial statements, arising out of audit findings.
  - The going concern assumptions
  - Compliance with Accounting Standards
  - Disclosure on any related party transactions.
  - Compliance with Listing and other legal requirements relating to financial statements.
- ii. Oversight the financial reporting process.
- iii. Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems.
- iv. Discussion with internal auditors on any significant findings and follow-up thereon.
- v. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- vi. Discussion with external/statutory auditors before the audit commences, nature and scope of audit, as well as have post-audit discussion to ascertain any area of concern.
- vii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- viii. Review and monitor the Auditor's independence & performance and effectiveness of audit process.
- ix. Approve policies in relation to the implementation of the Insider Trading Code and to supervise the implementation of the same.
  - x. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
  - xi. Examination of the financial statement and auditors' report thereon.
  - xii. Approval or any subsequent modification of transactions of the company with related parties
- xiii. Scrutiny of Inter corporate loans and investments
- xiv. Valuation of undertakings or assets of the company, wherever it is necessary
- xv. Evaluation of the internal financial controls and risk management systems
- xvi. Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
- xvii. To frame and review the policies in relation to the implementation of the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ('Insider Trading Code') and to supervise implementation of the same
- xviii. Monitoring the end use of funds raised through public offers and related matters
- xix. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

Although not mandatory, your Company has combined Risk Management with Audit Committee as a measure of good governance to frame, implement and monitor the risk management plan of the Company. The Committee has a Risk Management Policy, lays down a vigorous and active process for identification and mitigation of risks. The Committee reviews and monitors the risk management and mitigation plan from time to time.

In addition to the terms of reference of the Audit Committee, the terms of reference of the Risk Management Committee inter-alia, include the following:

- Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management
- Review and approve the Enterprise Risk Management (ERM) framework
- Review the Company's risk appetite and strategy relating to key risks, including market risk, cyber security risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks

The Company's Audit & Risk Management Committee comprises Mr. Moiz Miyajiwala Chairman, Mrs. Rukmani Devi and Mr. Rohit Khosla, Members. Each member of the Committee has the relevant experience in the field of Finance, accounting and hoteliering, with the Chairman being a Chartered Accountant. During the year under review, the Committee met four times and the gap between any two meetings did not exceed 120 days. Necessary quorum was present for all the Meetings. The details of the Audit Committee as well as the number of meetings held and attendance there at during the year are as under:-

Sl.No.	MEMBERS	ATTENDANCE AT AUDIT COMMITTEE MEETINGS HELD ON			
		24.04.2019	18.07.2019	06.11.2019	28.01.2020
1	Mr. Moiz Miyajiwala (Chairman) (Non-Executive, Independent Director)	✓	✓	✓	✓
2	Mrs. Rukmani Devi (Non-Executive, Independent Director)	✓	✓	✓	✓
3	Mr. Rohit Khosla (Non-Executive, Non-Independent Director)	✓	✓	✓	✓

The Audit Committee meetings are attended by invitation by the VP Finance-Northern Region, CFO, Group Internal Audit and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

The Internal Auditors and Statutory Auditors of the Company discuss their audit findings and updates with the Committee and submit their views directly to the Committee.

Mr. Harish Kumar, CFO, is the Compliance Officer, to ensure compliance and effective implementation of the Insider Trading Code.

Quarterly Reports are placed before the Committee Meetings relating to the Insider Trading Code.

The previous AGM of the Company was held on August 30, 2019 and was attended by Mr. Moiz Miyajiwala, the Chairperson of the Audit Committee.

## 2. Nomination & Remuneration Committee:

Committee is constituted in line with the provisions of Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act, comprising Mr. Moiz Miyajiwala - Chairman, Dr. Anant Narain Singh and Mrs. Rukmani Devi, Members.

The details of the Committee as well as the number of meetings held and attendance there at during the year are as under:-

Sl.No.	MEMBERS	ATTENDANCE AT NOMINATION & REMUNERATION MEETINGS HELD ON			
		24.04.2019	18.07.2019	28.01.2020	23.03.2020
1	Mr. Moiz Miyajiwala (Non-Executive, Independent Director)	✓	✓	✓	✓
2	Dr. Anant Narain Singh (Non-Executive, Non-Independent Director)	✓	✓	✓	✓
3	Mrs. Rukmani Devi (Non-Executive, Independent Director)	✓	✓	✓	✓

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The necessary quorum was present at all the Meetings.

The broad terms of reference of NRC inter-alia, include the following: -

- To identify persons who are qualified to become directors and who are appointed in senior management
- Recommend to the Board the setup and composition of the Board and its committees.
- Recommend to the Board the appointment or re-appointment of directors and Key Managerial Personnel.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Recommend to the Board whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board the remuneration policy for Directors, Key Managerial Personnel as well as the other employees.

Four Nomination and Remuneration Committee Meetings were held during the year under review.

The Company does not have any Employee Stock Option Scheme.

The previous AGM of the Company was held on August 30, 2019 and was attended by Mr. Moiz Miyajiwala, the Chairperson of the Nomination and Remuneration Committee

### **Remuneration Policy**

Pursuant to Section 178(2) and (3) of the Act, the Company has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees based on the recommendations of the Committee. The Policy envisages payment of remuneration according to qualification, experience. The Company's remuneration strategy is market driven and aims at attracting and retaining high caliber talent. Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The policy also recommended the criteria for determining qualifications, positive attributes and independence of a director and identified persons who are qualified to become director and who may be appointed in senior management in accordance with the criteria laid down and recommended their appointment and carried out evaluation of every director's performance.

The commission payable to NEDs is recommended by the NRC to the Board up to 3% of the net profits of the Company calculated in accordance with provisions of Section 198 of the Act and is distributed based on a number of factors, including attendance and contribution at Board and Committee meetings, commitment, effective deployment of knowledge and expertise, as well as time spent on operational matters other than at the meetings.

As per the Company's policy, NED's of the Company are paid, in addition to commission, sitting fees at the rate of Rs. 30,000 per meeting for attending meetings of the Board and meetings of committees of the Board. The Company also pays commission to the Non-Executive Directors within the ceiling of three percent of the net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and distributed amongst the Non-Executive Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The Remuneration policy is available on <https://www.Benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/policies/remuneration.pdf>

### **Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

### **3. Stakeholders Relationship Committee (SRC):**

Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act comprises Dr. Anant Narain Singh - Chairman, Mr. Rohit Khosla and Mrs. Rukmani Devi, Members.

The broad terms of reference are as under:

- Consider and resolve the grievances of security holders.
- Consider and approve issue of share certificates, transfer and transmission of securities, etc.

The Committee met once on January 28, 2020 during the period under review and was attended by all the members. Dr. Anant Narain Singh, Non-Executive Director, heads the Committee. The Secretary acts as the Compliance Officer to the Committee.

Details of Investor complaints and Compliance Officer are provided below in the Report.

The previous AGM of the Company was held on August 30, 2019 and was attended by Dr. Anant Narain Singh, the Chairperson of the Stakeholders' Relationship Committee.

#### **Details of complaints received and resolved during the financial year 2019-20**

Share transfers are processed weekly and noted by the SRC. Investor grievances are placed before the SRC. There were no pending investor complaints which remain unresolved. All valid share transfers lodged upto March 31, 2020, have been processed. The status of complaints received from shareholders during the year 2019-20 is as under:-

Complaints received	Pending as on March 31, 2020
0	Nil

#### **4. Corporate Social Responsibility Committee (CSR) and Sustainability Committee:**

In accordance with the provisions of Section 135 of the Act, the Company has constituted a CSR which has also been bestowed upon the responsibility towards Sustainability and is now known as CSR and Sustainability Committee comprising Dr. Anant Narain Singh - Chairman, Mrs. Rukmani Devi and Mr. Rohit Khosla, Members. The broad terms of reference of the CSR Committee are as under:

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- Monitor the CSR and Sustainability Policy.
- Review activities with regard to the Health Safety and Sustainability initiatives of the Company.

The details of the Committee as well as the number of meetings held and attendance there at during the year are as under:-

Sl.No.	MEMBERS	ATTENDANCE AT CSR AND SUSTAINAVILITY COMMITTEE MEETINGS HELD ON
		<b>24.04.2019</b>
1	Dr. Anant Narain Singh (Non-Executive, Non-Independent Director)	✓
2	Mrs. Rukmani Devi (Non-Executive, Independent Director)	✓
3	Mr. Rohit Khosla (Non-Executive, Non-Independent Director)	✓

The necessary quorum was present for the meeting.

The CSR Policy is available on the Company's website at <https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/announcement-policies/CSR%20POLICY.pdf>

#### **OTHER DISCLOSURES:**

##### **Remuneration to Statutory Auditors**

PKF Sridhar and Santhanam LLP, Chartered Accountants (Registration No. 003990S/S200018) have been appointed as the Statutory Auditors of the Company. As required under Regulation 34 read with Part C of the

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Schedule V of the SEBI Listing Regulations, the Total Fees paid by the Company to the statutory auditor is as under:

Particulars	Fees (Rs. Lakhs)
Services as Statutory Auditors (including quarterly audits)	5.00
Tax Audit	1.50
Services for GST Audit	1.00
Certification Services	0.50

#### **Prevention of Sexual Harassment**

The Details of Complaints received and resolved during the year are mentioned in the Director's Report, which forms part of the Annual Report.

#### **Transfer of unclaimed / unpaid amount to the Investor Educations and Protection Fund:**

Pursuant to the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividend, if not claimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF')

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website [www.benareshotelslimited.com](http://www.benareshotelslimited.com).

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven consecutive years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

Financial Year	Date of Declaration of Dividend	Proposed Date of Transfer to IEPF*
2012-13	16.08.2013	23.09.2020
2013-14	28.08.2014	04.10.2021
2014-15	21.08.2015	27.09.2022
2015-16	12.08.2016	18.09.2023
2016-17	03.08.2017	09.09.2024
2017-18	24.08.2018	30.09.2025
2018-19	30.08.2019	06.10.2026

\* Indicative dates, actual dates may vary

The Company has transferred an amount of Rs. 4,97,488 to IEPF of the Central Government during the financial year 2019-20.

The company has transferred 1,173 Equity Shares to the IEPF authority during the FY 2019-2020.

**Compliance Officer** : **Ms. Vanika Mahajan**  
**Company Secretary**  
 Address: Benares Hotels Ltd.  
 Corporate Office, Taj Palace, Sardar Patel Marg, New Delhi 110 021  
 Phone : 011-6650 3704  
 E-mail : vanika.mahajan@ihcltata.com

**Details of shares of the Company held by the Non-Executive Directors as on March 31, 2020, are as under:**

Dr. Anant Narain Singh - 24000  
 Mr. Puneet Raman - 4500  
 Mrs. Rukmani Devi - 1106

**Details on General Meetings:**

Location, date and time of the General Meetings held in the last 3 years are as under:

Location	Date	Time	Special Resolutions passed
Annual General Meetings Registered office at Nadesar Palace Compound Varanasi 221 002	August 30, 2019	3.00 p.m	- Appointment of Mr. Puneet Raman as an Independent Directors. - Re-appointment of Mrs. Rukmani Devi as an Independent Directors
	August 24, 2018	3.00 p.m	—
	August 3, 2017	3.00 p.m	—

The special resolutions were passed in the Annual General Meetings of the company with requisite majority.

During the year under review, there were no Special Resolutions passed by Postal Ballot by the Company. No extraordinary general meeting of the members was held during Financial Year 2019-20. Currently, none of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

**Investor Relations:**

Investor Relations at BHL serves as a bridge for two way communication of information and insights between the Company and the investment community. On one hand, this seamless channel of communication enables the investment community to be aware of the Company's business activities, strategy and prospects and allows them to make an informed judgement about the Company. On the other hand, the Company receives invaluable inputs and feedback from the investor community which are given due consideration and factored into future plans and strategies.

**Means of Communication:**

BHL recognises communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies. Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, Company's website and subject specific communications.

Quarterly, half-yearly and annual results of the Company are published in leading English and vernacular newspapers viz. Financial Express and Hindustan. Additionally, the results and other important information are also periodically updated on the Company's website viz. [www.benareshotelslimited.com](http://www.benareshotelslimited.com).

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The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through BSE Listing Centre for dissemination on the BSE website.

The Annual Report containing inter alia the Financial Statement (Audited Accounts), Directors Report (Board's Report), Auditors Report, Secretarial Audit Report and other important information is circulated to the investors. Management Discussion and Analysis and Corporate Governance Report forms part of the Annual Report.

The Company's website is a comprehensive reference on its leadership, management, policies, corporate governance and investor relations. On the website, Members can access the details of the Board, the Committees, Policies, Board committee Charters, financial information, statutory filings, shareholding information, details of unclaimed dividend and shares transferred / liable to be transferred to IEPF, frequently asked questions, etc. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company.

The Annual Reports for Financial Year 2019-20 were sent to all members who had registered their email ids for the purpose of receiving documents /communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the Investor Services section on the Company's website [www.benareshotelslimited.com](http://www.benareshotelslimited.com).

**Electronic Communication** - The Company had during Financial Year 2019-20 sent various communications including Annual Reports, ECS intimation of dividend by e-mail to those shareholders whose email addresses were registered with the Company / Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay.

**eXtensible Business Reporting Language (XBRL):** (eXtensible Business Reporting Language) is a standardized and structured way of communicating business and financial data in an electronic form. XBRL provides a language containing various definitions (tags) which uniquely represent the contents of each piece of financial statements or other kinds of compliance and business reports. In order to facilitate ease in compliance filings for listed companies across multiple Stock Exchanges. BSE has an online Filing Portal called 'BSE Corporate Compliance & Listing Centre' and provided a separate Tab for making submissions in XBRL form.

**Scores:** A centralized web based complaints redress system 'Scores' which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on complaint and its current status.

**Web-based Query Redressal System:** Members may utilise the facility extended by Link Intime India Private Limited, the Registrar and Transfer Agent of the Company for redressal of queries, by visiting their website [www.linkintime.co.in](http://www.linkintime.co.in).

### **Disclosures:**

The Board of Directors receive, from time to time, disclosures relating to financial and commercial transactions from key managerial personnel of the Company, where they and / or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The details of the Related Party transactions are placed before and reviewed by the Company's Audit Committee, in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

The Company has not entered into any materially significant related party transactions during the year under review, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and / or relatives. All transactions entered into with Related Parties during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. Suitable disclosure as required by the Accounting Standards (IND AS-24) has been made in the notes to the Financial Statements.



The Company follows Indian Accounting Standards (IND AS) issued by the Ministry of Corporate Affairs in the preparation of its Financial Statements.

- i. The Policy for dealing with Related Party Transactions has been uploaded on the Company's website at the following link:

<https://www.benareshotellimited.com/content/dam/thrp/benareshotellimited/documents/announcement-policies/RPT.pdf>

- ii. The Company has followed Accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) as specified under Section 133 of the Act and other relevant policies during the year under review. .

- iii. The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India / Statutory Authorities on all matters relating to capital markets, during the last three years. No penalties or strictures have been imposed by them on the Company.

- iv. The Company has a well-defined Whistle Blower Policy pursuant to which the Company has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The policy has been disclosed on the website of the Company under the link

[https://www.benareshotellimited.com/content/dam/thrp/benareshotellimited/documents/announcement-policies/Whistle\\_blower.pdf](https://www.benareshotellimited.com/content/dam/thrp/benareshotellimited/documents/announcement-policies/Whistle_blower.pdf)

- v. The Company has a Policy on Determination of Materiality for Disclosures. The policy has been disclosed on the website of the Company under the link

<https://www.benareshotellimited.com/content/dam/thrp/benareshotellimited/documents/announcement-policies/Materiality-policy.pdf>

- vi. The Company has a Policy on Archival and Preservation of Documents. The policy has been disclosed on the website of the Company under the link

<https://www.benareshotellimited.com/content/dam/thrp/benareshotellimited/documents/announcement-policies/Preservation-of-Documents.pdf>

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations:

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

Disclosures of commodity price risks or foreign exchange risks and commodity hedging activities specified under Schedule V (C) 10(g) to the SEBI Listing Regulations:

The Company does not deal in commodities and hence the disclosure pursuant to the same is not required to be given.

Pursuant to Regulation 26(3) of the Listing Regulations, all the Board Members and Senior Management of the Company as on March 31, 2020 have affirmed compliance with their respective Codes of Conduct. A declaration to this effect, duly signed by the Chairman of the Board is annexed to this report.

### **Certifications**

In terms of Regulation 17(8) of the Listing Regulations, the CEO and CFO have issued a certificate to the Board with regard to the propriety of the Financial Statements and other matters stated in the said regulation, for the Financial Year 2019-20.

A certificate has been received from Practicing Company Secretary Arvind Kohli & Associates, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The same is annexed to this Report.

# BENARES HOTELS LIMITED

## Forty Ninth Annual Report 2019-20

A compliance certificate on the requirements of Corporate Governance has been received from the Practising Company Secretary, which is annexed to this Report.

### Compliance with non-mandatory requirements

**1. Audit Report :** For the financial year 2019-20, the Auditors have expressed an unmodified opinion on the financial statements of the Company. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

**2. Reporting of Internal Auditor:** The Internal Auditors of the Company report to the Audit Committee of the Company, to ensure independence of the Internal Audit function.

As regards the other non-mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

### GENERAL SHAREHOLDER INFORMATION

#### Annual General Meeting

**Date and Time :** Tuesday, September 29, 2020 at 3.00 p.m.

The Company is conducting meeting through Video Conferencing and Other Audio Visual Means pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

**Registered Office :** Nadesar Palace Compound, Varanasi 221 002  
**Telephone No. :** 91 542 666 0001  
**Facsimile No. :** 91 542 2250 1343  
**Website :** www.benareshotelslimited.com  
**E-mail :** investorrelations@tajhotels.com

#### Tentative Financial Calendar for Financial Year 2020-21

Financial reporting for:

- Quarter ending 30th June, 2020 on or before August 14, 2020
- Quarter ending 30th September, 2020 on or before November 15, 2020
- Quarter ending 31st December, 2020 on or before February 15, 2021
- Quarter ending 31st March, 2021 on or before May 30, 2021

**Financial Year :** : 2020-21  
**Date of Book Closure :** August 23, 2020 to September 30, 2020 (both days inclusive)  
**Dividend Payment Date :** On or after October 9, 2020

#### Listing on Stock Exchanges

➤ Equity Shares : BSE Ltd.  
P.J. Towers, Dalal Street,  
Mumbai 400 001

**Corporate Identification No.(CIN) :** L55101UP1971PLC003480

**ISIN NO.:** : INE664D01019

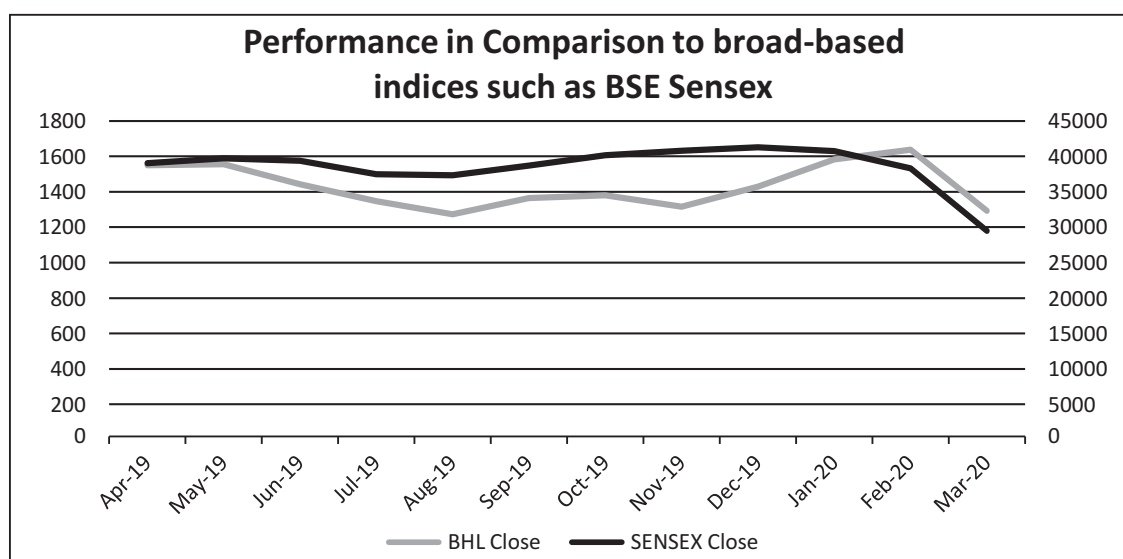
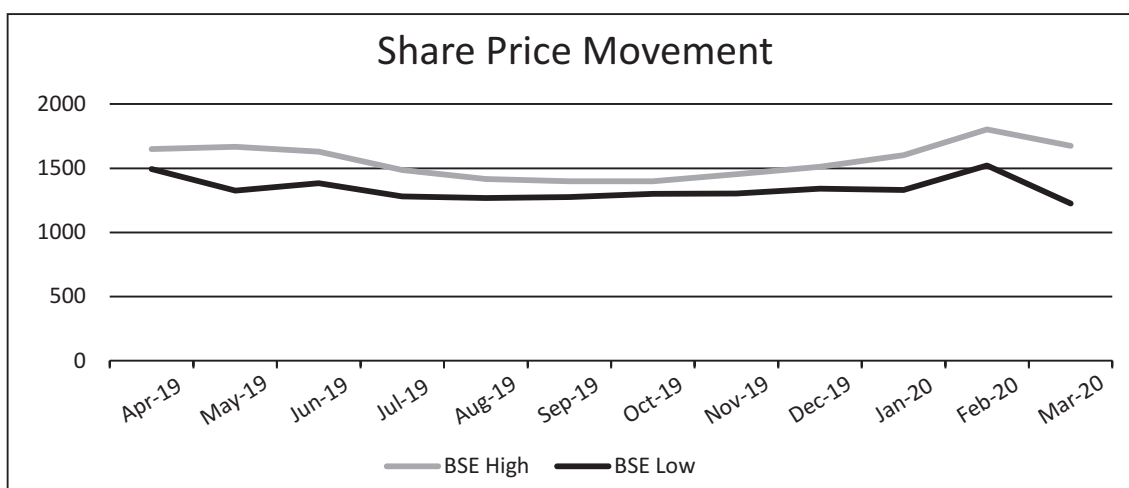
**Stock Code:** : 509438

Listing fees as applicable have been paid.

**Market Price Data:**

High/Low market price of the Company’s shares and performance in comparison to Sensex Indices on BSE Limited, during the financial year 2019-20 as furnished below:-

Months	BSE High	BSE Low
April 2019	1650.95	1493.95
May 2019	1668	1325
June 2019	1628.75	1384.3
July 2019	1486.9	1281
August 2019	1416.7	1269.05
September 2019	1400	1275
October 2019	1398.9	1300
November 2019	1455	1303.15
December 2019	1512.05	1340
January 2020	1602.6	1330
February 2020	1803	1521.1
March 2020	1675	1226.1



# BENARES HOTELS LIMITED

## Forty Ninth Annual Report 2019-20

### Category of Shareholding as on March 31, 2020

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	813273	62.56
Directors & their Relatives	10623	0.81
Resident Individuals & HUF	431504	33.20
Non-Resident Indians	3920	0.30
Clearing Member	341	0.02
Corporate Bodies	19796	1.52
IEPF	20543	1.58
<b>TOTAL</b>	<b>1300000</b>	<b>100.00</b>

### Distribution of equity shareholding as on March 31, 2020

Number of shares	Holding	Percentage to Issued Capital	Number of Shareholders	Percentage to Total Shareholders
1 - 500	170298	13.0998	4697	97.8542
501 - 1000	28555	2.1965	38	0.7917
1001 - 2000	31750	2.4423	24	0.5000
2001 - 3000	18933	1.4564	8	0.1667
3001 - 4000	13932	1.0717	4	0.0833
4001 - 5000	9500	0.7308	2	0.0417
5001 - 10000	79543	6.1187	11	0.2292
10001 - above	947489	72.8838	16	0.3333
<b>TOTAL</b>	<b>1300000</b>	<b>100.0000</b>	<b>4800</b>	<b>100.0000</b>

### Top ten equity shareholders of the Company as on March 31, 2020:

S.No.	Name of Shareholder	Total Number of Equity Shares	Total Shareholding as % of total number of equity shares
1.	The Indian Hotels Company Limited	643825	49.53
2.	Piem Hotels Limited	54063	4.16
3.	All India Kashiraj Trust	30000	2.31
4.	Anant Narain Singh	24000	1.85
5.	Vinodchandra Mansukhlal Parekh	20567	1.58
6.	IEPF Authority	20543	1.58
7.	Brajraj Singh	20000	1.54
8.	Aditya Deorah	19973	1.54
9.	Arjun Ramani	18798	1.45
10.	Maharaj Kumari Vishnupriya	18000	1.38

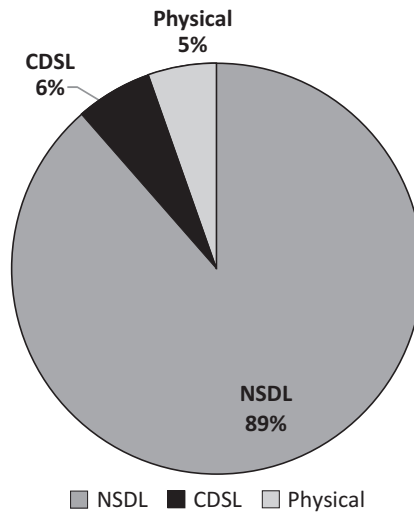
### Secretarial Audit

In terms of Section 204 of the Companies Act, 2013 the secretarial audit of the Company for the year 2019-20 has been carried out by the Secretarial Auditor appointed by the Company. The report of the Secretarial Auditor forms part of the Board's Report.

### Dematerialization of Shares & Liquidity

The Company's shares are compulsorily traded in dematerialized form on BSE. Equity shares of the Company representing approximately 95 percent of the Company's equity share capital are dematerialized as on March 31, 2020. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE664D01019. The Members whose shares are in physical form are requested to dematerialise their shares and update their bank account and email addresses with the depository.

### STATUS ON DEMATERIALIZED SHARES



**Registrar & Share Transfer Agents :** Link Intime India Pvt. Ltd.  
(Unit: Benares Hotels Limited)  
Noble Heights, 1st Floor, Plot No. NH 2, LSC,  
C-1 Block, Near Savitri Market, Janakpuri,  
New Delhi-110058  
Phone: 011 4941 1000  
Email: delhi@linkintime.co.in  
Website: www.linkintime.co.in

**Location of Hotels:** Taj Ganges & Taj Nadesar Palace, Varanasi and  
The Gateway Hotel, Gondia

### Investor Correspondence

For any queries, investors are requested to get in touch at the following addresses

#### Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.  
(Unit: Benares Hotels Limited)  
Noble Heights, 1st Floor, Plot No. NH 2, LSC,  
C-1 Block, Near Savitri Market, Janakpuri,  
New Delhi-110058  
Phone: 011 4941 1000  
Designated e-mail address for Investor Services: delhi@linkintime.co.in

OR

#### Company

Benares Hotels Ltd.  
C/o Corporate Office  
Taj Palace,  
SP Marg, New Delhi 110 021  
Phone: 011-66503549  
Email: investorrelations@tajhotels.com

# BENARES HOTELS LIMITED

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**Place for acceptance of Documents:** Documents will be accepted at the above addresses between 10.00 a.m. and 4.00 p.m. (Monday to Friday except bank holidays).

### **Investor Correspondance**

For any queries, investors are requested to get in touch with the Company's share department at Link Intime India Pvt. Ltd., Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058. A dedicated e-mail id delhi@linkintime.co.in has been set up for investors.

### **Share Transfer System:**

The Company had an in-house Registrar and Share Transfer Agent, responsible for handling shares and matters related to shareholders. In order to simplify the operating structure and set high standards of service delivery by offering the best services to Company's shareholders / investors, the Company outsourced its in-house STA to 'Link Intime India Private Limited' with effect from October 15, 2019.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

### **Reconciliation of Share Capital Audit**

In keeping with the requirement of Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC / FITTC/ Cir- 16/2002 dated December 31, 2002, a qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### **Report on Corporate Governance**

The Company regularly submits to the Stock Exchange, within the prescribed period, quarterly reports on Corporate Governance electronically through the online portal of the BSE Limited. A certificate from a practising Company Secretary on Corporate Governance is attached as an annexure to this Report.

### **Declaration by the Chairman on behalf of the Board of Directors regarding adherence to the CODE OF CONDUCT as specified in SEBI (Listing Obligations and Listing Requirements) Regulations, 2015**

In accordance with SEBI Listing Regulations, I hereby confirm that, all the members of the Board of Directors and Senior Management personnel have affirmed compliance with Codes of Conduct, as applicable to them, in respect of the Financial Year ended March 31, 2020.

**For Benares Hotels Limited**

**Dr. Anant Narain Singh**  
Chairman  
(DIN 00114728)

Place : Varanasi  
Date : 28th May, 2020

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS  
AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015**

To

**The Members of Benares Hotels Limited (CIN: L55101UP1971PLC003480)**

I have examined the compliance of regulations of Corporate Governance by Benares Hotels Limited for the year ended 31st March, 2020, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time.

The compliance of regulations of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: May 28, 2020

**For D.S. Associates  
Company Secretaries**

**Dhawal Kant Singh  
Proprietor  
CP No.: 7347  
M No. F8687  
UDIN: F008687B000283467**

**BENARES HOTELS LIMITED**  
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**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

**The Members of**  
**BENARES HOTELS LIMITED**  
**Nadesar Palace Compound**  
**VARANASI - 221002**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Benares Hotels Limited having CIN L55101UP1971PLC003480 and having registered office at Nadesar Palace Compound, Varanasi 221002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of Director	DIN	Date of Appointment in Company
1.	Dr. Anant Narain Singh	00114728	31/01/2001
2.	Smt. Rukmini Devi	00552831	27/06/1988
3.	Mr. Moiz Miyajiwala	00026258	24/01/2017
4.	Mr. Rohit Khosla	07163135	07/05/2015
5.	Mr. Puneet Chhatwal	07624616	10/05/2018
6.	Mr. Puneet Raman	00341221	17/09/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

**Arvind Kohli & Associates**  
Company Secretaries

**Arvind Kohli**  
Proprietor

FCS 4434, CP 2818

UDIN: F004434B000374056

Place: Gurugram  
Date: May 21, 2020



# Independent Auditors' Report

## TO THE MEMBERS OF BENARES HOTELS LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Benares Hotels Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

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

During the year the company completed expansion and renovation which comprised a significant portion of

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

#### How we addressed it in our audit

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

- Test of controls related to system of authorization of capital procurements, accounting and classification of related vendor bills, reconciliations of vendor accounts and approval for journal & payment entries.
- Verification of final determination of quantities, contract dues and vendor account reconciliations
- Validating the assumptions used in the allocation of indirect costs
- Comparison of the costs with the budgets and enquiring in to the reasons for variations and ensuring infructuous costs, if any, do not getting added
- Verifying the classification of additions into various asset classes and the useful life used for purpose of depreciation calculations

Our tests did not reveal any material exceptions.

#### Emphasis of matter

We draw attention to:

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

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

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information.

# BENARES HOTELS LIMITED

## Forty Ninth Annual Report 2019-20

The other information comprises the information included in the Directors report and Management Discussion and Analysis the Financial Performance but does not include the financial statements and our auditors' report thereon.

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

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

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards

(Ind AS) prescribed under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) At this juncture, we are unable to comment whether the matter described in the Emphasis of Matter paragraph above, may have an adverse effect on the functioning of the Company.
  - (g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 30 to the financial statements;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020.
3. With respect to the matter to be included in the Auditors' Report under section 197(16):  
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

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

**R. Suriyanarayanan**  
Partner  
Membership No. 201402  
UDIN: 20201402AAAAAT1445  
Place of Signature: Mumbai  
Dated: 28th May, 2020

## BENARES HOTELS LIMITED

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## Annexure-A to Independent Auditors' Report

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

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, none of the fixed assets were due for physical verification by the management during the year.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of the Company as at Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.
- iii. Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register

maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

- iv. Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees or security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore clause 3(iv) of the Order is not applicable to the Company.
- v. Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.
- vi. The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, *except for few delays*, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), cess and any other statutory dues were in arrears, as at 31 March 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax (GST), Duty of customs, Excise duty and Value added tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Name of Dues	Amount (in INR Lakhs)	Period to which amounts relates	Forum where the dispute is pending
U. P. Trade Tax Act	Demand	26.27*	FY 2006-07 & FY 2007-08	1st Appellate Authority, UP VAT

\*net of amounts paid under protest

- viii. Based on our audit procedures and as per the information and explanations given by the management, the Company does not have any loans or borrowings from the government, financial institution, bank or debenture holders during the year.
- ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause 3(ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

- xiii. Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares or private placement of shares or fully or partly paid convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.
- xv. Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi. Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

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

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

Place of Signature: Mumbai  
Dated: 28th May, 2020

# BENARES HOTELS LIMITED

## Forty Ninth Annual Report 2019-20

### Annexure-B to Independent Auditors' Report

Referred to in paragraph 2(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We We have audited the internal financial controls with reference to financial statements of **Benares Hotels Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Company's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to Financial Statements

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

#### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

#### Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No. 003990S/S200018

#### R. Suriyanarayanan

Partner

Membership No. 201402

UDIN: 20201402AAAAAT1445

Place: Mumbai

Dated: 28th May, 2020

## Balance Sheet as at 31st March, 2020

	Note	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment .....	4	8,866.53	8,070.72
Right of Use Assets .....	6	127.16	—
Capital work-in-progress .....		4.02	132.19
Other Intangible assets .....	5	71.44	73.94
		<u>9,069.15</u>	<u>8,276.85</u>
Financial assets .....		—	—
Investments .....		—	—
Other financial assets .....	7	23.96	26.22
Advance income tax (net) .....		187.22	201.61
Other non-current assets .....	8	108.60	120.84
		<u>9,388.93</u>	<u>8,625.52</u>
<b>Current Assets</b>			
Inventories .....	9	105.36	128.23
Financial assets .....			
Trade receivables .....	10	432.87	434.91
Cash and cash equivalents .....	11	181.72	112.02
Bank balances other than cash and cash equivalents .....	12	51.20	178.22
Other financial assets .....	7	146.94	128.48
Other current assets .....	8	172.57	52.44
		<u>1,090.66</u>	<u>1,034.30</u>
<b>Total</b> .....		<u><u>10,479.59</u></u>	<u><u>9,659.82</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital .....	13	130.00	130.00
Other equity .....	14	7,701.28	7,040.2
<b>Total equity</b> .....		<u>7,831.28</u>	<u>7,170.24</u>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities .....	15	349.26	—
Provisions .....	16	35.30	35.94
Deferred tax liabilities (net) .....	17	566.03	648.52
		<u>950.59</u>	<u>684.46</u>
<b>Current Liabilities</b>			
Financial liabilities .....			
Borrowings .....	18	550.00	500.00
Trade payables .....	19		
- Due to micro and small enterprises .....		5.61	1.93
- Due to others .....		559.71	689.30
Other financial liabilities .....	20	346.50	485.95
Other current liabilities .....	21	196.27	107.43
Provisions .....	16	39.63	20.51
		<u>1,697.72</u>	<u>1,805.12</u>
<b>Total</b> .....		<u><u>10,479.59</u></u>	<u><u>9,659.82</u></u>
Summary of Significant Accounting Policies .....	3		

The Accompanying Notes form an Integral part of the Financial Statements

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

**R. Suriyanarayanan**  
Partner  
(Membership No.: 201402)

Date : 28th May, 2020  
Place: Mumbai

For and on behalf of the Board  
**Dr. Anant Narain Singh**  
Chairman  
DIN: 00114728

**Vijay Partap Shrikent**  
Chief Executive Officer

**Harish Kumar**  
Chief Financial Officer  
ICAI M.No. 534449

**Rohit Khosla**  
Director  
DIN: 07163135

**Vanika Mahajan**  
Company Secretary  
ICSI M.No. ACS34515

Date : 28th May, 2020  
Place: Varanasi

**BENARES HOTELS LIMITED**

Forty Ninth Annual Report 2019-20

**Statement of Profit and Loss for the Year Ended March 31, 2020**

	Note	March 31 2020 ₹ Lakhs	March 31 2019 ₹ Lakhs
<b>I. INCOME (Revenue)</b>			
1. Revenue from Operations.....	22	6,363.56	5,967.65
2. Other Income .....	23	20.14	71.15
3. Total Revenue.....		<u>6,383.70</u>	<u>6,038.80</u>
<b>II EXPENSES</b>			
1. Food and beverages consumed .....	24	620.06	588.47
2. Employee benefit expense and payment to contractors .....	25	1,123.72	1,059.78
3. Finance Costs .....	26	107.64	75.80
4. Depreciation and amortisation expense .....		638.10	522.88
5. Other operating and general expenses.....	27	2,544.51	2,574.15
Total Expenses.....		<u>5,034.03</u>	<u>4,821.08</u>
<b>III PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX .....</b>		<b>1,349.67</b>	<b>1,217.72</b>
<b>IV EXCEPTIONAL ITEMS .....</b>		<b>—</b>	<b>—</b>
<b>V PROFIT/(LOSS) BEFORE TAX .....</b>		<b>1,349.67</b>	<b>1,217.72</b>
<b>VI TAX EXPENSES</b>			
1. Current Tax .....	28	312.15	271.54
2. Deferred Tax .....	28	(23.68)	73.89
Total .....		<u>288.47</u>	<u>345.43</u>
<b>PROFIT/(LOSS) AFTER TAX .....</b>		<b>1,061.20</b>	<b>872.29</b>
<b>VII OTHER COMPREHENSIVE INCOME, NET OF TAX</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
1. Remeasurement of defined benefit obligation .....		(16.44)	2.95
2. Change in fair value of equity instruments designated irrevocably as FVTOCI .....		—	—
2. Less: Income tax expense .....	28	4.14	0.82
Other comprehensive income for the year, net of tax .....		<u>(12.30)</u>	<u>2.13</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR .....</b>		<b><u>1,048.90</u></b>	<b><u>874.42</u></b>
<b>EARNINGS PER SHARE</b>	35		
1. Basic - (₹) .....		81.63	67.10
2. Diluted - (₹) .....		81.63	67.10
3. Face Value per Ordinary Share - (₹) .....		10.00	10.00
Summary of Significant Accounting Policies .....	3		
The Accompanying Notes form an Integral part of the Financial Statements.....			

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

**R. Suriyanarayanan**  
Partner  
(Membership No.: 201402)

Date : 28th May, 2020  
Place: Mumbai

For and on behalf of the Board  
**Dr. Anant Narain Singh**  
Chairman  
DIN: 00114728

**Vijay Partap Shrikent**  
Chief Executive Officer

**Harish Kumar**  
Chief Financial Officer  
ICAI M.No. 534449

**Rohit Khosla**  
Director  
DIN: 07163135

**Vanika Mahajan**  
Company Secretary  
ICSI M.No. ACS34515

Date : 28th May, 2020  
Place: Varanasi



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

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

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

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

For and on behalf of the Board

**Dr. Anant Narain Singh**  
Chairman  
DIN: 00114728

**Rohit Khosla**  
Director  
DIN: 07163135

**R. Suriyanarayanan**  
Partner  
(Membership No.: 201402)

**Vijay Partap Shrikent**  
Chief Executive Officer

**Vanika Mahajan**  
Company Secretary  
ICSI M.No. ACS34515

Date : 28th May, 2020  
Place: Mumbai

**Harish Kumar**  
Chief Financial Officer  
ICAI M.No. 534449

Date : 28th May, 2020  
Place: Varanasi

**BENARES HOTELS LIMITED**  
Forty Ninth Annual Report 2019-20

**Statement of Changes in Equity as at 31st March, 2020**

₹ Lakhs

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

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

**R. Suriyanarayanan**  
Partner  
(Membership No.: 201402)

Date : 28th May, 2020  
Place: Mumbai

For and on behalf of the Board

**Dr. Anant Narain Singh**  
Chairman  
DIN: 00114728

**Vijay Partap Shrikent**  
Chief Executive Officer

**Harish Kumar**  
Chief Financial Officer  
ICAI M.No. 534449

**Rohit Khosla**  
Director  
DIN: 07163135

**Vanika Mahajan**  
Company Secretary  
ICSI M.No. ACS34515

Date : 28th May, 2020  
Place: Varanasi

# Notes to Financial Statements for the year ended March 31, 2020

## NOTE 1: CORPORATE INFORMATION

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

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

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## NOTE 2: APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

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

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## NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance:

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

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

### Recent Accounting Pronouncements:

#### (i) New standards notified and adopted by the Company

##### Ind AS 116 Leases

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

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

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

Before the adoption of Ind AS 116, Company classified each of its leases at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance cost) and reduction of the lease liability. In an operating lease, the leased asset was not capitalised, and the lease payments were recognised as rent expense in Company income statement on a straight-line

## Notes to Financial Statements for the year ended March 31, 2020

basis over the lease term. Any prepaid rent and accrued rent were recognised within prepayments and trade and other payables, respectively.

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

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

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

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

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

### (ii) Other Amendments to the existing standards

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

- a) business combination accounting in case of obtaining control of a joint operation;
- b) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;
- c) income tax consequences in case of dividends;
- d) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;
- e) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;
- f) accounting for prepayment features with negative compensation in case of debt instruments;
- g) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;
- h) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

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

## Notes to Financial Statements for the year ended March 31, 2020

### (b) Standards issued but not yet effective:

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

### (c) Basis of preparation and presentation:

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

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

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

#### Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions

The Company 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:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

### (d) Critical accounting estimates and judgments:

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

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

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

- **Useful lives of property, plant and equipment and intangible assets:** The Company has with the help of group technical assessment estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**Notes to Financial Statements for the year ended March 31, 2020**

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

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

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

- **Leases:**

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

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

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

- **Estimation uncertainty relating to the global health pandemic on COVID-19**

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

## Notes to Financial Statements for the year ended March 31, 2020

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

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

### (e) Revenue recognition:

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

#### Revenue from operations

##### Rooms, Food and Beverage & Banquets:

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

##### Space and shop rentals:

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

##### Other Allied services:

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

##### Interest

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

##### Dividend

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

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

#### i. Provident Fund

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

## Notes to Financial Statements for the year ended March 31, 2020

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

### ii. Gratuity Fund

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

### iii. Compensated Absences

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

### iv. Short Term Obligations

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

### (g) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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



## Notes to Financial Statements for the year ended March 31, 2020

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

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

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

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

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

### (h) Intangible Assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

- i) the technical feasibility and Company's intention and ability of completing the project;
- ii) the probability that the project will generate future economic benefits;
- iii) the availability of adequate technical, financial and other resources to complete the project; and
- iv) the ability to measure the development expenditure reliably.

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

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

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

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

### (i) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or

## Notes to Financial Statements for the year ended March 31, 2020

changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

**(j) Foreign Currency Translation:**

The functional currency of the Company is Indian rupee.

**Initial Recognition**

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

**Subsequent Recognition**

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

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

**(k) Non-current assets held for sale:**

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

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

**(l) Assets taken on lease:**

**The Company as a lessee:**

Accounting Policy from FY 2019-20 onwards

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

## Notes to Financial Statements for the year ended March 31, 2020

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

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs incurred, lease payments made at or before the commencement date, any asset restoration obligation, and less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are also adjusted for any re-measurement of lease liabilities. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term.

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

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

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

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

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

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

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

### **Accounting Policy up to FY 2018-19**

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

**Notes to Financial Statements for the year ended March 31, 2020****• Company as a lessee**

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

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

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

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

**(m) Inventories:**

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

**(n) Government Grants:**

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

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

**(o) Income Taxes:**

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

**i. Current tax:**

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

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

**ii. Deferred tax :**

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

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

## Notes to Financial Statements for the year ended March 31, 2020

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

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

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

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

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

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

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

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

### **(q) Borrowing Costs:**

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

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

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

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

### **(s) Cash Flow Statement:**

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

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from

## Notes to Financial Statements for the year ended March 31, 2020

financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

**(t) Earnings Per Share:**

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

**(u) Segment Reporting:**

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

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

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

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

**(v) Financial Instruments:**

**Financial Assets:**

*Classification*

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

*Initial Recognition and measurement:*

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

*Debt instruments at amortised cost*

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

## Notes to Financial Statements for the year ended March 31, 2020

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

### *Derecognition*

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

### *Impairment of financial assets*

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

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

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

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

## **Financial Liabilities**

### *Classification*

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

### *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.

## Notes to Financial Statements for the year ended March 31, 2020

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

### **Financial liabilities at fair value through profit or loss**

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

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

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

### ***Loans and borrowings***

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

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

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

### ***Derecognition***

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

### ***Offsetting of financial instruments***

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

### ***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.



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**Notes to Financial Statements for the year ended March 31, 2020**

**NOTE 4: PROPERTY, PLANT AND EQUIPMENT (Owned, unless otherwise stated) ₹ Lakhs**

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

**Footnotes :**

(i) Gross block includes:

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

**NOTE 5: INTANGIBLE ASSETS (Acquired) - Softwares & Rights**

₹ Lakhs

<b>Cost</b>		<b>Amortisation</b>		<b>Net Block</b>	
At April 1, 2018	154.67	At April 1, 2018	59.73	At March 31, 2019	<u>73.95</u>
Additions	0.54	Charge for the year	21.53	At March 31, 2020	<u>71.44</u>
Disposals	–	Disposals	–		
<b>At March 31, 2019</b>	<u>155.21</u>	<b>At March 31, 2019</b>	<u>81.26</u>		
Additions	19.93	Charge for the year	22.44		
Adjustments	–	Disposals	–		
Disposals	–	<b>At March 31, 2020</b>	<u>103.70</u>		
<b>At March 31, 2020</b>	<u>175.14</u>				

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## Notes to Financial Statements for the year ended March 31, 2020

**NOTE 6: RIGHTS OF USE ASSETS**

	March 31, 2020 ₹ Lakhs	Total ₹ Lakhs
<b>Building</b>		
<b>Gross Block at Cost</b>		
At April 1, 2018 .....	—	—
Translation Adjustment .....	—	—
Opening Adjustments.....	—	—
Addition on acquisition .....	—	—
Additions .....	—	—
Deductions for the year .....	—	—
<b>As at March, 2019</b> .....	<u>—</u>	<u>—</u>
Translation Adjustment .....	—	—
Opening Adjustments.....	—	—
Addition on acquisition .....	—	—
Additions .....	130.19	130.19
Deductions for the year .....	—	—
<b>As at March, 2020</b> .....	<u><u>130.19</u></u>	<u><u>130.19</u></u>
<b>Depreciation</b>		
At April 1, 2018.....	—	—
Translation Adjustment .....	—	—
Opening Adjustments.....	—	—
Charge for the year.....	—	—
Deductions for the year .....	—	—
<b>As at March, 2019</b> .....	<u>—</u>	<u>—</u>
Translation Adjustment .....	—	—
Opening Adjustments.....	—	—
Charge for the year .....	3.03	3.03
Deductions for the year .....	—	—
<b>As at March, 2020</b> .....	<u><u>3.03</u></u>	<u><u>3.03</u></u>
<b>Net Block</b> .....	<u>—</u>	<u>—</u>
<b>As at March, 2019</b> .....	<u>—</u>	<u>—</u>
<b>As at March, 2020</b> .....	<u><u>127.16</u></u>	<u><u>127.16</u></u>

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**Notes to Financial Statements for the year ended March 31, 2020****NOTE 7: OTHER FINANCIAL ASSETS**

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
(Unsecured, considered good unless stated otherwise)		
<b>A) Non Current:</b>		
<b>Deposits with Public Bodies and Others at amortised costs</b>		
Public Bodies and Others .....	23.96	23.96
Deposits with Banks .....	—	2.26
	<u>23.96</u>	<u>26.22</u>
<b>B) Current</b>		
<b>Deposits with Public Bodies and Others</b>		
Others .....	1.03	2.34
	<u>1.03</u>	<u>2.34</u>
<b>Other advances</b>		
Considered good .....	14.99	24.77
<b>Interest receivable</b>		
Bank Deposits .....	0.08	2.69
	<u>0.08</u>	<u>2.69</u>
<b>On Current Account dues :</b>		
Related Parties (Refer Note 32) .....	64.50	69.73
Others .....	66.34	28.96
	<u>130.84</u>	<u>98.69</u>
<b>Total</b> .....	<u>146.94</u>	<u>128.48</u>

**NOTE 8: OTHER ASSETS**

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

\*For related party balances refer Note 32

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Notes to Financial Statements for the year ended March 31, 2020

**NOTE 9: INVENTORIES (At lower of cost and net realisable value)**

	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
Food and Beverages .....	60.08	61.79
Stores and Operating Supplies.....	45.28	66.44
	<u>105.36</u>	<u>128.23</u>

**NOTE 10: TRADE AND OTHER RECEIVABLES**

	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
<b>(Unsecured)</b>		
Considered good* .....	432.87	434.91
Balance having significant increase in credit risk .....	—	—
Credit impaired .....	42.95	27.63
	<u>475.82</u>	<u>462.54</u>
Less : Provision for impairment (refer foot note).....	42.95	27.63
	<u>432.87</u>	<u>434.91</u>

\*For related party balances refer Note. 32.

**Footnote:**

**i) Provision for impairment**

	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
<b>Opening Balance</b> .....	27.63	23.32
Add: Provision during the year .....	18.62	10.24
	<u>46.25</u>	<u>33.56</u>
Less: Bad Debts written off against past provisions .....	3.30	5.93
Less: Reversal of provision no longer required .....	—	—
<b>Closing Balance</b> .....	<u>42.95</u>	<u>27.63</u>

**NOTE 11: CASH AND CASH EQUIVALENTS**

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

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**Notes to Financial Statements for the year ended March 31, 2020**

**NOTE 12 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
<b>Other Balances with banks</b>		
Call and Short-term deposit accounts* .....	5.03	126.84
Earmarked balances .....	46.17	51.38
	51.20	178.22

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

**NOTE 13 : SHARE CAPITAL**

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
<b>Authorised Share Capital</b>		
Ordinary Shares		
15,00,000 (Previous Year- 15,00,000)		
Ordinary Shares of ₹ 10/- each .....	150.00	150.00
	150.00	150.00
<b>Issued Share Capital</b>		
13,00,000 (Previous Year- 13,00,000)		
Ordinary Shares of ₹ 10/- each .....	130.00	130.00
	130.00	130.00
<b>Subscribed and Paid Up</b>		
13,00,000 (Previous Year- 13,00,000)		
Ordinary Shares of ₹ 10/- each .....	130.00	130.00
	130.00	130.00

**Footnotes:**

- (1) The company has one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of the liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the shareholding.
- (2) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Fresh Issue	Closing Balance
<b>Ordinary shares</b>			
<b>Year ended 31-03-2020</b>			
- Number of shares .....	13.00	—	13.00
- Amount (Rupees) .....	130.00	—	130.00
<b>Year ended 31-03-2019</b>			
- Number of shares .....	13.00	—	13.00
- Amount (Rupees) .....	130.00	—	130.00

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## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 13 : SHARE CAPITAL (Contd.)

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

Name of the Company	No. of Shares March 31, 2020	No. of Shares March 31, 2019
<b>Holding Company</b>		
The Indian Hotels Company Limited .....	643,825	643,825
<b>Subsidiaries of Holding Company</b>		
Piem Hotels Limited.....	54,063	54,063
Northern India Hotels Limited.....	150	150
<b>Associate of Holding Company</b>		
Oriental Hotels Limited .....	50	50
<b>(4) Shareholders holding more than 5% shares in the Company :</b>		
The Indian Hotels Company Limited.....	643,825	643,825
% of Holding .....	49.53%	49.53%

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

### NOTE 14: OTHER EQUITY

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
<b>A) Reserves &amp; Surplus</b>		
<b>Capital Reserve</b> .....	0.86	0.86
<b>General Reserve</b>		
Opening Balance.....	2,167.22	2,167.22
<b>Closing Balance</b> .....	<u>2,167.22</u>	<u>2,167.22</u>
<b>Retained Earnings</b>		
Opening Balance .....	4,872.16	4,232.84
Less: Ind As 116 Transition .....	(152.77)	—
Add: Current year profits .....	1,061.20	872.29
Add: Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings) .....	(12.30)	2.13
Less : Final Dividend .....	(195.00)	(195.00)
Less : Tax on Dividend .....	(40.08)	(40.10)
<b>Closing Retained Earnings</b> .....	<u>5,533.20</u>	<u>4,872.16</u>
<b>Total</b> .....	<u>7,701.28</u>	<u>7,040.24</u>

## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 15: LEASE LIABILITIES

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
<b>Net Current</b>		
Lease liabilities .....	<u>349.26</u>	<u>—</u>
<b>Total</b> .....	<u><u>349.26</u></u>	<u><u>—</u></u>

### NOTE 16: PROVISIONS

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
<b>A) Non Current Provisions</b>		
<b>Employee Benefit Obligation (Non-current)</b>		
Compensated absences .....	<u>35.30</u>	<u>35.94</u>
	<u><u>35.30</u></u>	<u><u>35.94</u></u>
<b>B) Current Provisions</b>		
<b>Employee Benefit Obligation (Current)</b>		
Compensated absences .....	8.18	8.63
Gratuity .....	<u>31.45</u>	<u>11.88</u>
<b>Total</b> .....	<u><u>39.63</u></u>	<u><u>20.51</u></u>

### NOTE 17: DEFERRED TAX LIABILITIES (Net)

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

### NOTE 18: BORROWINGS

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
<b>Short term borrowings</b>		
<b>Short Term Borrowings from Related Parties</b>		
Secured .....	—	—
Unsecured @ 9% .....	<u>555.31</u>	<u>503.66</u>
<b>Total Short term borrowings</b> .....	<u><u>555.31</u></u>	<u><u>503.66</u></u>
Less: Interest accrued (included in Note 20) .....	<u>5.31</u>	<u>3.66</u>
<b>Total Borrowings</b> .....	<u><u>550.00</u></u>	<u><u>500.00</u></u>
(Refer foot note below)		

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Notes to Financial Statements for the year ended March 31, 2020

**NOTE 18: BORROWINGS (CONTD.)**

**FOOT NOTE:**

**Financial liabilities**

**Net debt reconciliation**

Particulars	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
<b>a) Net debt</b>		
Cash and cash equivalents .....	181.72	112.02
Current Investment .....	—	—
Short Term Borrowings .....	(550.00)	(500.00)
Long term Borrowings (Including Current portion) .....	—	—
<b>Net (debt)/ Cash &amp; Cash Equivalents .....</b>	<b>(368.28)</b>	<b>(387.98)</b>
<b>B) Other financial liability</b>		
Unclaimed Deposits/Interest.....	—	—
Derivative.....	—	—
Interest Accrued .....	(5.31)	(3.66)
<b>Total Other financial Liability .....</b>	<b>(5.31)</b>	<b>(3.66)</b>
<b>Grand Total .....</b>	<b>(373.59)</b>	<b>(391.64)</b>

Particulars	Accrued during the Year		Paid during the Year	
	31st Mar., 2020	31st Mar., 2019	31st Mar., 2020	31st Mar., 2019
<b>Interest Expenses</b>				
On long term borrowings	-	-	-	-
On short term borrowings	72.96	75.80	71.31	73.36
FV Changes for Derivatives (i.e. IRS)	-	-	-	-
Other Interest costs	-	-	-	-
<b>Total</b>	<b>72.96</b>	<b>75.80</b>	<b>71.31</b>	<b>73.36</b>

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



## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 19: TRADE PAYABLES

	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
Micro and Small Enterprises (Refer Footnote - 1).....	5.61	1.93
Vendor Payables.....	415.87	511.74
Accrued expenses and others .....	143.84	177.56
	<u>565.32</u>	<u>691.23</u>

#### Footnotes:

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

### NOTE 20: OTHER FINANCIAL LIABILITIES

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

#### Foot Note:

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

### NOTE 21: OTHER CURRENT LIABILITIES

	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
<b>Current</b>		
Advances collected from customers* .....	148.95	85.85
Statutory dues .....	47.32	21.58
<b>Total</b> .....	<u>196.27</u>	<u>107.43</u>

\*For related party balances refer Note 32.

# BENARES HOTELS LIMITED

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## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 22: REVENUE FROM OPERATIONS

	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
Room Income, Food, Restaurants and Banquet Income .....	6,035.85	5,687.82
Shop rentals .....	66.69	48.25
Membership fees .....	—	0.25
Others .....	261.02	231.33
<b>Total</b> .....	<b>6,363.56</b>	<b>5,967.65</b>

### NOTE 23: OTHER INCOME

	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
<b>Interest Income from financial assets at amortised cost</b>		
Inter-corporate deposits		
Deposits with banks .....	6.22	22.18
Interest on income tax refunds .....	8.81	2.99
<b>Total</b> .....	<b>15.03</b>	<b>25.17</b>
Profit on sale of assets (Net) .....	—	29.16
Others .....	5.11	16.82
<b>Grand Total</b> .....	<b>20.14</b>	<b>71.15</b>

### NOTE 24: FOOD AND BEVERAGES CONSUMED

	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
Opening Stock .....	61.79	49.94
Add Purchases .....	618.35	600.32
	680.14	650.26
Less: Closing Stock .....	60.08	61.79
<b>Food and Beverage Consumed</b> .....	<b>620.06</b>	<b>588.47</b>

### NOTE 25: EMPLOYEE BENEFIT EXPENSE AND PAYMENT TO CONTRACTORS

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

### NOTE 26: FINANCE COSTS

	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
Interest Expense at effective interest rate on borrowings .....	72.96	75.80
	72.96	75.80
Interest on Lease Liability .....	34.68	—
<b>Total</b> .....	<b>107.64</b>	<b>75.80</b>

## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 27: OTHER OPERATING AND GENERAL EXPENSES

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
<b>(i) Operating expenses consist of the following :</b>		
Linen and Room Supplies .....	99.56	112.37
Catering Supplies.....	43.36	64.74
Other Supplies.....	10.25	15.04
Fuel, Power and Light [Refer footnote (i)] .....	466.72	519.25
Repairs to Buildings.....	42.59	64.94
Repairs to Machinery.....	106.34	111.65
Repairs to Others.....	6.91	11.83
Garden Expenses.....	57.79	57.66
Linen and Uniform Washing and Laundry Expenses .....	78.37	69.41
Payment to Orchestra Artistes and Security Charges .....	43.27	44.53
Guest Transportation .....	57.62	52.30
Travel Agents' Commission .....	61.62	62.35
Discount to Collecting Agents .....	34.36	34.95
Other Operating Expenses .....	112.33	140.99
<b>Total .....</b>	<b><u>1,221.09</u></b>	<b><u>1,362.01</u></b>
<b>(ii) General expenses consist of the following :</b>		
Rent .....	17.34	16.40
Licence Fees .....	15.76	41.35
Rates and Taxes.....	33.83	44.91
Insurance.....	14.25	10.91
Advertising and Publicity.....	271.69	232.36
Management Fee Expenses .....	452.83	413.99
Reimbursable Fees Expenses- Corporate Services and CRS/ CIS .....	125.04	117.89
Printing and Stationery.....	14.98	22.91
Passage and Travelling .....	22.23	25.15
Provision for Doubtful Debts/ Bad debts written off (Refer Note 9) .....	18.62	10.24
Expenditure on Corporate Social Responsibility [Refer footnote (iii)] .....	20.48	21.28
Professional Fees .....	36.73	32.21
Outsourced Support Services .....	62.03	30.41
Exchange Loss (Net) .....	0.06	0.09
Loss on Sale of Fixed Assets (Net).....	33.49	—
Payment made to Statutory Auditors [Refer Footnote (iv)] .....	11.27	9.48
Director' Fees and Commission .....	52.05	48.99
Other Expenses .....	120.74	133.57
<b>Total .....</b>	<b><u>1,323.42</u></b>	<b><u>1,212.14</u></b>
<b>Grand Total .....</b>	<b><u>2,544.51</u></b>	<b><u>2,574.15</u></b>

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Notes to Financial Statements for the year ended March 31, 2020

**NOTE 27: OTHER OPERATING AND GENERAL EXPENSES (Contd.)**

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
<b>Footnotes:</b>		
<b>(i) Expenditure recovered from other parties :</b>		
Fuel, Power and Light .....	11.45	21.19
<b>Total</b> .....	<b>11.45</b>	<b>21.19</b>
<b>(ii) The following direct expenses incurred during the year and to the extent attributable to construction or renovation of hotel buildings have been capitalised:</b>		
Employee benefits expense .....	41.57	99.45
Fuel, power and light .....	16.95	18.05
Other expenses (Net) .....	10.69	13.98
<b>Total</b> .....	<b>69.21</b>	<b>131.48</b>
<b>(iii) Corporate Social Responsibility Expenditure</b>		
Amount required to be spent as per Section 135 of the Act .....	20.35	21.17
<b>Amount spent during the year on:</b>		
(i) Construction/acquisition of an asset .....	—	—
(ii) On purposes other than (i) above .....	20.48	21.28
<b>(iv) Payment made to Statutory Auditors:</b>		
As auditors .....	5.00	5.00
As tax auditors .....	1.50	1.50
For other services .....	2.20	2.20
For reimbursement of expenses .....	2.57	0.78
<b>Total</b> .....	<b>11.27</b>	<b>9.48</b>

**NOTE 28: TAX DISCLOSURES**

**i). Income Tax recognised in Profit & Loss:**

Particulars	March 31, 2020	March 31, 2019
<b>Current Tax</b>		
In respect of the current year .....	312.15	271.54
In respect of earlier years		
Resulting from reversal of provision for tax for earlier years .....	—	—
Other demands and tax paid for earlier years .....	—	—
	312.15	271.54
<b>Deferred Tax</b>		
In respect of the current year		
Set off of carried forward losses (unabsorbed deduction u/s 35AD)	—	—
Other items includes the impact on account of change in tax rates..	(23.68)	73.89
<b>Total tax expense recognised in the current year relating to continuing operations</b> .....	<b>288.47</b>	<b>345.43</b>

## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 28: TAX DISCLOSURES (Contd.)

#### ii) Reconciliation of tax expense with the effective tax:

Particulars	March 31, 2020	March 31, 2019
<b>Profit before tax from continuing operations (a)</b> .....	<b>1,349.67</b>	1,217.72
Income tax rate as applicable (b) .....	<b>25.1680%</b>	27.82%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)] .....	<b>339.69</b>	338.78
<b>Permanent tax differences due to:</b>		
Effect of expenses that are not deductible in determining taxable profit .....	<b>4.77</b>	4.96
Others .....	—	—
<b>Deferred tax reversal</b>		
Net Impact of the change in the tax rates* .....	<b>(56.21)</b>	—
Adjustment to opening deferred tax .....	<b>0.22</b>	1.70
<b>Tototal tax expense recognised in the current year</b> .....	<b>288.47</b>	345.43

#### Foot Note:

\* The change of tax rate from 25% to 22% was enacted on 20th Sept 2019 and will be effective from 01st Oct 2019. As a result, the relevant deferred tax balances have been remeasured. Deferred tax reversed in the year ended 31st Mar' 20 and later, has been measured using the current effective rate which is 25.168%.

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

#### iii) Income Tax recognised in other comprehensive Income:

₹ Lakhs

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

#### iv) Reconciliation of deferred Tax Asset and Deferred Tax Liability

₹ Lakhs

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

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**Notes to Financial Statements for the year ended March 31, 2020****NOTE 28: TAX DISCLOSURES (Contd.)**

₹ Lakhs

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

**NOTE 29: LEASE****A. Ind AS 116 Transition related disclosures**

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

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

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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

As on 01st April 2019 - Impact on Transition date	₹ lakhs
Recognition of Right to use Asset and presented separately	130.19
Recognition of Lease Liabilities and presented separately	341.78
Increase in Net Deferred Tax Assets	58.82
Net effect of above adjustments - reduction in Company's opening retained earnings by (Refer Note 14)	152.77

## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 29: LEASE (Contd.)

For the year ended 31 March 2020	₹ lakhs
Increase in depreciation expense relating to the depreciation of new right-of-use assets recognised.	3.03
Decrease in Rent expense relating to previous operating leases	27.20
Increase in Financial expenses relating to the interest expense on additional lease liabilities recognised	34.68
Increase in net cash from operating activities and decrease in financing activities by the same amount, representing repayments of principal and interest on the recognised lease liabilities.	27.20
<b>As at 31 March 2020</b>	<b>₹ lakhs</b>
Right-of-use assets recognised and presented separately in Company statement of financial position (Refer Note 6)	127.16
Lease liabilities recognised and presented separately in Company statement of financial position (Refer Note 15)	349.26
Net deferred tax assets increased on account of deferred tax impact of the changes in assets and liabilities (Refer Note 28)	55.86
Net effect of these adjustments increased Company's net liabilities by	166.24

### B. Ind AS 116 Transition related disclosures ₹ Lakhs March 31, 2020

#### 1. Total lease liabilities are analysed as follows:

##### Denominated in the following currencies:

Indian Rupees .....	349.26
Other Currencies .....	—
Current .....	—
Non-current .....	349.26

**Total** ..... **349.26**

#### 2. Amounts recognised in profit or loss

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

Depreciation of right-of-use assets .....	3.03
Expense relating to variable lease payments .....	15.76
Expense relating to short-term leases and low-value assets .....	—
Interest on lease liabilities .....	34.68
Gain on lease modification .....	—

**Total recognised in Statement of Profit & Loss** ..... **53.47**

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

#### 3. Exposure to future cash flows:

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

##### Maturity analysis:

Less than 1 year .....	28.05
Between 1 and 2 years.....	28.90
Between 2 and 5 years .....	91.80
More than 5 years .....	1,759.98
<b>Total</b> .....	<b><u>1,908.73</u></b>

## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 30: CONTINGENT AND COMMITMENTS

#### CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR):

a) **On account of Income Tax matters in dispute:**

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

b) **On account of other disputes in respect of:**

- i. Sales tax - ₹ 36.27 Lakhs (previous year - ₹ 36.27 Lakhs)  
ii. Others - ₹ 1.21 Lakhs (previous year - ₹ 1.21 Lakhs)

c) **Others**

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

- (i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;  
(ii) the proceedings are in early stages;  
(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;  
(iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented.

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

#### Capital Commitments

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

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### NOTE 31: SEGMENT REPORTING

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

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### NOTE 32: RELATED PARTY DISCLOSURES

#### 32(a) Related party transactions

##### Details of related parties:

(i) **Holding Company**

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

(ii) **Fellow subsidiaries**

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



# Notes to Financial Statements for the year ended March 31, 2020

## NOTE 32: RELATED PARTY DISCLOSURES (Contd.)

PIEM International Hotels (H.K) Limited  
BAHC 5  
United Overseas Holdings Inc.

(iii) **Directors who held the office during the year and previous year:**

Dr. Anant Narain Singh, Chairman  
Mr. Rohit Khosla, Non Executive Director  
Mr. Moiz Miyajiwala, Non Executive Director & Independent Director#  
Mrs. Rukmani Devi, Non Executive & Independent Director#  
Mr. Puneet Chhatwal, Non Executive Director (appointed w.e.f. 10th May 2018)  
Mr. Puneet Raman, Additional Director & Independent Director# (appointed w.e.f. 12th Sep 2018)  
Mr. Shiraman, Non Executive Director & Independent Director# (resigned w.e.f. 19th Jun 2018)  
Mr. Giridhar Sanjeevi, Additional Director (resigned w.e.f. 16th May 2018)

# Independent directors are included as related parties for the purpose of Indian Accounting Standards (Ind AS 24- Related Party Transactions) only. They are not related under the Companies Act , 2013.

(iv) **Key Management Personnel (KMP) for current and previous year:**

Mr. Ashwani Anand (Chief Executive Officer)#  
Mr. Vijay Partap Shrikent (Chief Executive Officer)  
Mr. Sopan Kedia (Chief Financial Officer)\*  
Mr. Harish Kumar (Chief Financial Officer)\*  
Ms. Vanika Mahajan (Company Secretary)

\* For part of the current year

# For part of the previous year

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

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

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

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

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

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

(viii) **Others**

Hotel Taj Ganges Employee Gratuity Trust

Notes to Financial Statements for the year ended March 31, 2020  
**NOTE 32: RELATED PARTY DISCLOSURES:**

S.No.	Particulars	Holding Company		Fellow subsidiaries, JV, Associates of the Holding company & Entity with significant influence or their subsidiaries/JV		Key Management Personnel (KMP)		Entities in which Directors are interested/ Relatives of Directors		Directors		Others	
		31 Mar. 20	31 Mar. 19	31 Mar. 20	31 Mar. 19	31 Mar. 20	31 Mar. 19	31 Mar. 20	31 Mar. 19	31 Mar. 20	31 Mar. 19	31 Mar. 20	31 Mar. 19
	<b>Transactions during the year:</b>												
1	ICD received during the year	-	-	500.00	700.00	-	-	-	-	-	-	-	-
2	Repayment of ICD received during the year	-	-	450.00	700.00	-	-	-	-	-	-	-	-
3	Interest Expense on ICD	-	-	72.96	75.80	-	-	-	-	-	-	-	-
4	KMP remuneration (Foot Note - 1)	-	-	-	-	86.97	77.07	-	-	-	-	-	-
5	Other Reimbursement to KMPs	-	-	-	-	1.04	1.36	-	-	-	-	-	-
6	Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-
7	Director Commission in cash basis	-	-	-	-	-	-	-	-	-	-	-	-
8	License Fees expenses paid/accrued	-	-	-	-	-	-	-	-	-	-	-	-
9	Management Fees expenses paid/accrued	452.83	413.99	-	-	-	-	-	-	-	-	-	-
10	Fees paid for other services/accrued	281.34	265.25	72.54	40.57	-	-	-	-	-	-	-	-
11	Deputed Staff Expense at cost	149.79	164.77	76.97	62.48	-	-	-	-	-	-	-	-
12	Deputed Staff Expense Recovered	110.45	99.32	70.09	68.08	-	-	-	-	-	-	-	-
13	Purchase of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-
14	Purchase of Goods	-	-	-	-	-	-	-	-	-	-	-	-
15	Other Reimbursable Expense at cost	85.58	149.00	2.58	7.59	-	-	-	-	-	-	-	-
16	Other Operating Income- Rooms (including tax)	1.09	-	5.11	14.16	-	-	-	-	-	-	-	-
17	Other Income Eamed/ Recoveries made	26.05	-	9.57	3.50	-	-	-	-	-	-	-	-
18	Dividend Paid	96.57	96.57	8.14	8.14	-	-	-	-	-	-	-	-
19	Contribution to Gratuity Trust on Cash Basis	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Balances outstanding at the end of the year:</b>												
1	Borrowings	-	-	550.00	500.00	-	-	-	-	-	-	-	-
2	Current Account Receivable	61.96	67.91	2.54	1.82	-	-	-	-	-	-	-	-
3	Trade Payables	252.91	292.69	13.76	0.20	-	-	-	-	-	-	-	-
4	Trade Receivables	-	4.16	3.49	7.86	-	-	-	-	-	-	-	-
5	Advance from Customer	-	0.33	-	-	-	-	-	-	-	-	-	-
6	Advance to Supplier	-	-	-	-	-	-	-	-	-	-	-	-
7	Current Account Payables	-	-	5.40	4.38	-	-	-	-	-	-	-	-
8	Interest Payable	-	-	5.31	3.66	-	-	-	-	-	-	-	-

Foot Note: 1. KMP Remunerations paid as reimbursement to IHCL.

## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 32: RELATED PARTY DISCLOSURES (Contd.)

32 (c) Details of material transactions with related party during the year ended 31 March, 2020 and balances outstanding as at 31 March, 2020:

S. No.	Entities	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
<b>Material transactions during the year</b>			
1	<b>The Indian Hotels Company Limited (IHCL)</b>		
	i Management and operating Fees .....	452.83	413.99
	ii Fee for other Services .....	281.34	265.25
	iii. Deputed Staff Expense at cost .....	149.79	164.77
	iv. Deputed Staff Expense Recovered.....	110.45	99.32
	v. Other Operating Income - Rooms (including tax).....	1.09	—
	vi. Other Income Earned/Recovered made.....	26.05	—
	vii Other reimbursable expense at cost .....	85.58	149.00
	viii Dividend Paid .....	96.57	96.57
<b>Fellow Subsidiary company</b>			
2	<b>United Hotels Limited</b>		
	i ICD Received .....	500.00	200.00
	ii. ICD Repayment Made.....	450.00	200.00
	iii Interest Expense .....	72.96	54.22
	iv Deputed Staff Expense at cost .....	13.66	15.26
	v. Reimbursement of expenses at cost.....	0.67	0.01
	vi Reimbursement of Expenses recoverable .....	—	—
3	<b>KMP Remuneration - paid as reimbursement to IHCL</b>		
	i Ashwani Anand .....	—	3.15
	ii Vijay Partap Shrikent .....	53.23	45.87
	iii Sopan Kedia .....	13.41	17.74
	iv Vanika Mahajan .....	14.94	10.31
	v Harish Kumar .....	5.39	—
<b>Balances outstanding at the end of the year:</b>			
1	<b>The Indian Hotels Company Limited (IHCL)</b>		
	i Management and operating fees payable .....	252.91	292.69
	ii Receivable on Current account dues .....	61.96	67.91
	iii Trade receivables .....	—	4.16
	Iv Advance from customer .....	—	0.33
2	<b>United Hotels Limited</b>		
	i Borrowings - Inter Corporate Deposit (ICD) .....	550.00	500.00
	ii Interest Expense payable .....	72.96	3.66
	iii Payable on Current account dues .....	0.91	0.47
3	<b>Payables to Directors &amp; Entities in which Directors are related</b>		
	i Dr. Anant Naraiian Singh .....	5.15	5.86
	ii Rukmani Devi Singh .....	—	0.05
	iii Maharaja Prabhu Naraiian Physical Cultural trust .....	1.29	1.22
	iv Aditya Dairies Private Limited .....	2.57	2.44
	v Ananta Electrical Lamp Works Limited .....	1.53	1.46

# BENARES HOTELS LIMITED

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## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 33: EMPLOYEE BENEFITS

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

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
Provident Fund .....	39.23	35.29

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

**Funded :** Post Retirement Gratuity

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

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

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

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

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
Current Service Cost .....	14.87	14.58
Interest on Net Defined Benefit Liability .....	0.14	0.25
<b>Total</b> .....	<u>15.01</u>	<u>14.83</u>

(iii) Amount recorded in Other Comprehensive Income

	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
Changes in financial assumptions .....	13.87	—
Changes in demographic assumptions .....	—	(0.08)
Experience Adjustments .....	(0.19)	(4.97)
Actual return on plan assets less interest on plan assets .....	2.76	2.10
<b>Total</b> .....	<u>16.44</u>	<u>(2.95)</u>

(iv) Reconciliation of Net Liability/ Asset

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

## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 33: EMPLOYEE BENEFITS (Contd.)

#### (v) Reconciliation of Defined Benefit Obligation

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

\*On account of business combination or inter group transfer

#### (vi) Reconciliation of Fair Value of Plan Assets

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

\*On account of business combination or inter group transfer

#### (vii) Description of Plan Assets

	March 31, 2020	March 31, 2019
Government of India Securities .....	0%	0%
Corporate Bonds .....	0%	0%
Special Deposit Scheme .....	5%	5%
Equity .....	0%	0%
Others - Bank FDR .....	95%	95%
<b>Grand Total</b> .....	<b>100%</b>	<b>100%</b>

#### (viii) Actuarial Assumptions

	March 31, 2020	March 31, 2019
Discount rate (p.a.) .....	6.55%	7.55%
Salary Escalation Rate (p.a.) .....	Staff- 5.00%	Staff- 5.00%
	Executive- 4.00%	Executive- 4.00%

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

**BENARES HOTELS LIMITED**  
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## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 33: EMPLOYEE BENEFITS (Contd.)

(ix) **Maturity Profile**

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

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

(x) **Effect of Change in Key Assumptions**  
**Year Ended 31st March 2020**

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

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

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

Information disclosed above is to the extent provided by actuary.

**Exposure to Risks:**

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

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

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

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

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

## Notes to Financial Statements for the year ended March 31, 2020

### OTHER REGULATORY MATTERS

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

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

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

#### NOTE 35: EARNINGS PER SHARE (EPS)

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

Particulars	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
Profit/ (Loss) after tax (₹) .....	1,061.20	872.29
Number of Ordinary (Equity) Shares in lakhs .....	13.00	13
Weighted Average Number of Ordinary (Equity) Shares in lakhs:		
Considered in calculation of Basic EPS .....	13.00	13.00
Considered in calculation of Diluted EPS.....	13.00	13.00
Face Value per Ordinary (Equity) Share (₹) .....	10.00	10.00
Earnings Per Share (₹):		
Basic	81.63	67.10
Diluted	81.63	67.10

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## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 36: FINANCIAL INSTRUMENTS (Contd.)

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

#### Financial assets and liabilities

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

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

#### Fair value of Financial Instruments measured at amortised cost :

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

### NOTE 37: FINANCIAL RISK MANAGEMENT

#### (A) Financial Risk Management

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

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



## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 37: FINANCIAL RISK MANAGEMENT (Contd.)

#### (B) Market risk

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

#### (C) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. During the year, following provisions for doubtful debts has been made:

Particulars	March 31, 2020 ₹ Lakhs	March 31, 2019 ₹ Lakhs
Opening provision for impairment.....	27.63	23.32
Add: Provision made during the year .....	18.62	10.24
Less: Credit impaired Debts written off against past provisions .....	3.30	5.93
Less: Reversal of provision no longer required .....	—	—
<b>Closing provision for doubtful debts .....</b>	<b>42.95</b>	<b>27.63</b>

#### Trade receivables

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

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

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

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

#### (D) Financial instruments and cash deposits

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

# BENARES HOTELS LIMITED

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## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 37: FINANCIAL RISK MANAGEMENT (Contd.)

#### (E) Liquidity risk

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

Inter Corporate Deposits	Interest rate % ₹ Lakhs	Due in 1st year ₹ Lakhs
<b>Year ended 31 March, 2020</b>		
United Hotels Limited .....	9%	<u>550.00</u>
<b>Total</b> .....		<b>550.00</b>
<b>Year ended 31 March, 2019</b> .....		
United Hotels Limited .....	9%	<u>500.00</u>
<b>Total</b> .....		<b>500.00</b>

#### (F) Other Risk Impact of Covid 19

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

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

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

### NOTE 38:

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

Contractual Maturity of Financial Liabilities:	₹ Lakhs				
	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due from 6th year onwards	Total
<b>Year ended 31 March 2020</b>					
Borrowings (for renewal)	550.00	—	—	—	550.00
Trade and other payables	565.32	—	—	—	565.32
Other financial liabilities - Non Current	28.05	28.90	91.80	1759.98	1908.73
Other financial liabilities - Current	346.50	—	—	—	346.50
<b>Year ended 31 March 2019</b>					
Borrowings (for renewal)	500.00	—	—	—	500.00
Trade and other payables	691.23	—	—	—	691.23
Other financial liabilities - Non Current	—	—	—	—	—
Other financial liabilities - Current	485.95	—	—	—	485.95

### NOTE 39: GUARANTEES GIVEN

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

## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 40: DISCLOSURE PURSUANT TO IND AS 115

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

# BENARES HOTELS LIMITED

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## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 40: DISCLOSURE PURSUANT TO IND AS 115

#### ADVANCE COLLECTIONS, DEPOSITS FROM CUSTOMER

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

	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
At 01st April .....	85.85	114.49
At 31st March .....	148.95	85.85
<b>Analysed as:</b>		
Current .....	148.95	85.85
Non-current .....	—	—

Revenue recognised during the period that was included in the opening balance of Customer Advances amounted to INR 85.85 Lakhs (PY - INR 114.49 Lakhs).

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### NOTE 41:

There are no financial liabilities and assets that are set off as at 31st March 2020 and 31st March 2019.

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### NOTE 42: DIVIDENDS

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

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

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

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### NOTE 43: CAPITAL MANAGEMENT

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

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

## Notes to Financial Statements for the year ended March 31, 2020

### NOTE 44: NEGATIVE WORKING CAPITAL

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

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### NOTE 45:

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

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

**R. Suriyanarayanan**  
Partner  
(Membership No.: 201402)

Date : 28th May, 2020  
Place: Mumbai

For and on behalf of the Board

**Dr. Anant Narain Singh**  
Chairman  
DIN: 00114728

**Vijay Partap Shrikent**  
Chief Executive Officer

**Harish Kumar**  
Chief Financial Officer  
ICAI M.No. 534449

**Rohit Khosla**  
Director  
DIN: 07163135

**Vanika Mahajan**  
Company Secretary  
ICSI M.No. ACS34515

Date : 28th May, 2020  
Place: Varanasi

# FINANCIAL STATISTICS

(Rs./Lacs)

YEAR	CAPITAL ACCOUNTS						REVENUE ACCOUNTS										Dividend	Tax on Dividend	Rate of Dividend %
	Capital	Reserves & Surplus	Borrowing	Deferred Taxes	Fixed Assets		Investments	Gross Revenue	Expenditure (Including Interest)	Depreciation	Profit Before Extraord. Items & Taxes	Taxes	Profit After Taxes	Net Transfer to Reserves					
					Gross Block	Net Block													
1989-90	130.00	28.54	223.51	—	354.89	233.57	—	293.01	222.09	18.93	51.99	3.10	48.89	38.49	10.40	8%			
1990-91	130.00	44.85	218.63	—	502.44	363.19	—	285.11	237.94	20.47	26.70	—	26.70	16.30	10.40	8%			
1991-92	130.00	125.83	181.95	—	528.47	360.75	—	421.79	286.34	28.46	106.99	—	106.99	80.99	26.00	20%			
1992-93	130.00	181.24	145.70	—	572.99	375.23	—	421.09	309.84	30.52	80.73	(0.67)	81.40	55.40	26.00	20%			
1993-94	130.00	231.84	101.98	—	617.92	389.34	—	462.66	343.17	32.89	86.60	10.00	76.60	50.60	26.00	20%			
1994-95	130.00	284.46	79.46	—	639.16	377.10	—	516.45	382.22	34.11	100.12	8.50	91.62	52.62	39.00	30%			
1995-96	130.00	427.78	48.94	—	689.27	390.25	—	755.19	498.42	36.95	219.82	18.00	201.82	143.34	58.50	45%			
1996-97	130.00	616.01	9.88	—	740.91	487.35	—	904.31	595.56	33.73	275.02	35.50	239.52	188.23	78.00	60%			
1997-98	130.00	781.67	9.74	—	785.85	498.88	—	985.31	688.39	35.96	280.96	29.50	251.46	165.66	78.00	60%			
1998-99	130.00	981.38	9.74	—	985.85	661.34	—	1,083.29	716.74	46.65	319.89	33.60	286.29	199.71	78.00	60%			
1999-00	130.00	1,161.94	9.74	—	1,032.95	661.53	—	1,105.09	730.40	48.19	326.50	37.71	288.78	180.56	97.50	75%			
2000-01	130.00	1,313.88	12.97	—	1,123.18	706.71	—	1,252.47	870.50	47.09	334.88	54.00	280.88	151.94	117.00	90%			
2001-02	130.00	1,106.06	12.97	141.16	1,282.28	812.41	—	936.29	776.22	55.17	104.90	32.50	72.40	(25.10)	97.50	75%			
2002-03	130.00	1,124.68	12.97	145.08	1,411.13	876.48	—	1,104.34	857.04	64.77	182.54	53.92	128.62	18.62	97.50	75%			
2003-04	130.00	1,188.07	12.97	152.81	1,530.16	929.83	—	1,298.42	957.70	67.29	273.44	92.73	180.71	63.39	104.00	80%			
2004-05	130.00	1,334.76	14.26	145.75	1,518.08	919.67	100.45	1,532.17	1,046.88	72.16	413.13	140.44	272.69	146.69	110.50	85%			
2005-06	130.00	1,497.84	14.26	146.71	1,759.20	1,112.36	105.19	1,574.94	1,071.05	67.56	436.33	147.25	289.08	163.08	110.50	85%			
2006-07	130.00	1,732.48	22.97	153.78	2,141.70	1,468.78	111.50	1,943.33	1,269.77	86.66	586.90	200.17	386.73	234.64	130.00	100%			
2007-08	130.00	1,990.41	22.97	164.09	2,323.36	1,548.51	—	2,168.87	1,397.41	101.93	689.52	229.08	440.45	257.93	156.00	120%			
2008-09	130.00	2,182.89	25.27	175.62	3,331.83	2,469.11	—	2,018.78	1,417.40	109.56	491.81	170.05	321.76	192.48	110.50	85%			
2009-10	130.00	2,362.78	30.58	205.33	3,534.63	2,522.04	—	2,347.19	1,635.69	153.20	558.30	181.34	376.96	179.89	169.00	130%			
2010-11	130.00	2,656.11	30.58	231.32	3,769.96	2,674.02	—	2,773.17	1,879.79	160.04	733.35	242.89	490.46	293.39	169.00	130%			
2011-12	130.00	3,033.66	—	249.27	4,228.85	2,978.46	—	3,519.50	2,387.20	170.72	961.58	342.35	619.23	377.49	208.00	160%			
2012-13	130.00	3,587.08	—	234.31	4,401.84	3,108.90	—	3,984.62	2,560.28	180.51	1,253.83	396.22	857.61	553.42	260.00	200%			
2013-14	130.00	4,180.88	—	245.64	5,238.53	3,646.59	—	4,411.88	2,845.90	190.28	1,375.70	477.71	897.99	593.80	260.00	200%			
2014-15	130.00	4,790.57	—	303.41	6,310.67	4,459.55	—	4,824.06	3,131.04	267.23	1,425.78	503.15	922.67	609.69	260.00	200%			
2015-16	130.00	5,306.20	—	841.59	6,673.21	4,605.92	—	5,100.20	3,547.16	286.46	1,286.57	458.01	828.56	515.63	260.00	200%			
2016-17	130.00	5,986.25	—	730.39	4,835.11	4,104.14	—	5,113.62	3,575.43	464.85	1,073.34	391.65	681.69	680.05	195.00	150%			
2017-18	130.00	6,400.92	500.00	573.80	6,322.13	5398.62	—	4827.52	3625.36	417.31	784.85	136.56	648.29	414.67	195.00	150%			
2018-19	130.00	7,040.24	500.00	648.52	9,444.25	8,144.66	—	6,038.80	4,298.20	522.88	1,217.72	345.43	872.29	639.32	195.00	150%			
2019-20	130.00	7,701.28	550.00	566.03	10,854.74	8,973.97	—	6,383.70	4,395.93	638.10	1,349.67	288.47	1,061.20	813.81	97.50	75%			



Taj Ganges, Varanasi

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